

If that level of duty were imposed on softwood lumber, we would see a decimation of the far larger softwood lumber industry that would render the decimation that has already started within the shake and shingle industry small by comparison. Our news services, our economic analysts, the people themselves in interviews have told us how dramatic and adverse that effect is going to be on them and on their communities.

The lumber industry employs people right across Canada, not so much in the prairie provinces, but in Atlantic Canada, in Quebec and Ontario and, predominantly in percentage terms, in British Columbia. The lumber industry is one of Canada's leading industries and one of our major industrial players. When we speak of a decimation of employment in this industry, what we are talking about is not 1 per cent or 2 per cent of Canadians losing their jobs in major centres. What we are talking about is 10 per cent or 20 per cent or 30 per cent or 50 per cent or 70 per cent of those employed in smaller centres losing their jobs. That is the fear which I have, and I think it is a fear that this Government has to address. It is a reality that this Government must address in assessing a measure that can be taken against the American action; that is the petition before the ITC.

Well, many commentators, many Members of this House, many economic analysts and many representatives of both unions and management in the softwood lumber industry have warned this Government of the dramatic adverse effects that a countervail tariff could have. The calculation depending on the price of lumber, is that the countervail tariff would run in the order of 27 per cent to 31 per cent. That is going to mean that, because of the characteristic mark-ups and add-ons and the need to recover overhead, we will see retail prices in the United States, building yard prices and contract prices to the larger builders increase by similar amounts. That is going to have some pretty severe effects through the United States economy, but they will be nothing compared to the effects on the producer economy in our own country, Canada.

I see from my correspondence file that I also wrote to the Prime Minister (Mr. Mulroney) on this matter on November 23, 1985, and, as yet, have had only an acknowledgement, but I do not make any great instance of that. It seems, after all, to be something that is fairly commonplace.

I am particularly concerned for communities in my own riding, the community of Kenora where there is a stud mill, the community of Dryden where there is also a stud mill producing dimensional lumber and, most particularly, the community of Hudson where there is a mill run by a relatively small regional producer which, in fact, supplies most of the jobs in that community.

These are the areas and the parts of Canada that are far from the public view and far from the press in Ottawa, Toronto, Montreal or Vancouver. They are far from the economic analysts in their glass and concrete towers, and far from us in this Parliament. These are the areas with which the Government's economic policy must concern itself. These are

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the people who must be reassured that their Government is not merely sitting back and taking a let-it-happen or wait-and-see sort of policy. These are the people that the Government will have to, in some way, recompense for the loss of their jobs when or if those job losses occur.

In referring to this motion I would like to bring out a couple of facts that have come to us through studies on the whole question of softwood trade across the border. One is that the United States of America is, after all, looking towards Canada to make up its shortfall in supply. If the United States of America prices Canadian lumber out of the U.S. market, this will lead to very substantial increases in the cost of home building, in the cost of home improvements, in the cost of all sorts of construction which utilizes Canadian lumber, which is recognized, preferred and demanded as a premium product in that market.

This Government should be taking the case to the natural allies of Canada's softwood lumber industry in the United States; the builders, the home buyers, those who are involved in lending, those who are involved in non-residential construction, those who are involved in the retailing and the distribution of this premium product that Canadian softwood lumber exports represent. Those are the people who have substantial influence on American public opinion, which our Government, given the best will in the world, and given a far more competent public relations approach than they have currently demonstrated, could not have. One study has pointed out that the virtual absence of trade barriers has made the North American market for softwood lumber virtually a single market. We should be considering what can be done so that there are cross-border flows in the opposite direction and American lumber can be sold in some parts of Canada, whereas at most points across the border the flow is in the opposite direction.

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It has also been pointed out that the arguments that have been used against the Canadian softwood lumber industry in previous hearings of the United States International Trade Commission are largely spurious when examined and fall apart in the light of analysis. Our attention is very legitimately focused on British Columbia since that province has the largest proportion of participation in the softwood lumber industry. However, I think it is worth noting that the share of the U.S. market held by eastern Canadian lumber has doubled since 1976, while the share of the American market held by British Columbia producers has not grown since 1978.

In a study prepared for the Department of External Affairs last year, it was stated that technological improvements enabled smaller logs to be milled economically and competitively, which contributed to the increase in Canadian production, especially from eastern Canada which generally has smaller logs. The usefulness of computer and laser based sizing systems and cutting prescription systems was greater there than it was in the British Columbia industry.