

In its fundamentals the eventual agreement was in line with the terms proposed by Canada and met all of Canada's declared objectives. It was signed without prejudice to our position that stumpage programs and practices are not subsidies subject to countervailing duty. It avoided the establishment of a potentially dangerous legal precedent. It ensured that any additional revenues would be retained in Canada. It maintained provincial sovereignty over the management of their natural resources. The only matter which was to be the subject of further consultation and agreement between the Canadian and U.S. Governments was the calculation of the value of any replacement measures in relation to the export charge.

The memorandum of understanding embodies the agreement reached between Canada and the U.S., implementation of which requires authority to collect the export charge. That authority is contained in Bill C-37 which reflects the elements of the memorandum of understanding.

Committees of both the House and the other place have completed several weeks of hearings on Bill C-37. I believe we worked on it for about six weeks in committee. We heard from a broad and impressive group of witnesses. Certain aspects of the agreement on which the Bill is based came under close scrutiny in both committees. I believe the committees' major

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concerns are being addressed through initiatives we have taken in discussions with the U.S.

Many of the other issues of concern will undoubtedly become less significant as the export charge is replaced by provincial measures as allowed by the legislation and the memorandum of understanding.

The Canadian Council of Forest Ministers has taken a lead in developing a national package of replacement measures. The provinces are co-operating on replacement measures, and the Minister's report progress is being made in this direction. I appreciate and fully support the efforts of the council and look forward to the Minister's next report which should be in June.

It is six o'clock, Mr. Speaker. I will finish my remarks when the Bill is brought back to the House. I know the Minister of State for Forestry and Mines (Mr. Merrithew) wants to participate as do my friends on the other side of the House. Again I want to thank them very much for their co-operation.

Mr. Deputy Speaker: It being six o'clock, this House stands adjourned until eleven o'clock tomorrow.

The House adjourned at 6 p.m.
