

*Softwood Lumber Exports*

us to collect the revenue from the surtax which the Government has ensured will be spent in northern Ontario and other parts of the country.

There are negotiations going on under Clause 15. I hope that northern Ontario is part of those negotiations. Another round of negotiations began last week between our federal government representatives and industry representatives and the U.S. Department of Commerce to address the issue of replacement measures with regard to the 15 per cent surtax. These negotiations will continue this week and early next week and it is hoped that we will see a positive resolution of this problem.

I would like to go over a few of the strong points of the Atlantic lumber industry in the past eight months. The Atlantic region is experiencing the same up-beat market as is the rest of the country. Although non-excluded companies in the Maritimes are not shipping as much lumber to the U.S. as in the past years, the strength of the local market has more than offset the effects of the 15 per cent tax.

The offshore market has also been very strong. According to the Maritime Lumber Bureau report of August, 1987, "inquiries from offshore exceeded supply and the European agents are surprised that more Maritime shippers are not taking advantage of a firm demand".

It is also worthwhile to point out that Maritime fears of lumber from other provinces flooding the Maritimes have not been fulfilled. This was also a concern of Ontario with regard to shipments from the West and was brought up during the hearings on Bill C-37. This has not occurred either. It is not likely to occur as the major producers, the Provinces of Quebec and British Columbia, have raised their stumpage rates significantly as compared to the rates prior to Bill C-37. For the maritime producers this is good news as it is for other provinces as well. The region has participated in the Canadian housing boom of close to 202,000 units.

One of our greatest concerns, which the Government has been addressing, is to have the borders opened. My colleagues must realize that free trade is the only way in which regions such as northern Ontario will have the opportunity for growth. I say that because we are very reliant upon resource base. It is very easy for the Leader of the NDP to say that we really do not need trade. He comes from Oshawa where General Motors is located which has the greatest trade between two countries and has an unemployment rate of zero per cent. He does not understand the concerns of regions such as northern Ontario.

My colleague from Cochrane—Superior and other Members from northern Ontario should be joining together to ensure the future of northern Ontario with regard to trading dollars. It is unfortunate that sometimes political beliefs come before the stability and the future of the regions.

I believe that the presentation made earlier this year by the Prime Minister (Mr. Mulroney) and the Minister for International Trade (Miss Carney) will enhance the future of

northern Ontario. It will enhance the future of our children, our grandchildren, and our great grandchildren. We will have an opportunity to build on the softwood lumber sector, the mining sector, tourism and agriculture. I call on each Member from northern Ontario to stand firm to ensure that this trade agreement gives us strength for the future. That is why it is important to ensure that this trade agreement is ratified. Hopefully this will have positive results for my colleague, the Member for Fundy—Royal.

• (1740)

**Mr. John Parry (Kenora—Rainy River):** Madam Speaker, I am pleased to speak on the motion of the Hon. Member for Fundy—Royal (Mr. Corbett). Indeed, let me begin by extending my thanks to him. I feel that any opportunity we have in the House to debate the present state and the future of Canada's largest industry is one that should be seized upon. Indeed, I am glad to see that we have a relatively large attendance for Private Members' Hour. I am grateful to all my colleagues for their interest.

I also want to thank the Hon. Member for Fundy—Royal for his detailed and I believe highly informed exposition of the nature of things in the regional forest products industry in Nova Scotia and New Brunswick particularly. In extending that compliment, I also have to caution him that the forest products industry and the forest industry in this country are of such diversity and variation between provinces and even within provinces that we should never assume, in examining the management, the taxation, the fee, and processing regimes from province to province and even region to region, that what is sauce for the New Brunswick goose is necessarily good for the gander of northern Ontario.

Indeed, stumpage rates are a case in point. The stumpage rates were already high in the two principal maritime producing provinces of New Brunswick and Nova Scotia and indeed have been increased since. However, the stumpage rate that is applicable in a province the size of New Brunswick, which is somewhat smaller than my constituency, may not be the stumpage rate that would be appropriate to another province.

The management regimes, the ownership of lands from which wood is harvested, varies very radically from province to province. For example, there is a very active and I believe progressive federation of woodlot owners in New Brunswick, which has no real parallel in northern Ontario where almost all wood is cut upon Crown lands under licence from the Ministry of Natural Resources or under forest management agreements. The situation that pertains in New Brunswick is different again.

The Hon. Member for Cochrane—Superior made reference to the length of some log hauls in northern Ontario. I would point out to the Hon. Member for Fundy—Royal that some log haul distances in northern Ontario would be the same as the distance covered by a log being taken from the New