

Softwood Lumber Products Export Charge Act

We saw as a result of the American action on shakes and shingles the absolutely ludicrous 10 per cent tariff on books, which only hurt our own book publishing industry. It was a very prejudicial action because it discriminates against English language books and against books in Britain as well as the United States. The Government has shown very poor judgment in its negotiations. It took steps which it believed to be swift, sure and effective, but which were in fact more harmful to our industry than that in the United States.

I am very dismayed about the long-term effects of this extremely misguided provision. Anomalies have been raised about this provision, but the Minister has responded to them in a most casual, off-hand manner. She says that they will be investigated. Yet we are dealing with the life or death of a community with a single industry that will not be exempt from this tax, while the industry in a nearby town will be exempt. These measures are only damaging our economy and affecting the political relationships between communities and provinces.

Our Party will fight this misguided approach as hard as we can because of the economic consequences to those communities, and the long-term political consequences for a country that wants to run its own affairs and is perfectly capable of doing so. We are already spending far too much money on the cultural industry in the United States, from which we may face even greater interference.

● (1310)

[Translation]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, by asking us to adopt Bill C-37 which imposes a charge on the export of softwood lumber, the Government is in fact asking us to ratify and approve the shameful agreement on softwood lumber now in place between the Canadian Government and the U.S. Government. I am not saying this only because I sit on the opposite side of the House. This reflects the views of many important people who play a key role in Canada's lumber industry, people who have expressed themselves in similar terms. For instance, Mr. Adam Zimmerman, President of MacMillan-Bloedel Ltd., one of Canada's biggest lumber companies. Mr. Zimmerman is President of the Canadian Forest Industries Council and thus represents a large number of people in the industry in Canada. On December 31 last year, he said in *The Ottawa Citizen*, and I quote:

In one fell swoop, the softwood lumber agreement has made an industrial paraplegic of the lumber industry.

Those are strong words from a President of the Canadian Forest Industries Council, Mr. Speaker. On January 6, he said: We have given up our sovereignty and ruined our industry. Those are prophetic words from someone who knows the lumber industry. Professor Max Cohen, one of Canada's greatest experts on international law, who sat on the International Court of Justice, is a former President of the International Joint Commission and is now a professor of international law, said on January 3, again as reported in *The Ottawa Citizen*:

The lumber deal is a dangerous precedent that threatens Canadian sovereignty.

He went on to say:

It is a strange procedure to allow someone else to monitor our own stuff—They maintained the unilateralness of something that is joint in effect because the Americans have a right to know everything about Canada's activity, information or anything else.

Here we have another expert in his field who, after looking at the agreement between Canada and the United States, is firmly opposed to it and in this specific case talks about a violation of our sovereignty. I understand how Mr. Cohen feels because, if I may get into some of the details, the Minister claimed that Clause 5(a) of the Agreement protects Canada's sovereignty. However, she tends to forget that the following clause, Clause 5(b), obliges Canada to consult with the United States, and if the United States disapproves of a measure imposed by Canada to replace the export tax, they may object. The Canadian Government has made the Canadian lumber industry fair game for whatever the Americans may want to inflict on the industry.

President Reagan has promised to take action if the Canadian Government does not observe the agreement according to his interpretation. And in the letter, the infamous letter sent on December 30 to the U.S. Coalition for Fair Lumber Imports by trade representative Clayton Yeutter and Secretary of Commerce Malcolm Baldrige, seven areas were identified where the Americans could object if any level of government in Canada attempted to help the lumber industry. I will name the two areas I find particularly obnoxious. There is the exemption. What would happen if for any reason, the Canadian Government decided to exempt certain lumber companies from the tax? A number of specific examples were raised in the House, but the Minister for International Trade (Miss Carney) did not comment. There are some lumber companies, especially in eastern Canada that import U.S. lumber to process and then export to the United States. Do you know what we will have to do if we want to exempt these companies, these sawmills? We will have to go to the United States to have the exemption approved. I think that is unconscionable. There are obvious cases where the provinces and the Canadian Government should themselves be able to judge whether or not a sawmill or lumber company should be exempted from the tax. But no, we first have to go down on our knees before the Americans and ask whether they agree to an exemption. I must say I find this caving in to the Americans profoundly nauseating.

But there is worse. On the list of seven capital sins, the seven types of measures the Canadian Government may not take to help its industry, we find granting subsidies or low interest loans to the industry. This means that the Americans will now be sticking their noses in every single decision the Canadian Government makes with respect to regional development grants. What happens if the Canadian Government decides to help a lumber company or a sawmill? It has to go and ask Uncle Sam whether it may proceed.