

*Adjournment Debate*

co-operation with the Government of British Columbia and signed with the United States government.

The important point I was pursuing was the question of sovereignty, the ability to set our own policy ourselves. I will cite three circumstances that I think the minister should consider in his current round of discussions, in his hopes to get support from the provinces to carry the fight to Washington.

Section 6 of the softwood lumber tariff memorandum of understanding allows the United States to question any policies that are pursued "directly or indirectly, which has the effect of offsetting or reducing the export charges or replacement measures". In my province a new stumpage regime was brought in. The commerce department took it so far as to question under section 6 when Canadian National Railways offered to reduce freight rates on lumber products as a violation of the memorandum of understanding.

In this particular case, I think I have applauded the government because it told the Americans to take a hike, that it did not apply.

Given the powers that obviously the Americans have interpreted in this section—and I hope we have some information on that when the parliamentary secretary responds—what other so-called indirect measures have been taken which may in fact have led to many decisions by this government, largely due to U.S. influence and how we signed our forest policy decision-making ability away.

I refer to a second measure which came late in 1986 when the Government of Canada exchanged notes with the U.S. government. Really the crux of the issue is the question of what is the determination of the replacement value with stumpage from the various provinces. The Canadian government has agreed with the U.S. government to impose an additional tariff again, if in fact the replacement measures, the stumpage systems which have been brought in, are actually reduced. This government has gone hand in glove with the U.S. commerce department in trying to implement this policy.

The final point is the side letter that accompanied the MOU amendments in late 1986. It is a letter signed by the then Secretary of Commerce and the U.S. trade representative and reads: "It is the understanding of the U.S. government that the U.S. government would have to approve any changes in the export charge or calcula-

tion of the value of any replacement measures. Any changes made without U.S. government approval would be considered a violation of the understanding".

This government, in co-operation with governments like the government of Mr. Vander Zalm, have sold out this country's ability to set its forest policy in particular on important questions like stumpage. We must at every opportunity now get out of the softwood lumber tariff so that we can set our own forest policy here in Canada.

**Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):** Mr. Speaker, on November 6, the hon. member requested the tabling of certain documents relating to the Canada-U.S. softwood lumber memorandum of Understanding. These same documents have been provided in response to a request under the Access to Information Act, but I will answer in some detail again.

Like any bilateral agreement, the softwood lumber memorandum of understanding includes a requirement for ongoing consultation. Under the terms of the memorandum of Understanding, Canada has agreed to provide certain information to the U.S. This includes the volume and the value of softwood lumber exports and the value of export charges paid, forestry regulations and statistics on forestry production in Canada.

Such an exchange of information in no way interferes with provincial rights to manage their forest resources. The government consulted closely with British Columbia and with other provincial governments before agreeing to the terms of the memorandum of understanding in the first place.

Most of the correspondence provided to the hon. member relates to routine matters. It is largely intergovernmental in nature, involving such routine things as settling dates and agendas for bilateral consultations or requesting information concerning the implementation of the memorandum of understanding. This can hardly be characterized as dictating how Canada manages its forest resources.

The memorandum of understanding does not give the U.S. the right to approve or disapprove changes in provincial forest management policies. In fact, provinces are free to implement changes to forest management policies as a basis for reducing or eliminating the export charge, subject to the agreement of the U.S. on the