

*Softwood Lumber Products Export Charge Act*

**Mr. John McDermid (Parliamentary Secretary to Minister for International Trade):** Madam Speaker, it is a pleasure for me to rise tonight to speak on this debate.

**Some Hon. Members:** Hear, hear!

**Mr. McDermid:** I appreciate very much the applause from all sides of the House.

**Mr. Benjamin:** What did you do, buy them supper?

**Mr. McDermid:** One would think that I bought them supper, wouldn't one? I have sat through the entire 17 and one-half hours of this debate and I think it is one of the better debates we have had in the House of Commons. Many points of view have been expressed and some very excellent points have been made. Tonight, I hope I will be able to answer some of the concerns that have been expressed by a number of Hon. Members from all sides of the House.

First, I would like to deal with the issue of sovereignty—

**The Acting Speaker (Mrs. Champagne):** Order, please. Order. The Chair would very much appreciate hearing what the Hon. Parliamentary Secretary has to say. It is actually impossible right now to do so with all the noise in the House.

[*Translation*]

Please, I would ask all Hon. Members to allow the Chair to hear what is being said in the House. The Hon. Parliamentary Secretary.

[*English*]

**Mr. McDermid:** Thank you, Madam Speaker. I appreciate that. I was saying that there are some areas I wish to cover that have been debated in the House. The first issue with which I would like to deal is the issue of sovereignty.

In my view, a trade negotiation is an exercise in sovereignty, not in surrender. All trade negotiations involve commitments made by participants with the understanding that arrangements can be terminated by any of the principals prepared to suffer the consequences. As such, there is no loss of sovereignty but rather its use through an agreed exchange. If I may, I would like to give a couple of examples of this.

In 1935, Canada and the United States successfully negotiated a bilateral trade agreement which lowered tariffs on each country's products. Subsequently, Canada, in a series of GATT rounds, negotiated agreements which lowered barriers to our trade. In doing so, we also agreed to limit the use of our sovereign power by subsidizing exports, by discriminating against foreign-made products through our tax system, by raising tariffs or by purchasing non-competitive Canadian products through federal procurements. That was part of the agreement made at that time. We gave something up to get something and that is the history of trade agreements.

I contend that simply belonging to GATT and following its rules means that a country gives up a little of its sovereignty, but it does that through trade agreements. Today we are

discussing a trade agreement signed between two sovereign countries. Had the countervail gone through, I might be arguing on the other side of this issue. I might be arguing that some of our sovereignty was lost, because under the American countervail law the Americans have unilateral powers. They could check the books of the federal Government, the provincial Governments and the industries. They could raise and lower the tariff at will—

**Mr. Benjamin:** Not under GATT.

**Mr. McDermid:** I am sorry, but they can. Under the GATT rules, that is allowed.

**Mr. Benjamin:** The GATT can do it, not the U.S.

**Mr. McDermid:** The Hon. Member will have a chance to debate later on.

**Mr. Benjamin:** I did.

**Mr. McDermid:** I am simply telling him that that is allowed under the rules of countervail and it has been allowed for a very long time.

**Mr. Langdon:** Give them the full system.

**Mr. McDermid:** Look, I sat and listened to both Hon. Members very, very quietly when they debated this issue.

**Mr. Benjamin:** No, you didn't.

**Mr. McDermid:** We are back on the Bill again and those Hon. Members will have all the opportunity in the world to debate this issue. I only have 10 minutes and if they would give me a chance to put my remarks on the record, they may rise and say their piece. Is that a fair deal?

**Mr. Benjamin:** Yeah.

**Mr. McDermid:** Thank you.

**Mr. Benjamin:** We won't be any noisier than you were.

**Mr. McDermid:** Another agreement under which certain commitments were made on both sides of the border was the Auto Pact. There were give and takes under the Auto Pact, and again two sovereign countries negotiated an agreement. The same is true of the issue that is before us now. Therefore, I do not believe for a minute that sovereignty has been lost by the Government of Canada through this agreement.

We are also talking about provincial resources. Earlier today an Hon. Member said that before his Party could approve the Bill he wanted to know how the money would be spent. Since we are talking about provincial resources, we are talking about provincial money. The provinces will be spending the money and that is explicit in the Bill.

With the exception of a small administrative fee, the money will go to the provinces. It is rightfully theirs because, under our Constitution, the provinces own the resources. The decision