

Softwood Lumber Products Export Charge Act

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 114, the recorded division on the proposed motion stands deferred.

I have been asked by the government Whip to defer the vote. Is that the position of the Parliamentary Secretary?

Mr. McDermid: Mr. Speaker, I understood that consultations had taken place and that we would proceed to third reading immediately. I would imagine that if we do proceed to third reading, we would naturally vote on the motions before we did so.

• (1750)

Mr. Fennell: Mr. Speaker, I am sorry, I did not know that we would finish this quickly and I had a phone call. I was going to speak to the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

Mr. Axworthy: It is too late.

Mr. Fennell: Will this be on division or do you request a vote?

Mr. Axworthy: Mr. Speaker, you know how co-operative we want to be in helping the Government manage the affairs of this House. We are certainly prepared to have these two amendments go on division. We are prepared as well to consent to move on to third reading. However, I want to say to the Parliamentary Secretaries collectively that we do not think it would be possible to complete third reading today.

Mr. Fulton: Mr. Speaker, I think it would be appropriate to do it on division. You have just been advised there is another problem as well, and doing it on division for that reason as well may be the most appropriate way to go.

Mr. Deputy Speaker: I gather there is consent to have Motion No. 7 and Motion No. 9 negated on division. Is that agreed?

Some Hon. Members: Agreed.

Motion No. 7 (Mr. Axworthy) negated.

Motion No. 9 (Mr. Fulton) negated.

Hon. John C. Crosbie (for the Minister for International Trade) moved that the Bill be concurred in.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: On division.

Motion agreed to.

Mr. Crosbie (for the Minister for International Trade) moved that the Bill be read the third time and passed.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, first I want to thank my friends in the Liberal Party and the NDP for their cooperation so we could move into third reading. I appreciate that very much.

The Softwood Lumber Products Export Charge Act, Bill C-37, now before the House for third reading, comes at the end of a long, complex and very important trade action in which the Government had to make a very difficult choice among the alternatives open to it. I would like to review briefly the background to our agreement with the U.S., and then comment on the initiatives the Government has taken since the end of December.

As you know, we argued strongly against the acceptance of the U.S. countervailing duty petition when it was filed some 10 months ago. Despite our strong representations, we were not successful. It was not because of a lack of effort. Our representations were very strong and I know Members on the other side of the House in meetings with their U.S. counterparts also made strong representations on behalf of the Canadian lumber industry.

Last October 16, the U.S. Department of Commerce reversed its 1983 decision and determined that stumpage was in fact a subsidy subject to countervailing duty and imposed a preliminary duty of 15 per cent. In a formal note the Government of Canada characterized this finding as: "Flawed in law, inconsistent with established U.S. practice and, in several important respects, based on erroneous assumptions". Nevertheless we had to face the fact that the ruling had gone against us. The Hon. Member for Cochrane—Superior (Mr. Penner) and I had a discussion today as to what would have happened if. All I can say is that if he knows what would have happened if, he is far better than I am. Perhaps he is anyway, but if he can see into the future and what might have happened if, he is certainly wasting his time in doing what he is doing today.

By early November it was becoming increasingly apparent that the final ruling would almost certainly go against us as well. I explained that when we discussed one of the amendments a little earlier. The best advice we received from those involved intimately with the 1983 decision was that we were not going to win. We were going to end up with a countervailing duty, and it seemed prudent to try to resolve the issue before that decision could be handed down.

The subsequent negotiations, which were the subject of a lot of debate this afternoon, were not easy. Initially, the petitioners held out for much more stringent terms than we were prepared to accept. They were talking about 30 per cent or 32 per cent as the starting point along with a number of other demands. However, these demands were successfully resisted. I have to give credit to the negotiating team. They did an excellent job under some very tough circumstances.