

Softwood Lumber Products Export Charge Act

it is the most important market for many firms is the United States. This small but growing sector of the British Columbia lumber industry is of utmost importance to British Columbia and Canada because the remanufacture, secondary manufacture or value-added components of the forest industry are critical to the full use and management of Canadian forest resources.

The British Columbia economy is hurt by the buffeting of primary resource boom and bust cycles. It must be levelled out through a diversified secondary industry base, the most logical and natural part of which is the secondary manufacture of local primary resources.

Because of the importance of the remanufacturing sector, and because this sector finds anomalies in the agreement as it relates to them, I was pleased to welcome Mr. Shawn Sullivan of the Independent Lumber Remanufacturers Association and Mr. Charles Widman of the Coalition of British Columbia Secondary Softwood Lumber Manufacturers to meet with Ministers and members of the British Columbia caucus to discuss the anomalies of the agreement as it relates to their sectors. I am pleased to report that the delegations felt that they received a very good hearing from both the British Columbia caucus, the Minister of State for Forestry and Mines (Mr. Merrithew) and the officials in the Departments involved. Members of the delegations left with a slight glimmer of hope that, with minor adjustments, a resolution of their problems might be found in the interpretation and implementation of the agreement.

The application of the U.S. Coalition for Fair Lumber Imports was focused on a perceived competitive inequity caused by what it viewed as unfairly low stumpage rates paid by Canadian producers. Its complaints were not directed toward value-added activities through remanufacture. This position was clearly stated in its application and followed up in the agreement. Negotiators for the agreement wisely recognized that under the pressure of a tough deadline certain anomalies might arise in areas of the agreement. As a result Clause 4 b. was put into the agreement. It states in part:

The export charge however will not be imposed on the value added in manufacturing some softwood lumber products.

That is, of course, the key by which we will have to try to see if we can find space for some of the other products which were perhaps missed in the first place. The Independent Lumber Remanufacturers Association was pleased that the list of products it submitted appeared in the agreement, giving them protective exclusions. However, upon closer examination by all parties involved, it was recognized that a number of other products such as pallet cut stocks, bed frame components, furring strips, roof decking cedar boards and industrial clears and shop products of remanufactured, box shook, edge-glued panels, select fascia and other patterns, such as 134, 130, 116, 118, 137, 204 A&B, 206 and 141, under NLGA standard grading rules may have been inadvertently left off the list of exclusions.

Similarly, some companies which would have qualified under the corporate exclusion list had they applied were left off that particular list. Whether they did not know that they could apply, whether they knew and did not want to apply because of the risk involved or because of the paperwork effort, cost and exposure of their books, or whether they simply assumed that the matter would be settled before it affected them directly, there still exists an anomaly in the agreement. In the outcome some companies of equal standing have exclusions while others do not.

Undoubtedly, the negotiators of the United States are strong and competent. However, we must also assume that they are fair and want to correct any such anomalies that may have occurred under the pressure of time and a tight deadline. Certainly, when rough lumber that comes from the United States is sold to Canada and we treat it with wood preservatives and then send it back to the United States the Americans do not want to see us charging a duty on that since they surely must want us to continue to buy that raw lumber. Thus it will be in their best interests, as well as in ours, to have a look at some of these anomalies to see if we cannot find a satisfactory solution to them. I hope the Government will appeal to the sense of fair play well known to the United States ethic and in the interpretation and implementation of the agreement make adjustments to these anomalies in the positive spirit and intention of the agreement itself.

We must resolve this issue and move on quickly to a comprehensive free trade agreement with the United States.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I understand that the Vice-President of the United States, George Bush, was visiting Ottawa today. Where was he when the Government could have used him three months ago? I understand that the Government tentatively booked the National Arts Centre theatre where the Prime Minister (Mr. Mulroney) and the Vice-President will have a sing-song. They will sing *Help Me Make It Through the Night*. It seems to me they will need a lot of help through the next year and a half before the next general election.

I knew we were in for some trouble when the present Minister for International Trade (Miss Carney) was appointed to her post. Previously, she had been the Minister of Energy, Mines and Resources. She has a well-known record for her negotiations. After all, she negotiated the Western Accord, which was the result of her first negotiation process. It was easy to come out successfully in that negotiation because she gave everything away. She did the same thing with respect to the offshore rights in Newfoundland. She is a great negotiator—she gives everything away.

As a matter of fact, after she had successfully negotiated the Western Accord and the deal with respect to offshore resources on the East Coast the Prime Minister sent his Minister a note in which he stated: "Pat, bingo!". The note was signed: "Brian". Then when the Prime Minister made her the Minister for International Trade he said: "We've given the ball