

I have been a Tory all my life, but with moves like this tariff, it is becoming increasingly difficult to stay one. This is also the feeling of a large number of the Tories in the industry.

The Government is foolish if it ever thinks it will elect anyone in Atlantic Canada when it imposes user fees and taxes which once again hurt the poorest part of the country.

Mr. Langdon: Mr. Speaker, I rise on a point of order. Since the Hon. Member has points which he has been unable to develop fully, I would like to ask for the unanimous consent of the House for him to expand his points about the Christmas tree industry, which are clearly important to Atlantic Canada and very much related to this matter.

Some Hon. Members: Agreed.

Mr. Cardiff: No.

Mr. Deputy Speaker: There is no unanimous consent.

• (1300)

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I rise to express some of my views and those of a number of constituents and others who live in areas that are not directly involved with the lumber export tax. However, they have many concerns about the Government's incompetence in this situation and some of its implications on Canadian sovereignty.

There are some direct implications on the area of communications and culture, an area in which I work very hard. The link between the lumber industry and the free trade negotiations generally, and the health, vitality and independence of the communications and cultural sector are very important issues. Therefore, I want to examine some of the effects the export tax will have on the lumber industry and the Canadian economy as a whole.

The New Democratic Party believes that this agreement is a very dangerous assault on Canadian sovereignty. For example, the replacement of the export charge with stumpage increases can only be done through American agreement that the value of the stumpage increase alternative must be equivalent to the export charge.

While there has been considerable consensus that the stumpage, particularly in British Columbia, is low and should be increased, we take great offence to the idea that the United States should decide on the value of this resource which our Constitution regards as provincially controlled. Furthermore, this sets a dangerous precedent for other industries because the United States has identified many irritants in other industries, some of which are vital to the health and economic welfare of families and communities in Canada.

The American interpretation of the agreement specifically prohibits: "The provision of grants, low-cost loans and other benefits" to the forest industry by either the federal or provincial Governments. In other words, the Government has agreed not to extend any subsidies, as described by the

Softwood Lumber Products Export Charge Act

Americans, to the forest industry which might in their view offset the export tax. The NDP and many independent experts have argued that there must be government support for modernization in the industry. There are some old mills in the industry, especially on the British Columbia coast where assistance is needed to help the industry build new facilities that are capable of producing higher value added and more finished products. However, these programs and even those to train displaced workers in the forest industry would be subject to American control. That is an offensive intrusion into economic decision-making in Canada. The United States has the power to shape the evolution of a vital, major exporting Canadian industry that is absolutely essential to our economy. We have never experienced so much intrusion into our decision-making.

The fact that the export tax applies only to the United States is illegal according to the rules under the General Agreement on Tariffs and Trade. The Government admits that this tax is contrary to commitments it has made under GATT and that our forest competitors from Sweden, for example, could go to GATT and insist that we similarly increase our forest product prices on goods exported to the EEC and elsewhere where Sweden competes with us. The Government's action has created the potential for more damage to the industry and its exports to other parts of the world.

Canadians are extremely concerned about the ineptness and vacillation on the part of the Government in this matter and do not accept the argument that it was necessary to have such an agreement in order to keep the money in Canada.

The transition from an export charge to stumpage increase can only be made through a federal-provincial agreement. Yet, the provinces have very different histories, with different methods of applying stumpage fees with these industries. For example, the stumpage fee in British Columbia is approximately one-third of that in Ontario and Quebec. Will Ontario and Quebec have to raise their stumpage as much as British Columbia, or can British Columbia change its system if Ontario does not wish to do the same? These are complicated issues that we expect will cause enormous difficulties in relationships between the provinces.

The fundamental concern of Canadians is that this measure represents a precedent for the United States to exert pressure for other concessions it is demanding with respect to other resource industries, agriculture and the cultural industries. The Americans have not been shy in demanding these concessions in negotiations. For instance, the copyright committee held hearings a year ago last summer, where American corporations, such as CBS, NBC and ABC made the most outlandish demands for further compensation from the Canadian Government and broadcasters in Canada. They claimed that the enormous amount they were making in Canada from their cultural exports was not enough. One of the outstanding irritants between Canada and the United States is in broadcasting where millions and millions of dollars are at stake. We are opposed to any negotiation of our cultural industries.