

industry to any great extent. However, given the fact that those conditions can change and change quickly—and we are seeing right now the dollar strengthening against the U.S. currency—I am very concerned. Ten minutes is not long enough to go into it thoroughly, but I will be speaking again on this Bill. Hopefully, I can speak for 20 minutes then.

I am very concerned, as are other members of my caucus, about the signals this kind of deal is giving to Canadians and what it is going to do to our natural resources. We have had a number of programs which were cut back. The fishing vessel subsidy program was cut back along with other programs under the Department of Fisheries. How did the Minister explain that? It was because of the countervail duties. I do not believe it is going to stop there. As a Prince Edward Islander, I am concerned about the fisheries and about our potato industry because the mood of the United States is not very conducive to a happy relationship such as the great relationship we saw at Quebec between the Prime Minister and the President of the United States when Irish eyes were smiling. Before this is all over, I am afraid there will be a lot of tears shed in Prince Edward Island by our farmers, our fishermen and all the people who use our natural resources, certainly by those working in the softwood lumber industry.

We in Atlantic Canada pay the highest stumpage fees in Canada. There are only five companies which are exempt from the 15 per cent tariff in Atlantic Canada. Put that 15 per cent on top of our higher stumpage fees and take into account our high unemployment rate, and you will see, Mr. Speaker, that we cannot afford to lose jobs. I want to thank you, Mr. Speaker, for giving me those few extra seconds. You are a gentleman and I am sure that you will be one of the guys who survive after the next election.

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, we find ourselves in debate today because the Canadian forest industry has been too successful in penetrating the United States market. The large disparity between the Canadian and the U.S. dollar, the efficiency of product and its quantity and quality, make the protectionist sentiment and action of the United States forest industry all but inevitable. Canadian forest companies have moved from 17 per cent to 33 per cent of the market.

The provinces should have adjusted their forest policies several years ago. They should have made adjustments regarding stumpage, annual allowable cut and intensive silviculture, recognizing the full implications of unnecessarily depleting a precious forest resource. They should have moved toward diversification, secondary manufacturing in the prime resource field. They should have had a stronger emphasis from industry and from provincial management many years ago. But again it is difficult to move from a status quo.

I suppose at this time it is time to compliment the unions because they in fact have seen this coming for several years and were among the first to call for changes in this direction. It seems to me that as a nation we always move in after a crisis rather than recognizing the signs and the necessity for times to

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change. The winning of the earlier countervail duty was in fact a signal, not to shout hurrah and continue on as we were but rather to see it as a danger signal calling for a re-examination and change in our policies and our ways of thinking.

Back in 1983 the Minister of Transport was early to recognize protectionist forces in the United States and called for a comprehensive trade agreement. The Prime Minister (Mr. Mulroney), as soon as he took office, moved toward a comprehensive free trade with the United States because he recognized the tide of protectionism and immediately countered with his own free trade initiative. The provinces started talking but it was too little, too late. The first thing we knew another very serious, even deadly, countervailing duty was upon us. Through the mechanism of enhanced federal-provincial relationships, the provinces called upon the federal Government to help, and the Minister for International Trade (Miss Carney) came in and negotiated a better deal than even the money markets' managers could ever have contemplated. We are now implementing an interim measure export tax until our provinces can modernize and redesign their own forest policies. Until then, the federal Government will collect a tax for intensive silviculture and job retraining in the provinces.

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Our Minister and her negotiators should be complimented and appreciated for their efforts with respect to the complicated agreement and negotiations which had to be completed on Canada's behalf. She has done a fine job for Canada, and Canadians are beginning to recognize this more and more each day.

There is a growing consensus among members of the industry, the unions, the financial community and British Columbians that the Government, facing a difficult situation to negotiate, has in fact done a good job in reaching a negotiated settlement. I get the feeling that the industry senses it can now live with the agreement. It now feels we should get on with settling the anomalies of the agreement as quickly as possible. That is really what this debate should be focused on and what subsequent committee meetings should be looking at in terms of giving priority to it.

During the parliamentary recess I was pleased to meet with many groups and representatives of the forest industry in British Columbia. Of particular importance were the meetings I held with the Independent Lumber Remanufacturers Association of British Columbia. The B.C. secondary softwood lumber industry is a sector of the forest industry which has grown in importance to the province in recent years. The industry has over 60 firms and employs close to 3,000 workers. In 1986, its sales volume was estimated to be in the range of \$500 million Canadian.

The industry produces a wide range of value-added products from raw material purchased from primary lumber producers, both in British Columbia and the United States. The industry sells its products to both domestic and foreign markets. By far,