

Adjournment Debate

5. It will be recalled that following the United States Commerce Department's preliminary determination on softwood lumber on October 16, a number of options were identified and assessed in close co-operation with industry and the provinces. None of these options were without significant problems and there were widely divergent views on how best to proceed.

It soon became apparent, however, that notwithstanding our strong case, a reversal of this preliminary determination was most unlikely and that the final ruling as well would go against us. In the circumstances, it was decided to explore the possibility of a negotiated solution which would protect Canadian interests to the greatest possible degree.

There is no doubt that the understanding signed on December 30 fully meets these objectives. The Minister pointed out previously that it recognizes the sovereign right of the provinces to manage their own resources. It ensures that any additional revenues will remain in Canada. Finally, it avoids

creating a precedent in the implementation of United States countervailing law that could have an extremely damaging effect not only on our trade in lumber but on a wide range of other resource-based products.

These negotiations were carried out in the face of pressures from the United States for a far more stringent settlement. The pressures were successfully resisted and the settlement we signed was on our own terms. It represents, I believe, the best possible solution to a long and troublesome dispute.

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.20 p.m.
