

Softwood Lumber

vision, which he could have, of course, compared to figures he was, however, very careful not to quote.

We all recognize that something went wrong along the way, and that we have to put things right. Let me assure you that this government, our government and our Prime Minister will see to it.

[English]

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, thank you for the opportunity to add my comments to this debate presently before the House.

As we all know, the forestry industry is Canada's largest single industry. It employs over 8,000 people throughout this country. It contributes over \$40 billion a year to our national revenue. Of that \$40 billion a year, \$20 billion of it is in the transfer of payments and comes into Canada as a balance of payments into our account. Not only that, the forestry industry in this country has 8,000 companies, businesses both small and large, that are a direct result of all the products of the forestry industry.

Since my colleagues and I have been in this House of Commons we have pretty well defined the forestry industry into four major areas: the pulp and paper business, the fine paper business in which we are attempting to increase our sales at this time, the specialty paper business like corrugated boxes and so on that are produced by specialty plants in every province in this country, and softwood lumber.

The softwood lumber business and the industry is the reason for this very special and important debate that we are holding tonight on behalf of every sawmill worker and every sawmill from the province of British Columbia, from the shores of Victoria to the province of Newfoundland. It is vital to the future. It is the artery of our economy. If that stops, the economy of Canada stops. We must pledge ourselves in an absolutely non-political way this evening to do whatever we can in order to ensure that the softwood lumber business in this country continues to be viable and strong.

We have heard in the debate tonight how we got into this terrible situation at this time in the history of Canada. My comments are not going to be a dispute on

we should not have done this or we should not have done that.

• (2240)

I agree with the minister when he said that the problem we face today is not a direct result of the trade agreement entered into approximately a year and two months ago. By way of historical background we had a very good softwood lumber industry with our friends in the United States, and with other countries. If there was any dispute it was settled by GATT and through normal negotiating processes between the countries with which there could have been some problem, particularly the United States.

That operated for over a hundred years in a very fine manner. If there was a dispute it went to GATT and we presented our case, the United States presented their case, GATT heard the case, there was a ruling and both countries decided to live with that ruling.

Prior to 1986 there were three disputes in which the Americans claimed, your friends in the United States, that there was an unfair subsidy to our forestry industry because of stumpage. Those disputes went to the dispute resolution mechanism in the GATT process. Each time, and after many hundreds of thousands of dollars, those disputes were found in favour of Canada. There was no unfair subsidy in British Columbia, there was no unfair subsidy in Alberta, there was no unfair subsidy in Ontario and all the other provinces in this country. We won that argument. We won that fight on three different occasions before 1986.

Then what do we do? We take a memorandum of understanding entered into prior to the trade agreement being entered into, that caused us some concern, that said that they wanted to go through a fourth hearing before GATT because the United States still felt that there was an unfair subsidy. We chose at that time not to fight it and enter into a memorandum of understanding. This is the folly of where we find ourselves today. The folly of this memorandum of understanding is that it was incorporated into the free trade agreement. By incorporating it into the free trade agreement we lost that wonderful mechanism in which we had been successful on three previous occasions. We now are forced to go