

There is a clause in there which says that one party or the other can give thirty days notice to cancel the agreement. But the Government is not doing that. It knows that we are in the right on the softwood lumber issue, but it does not want to back off on it because it is going to annoy the United States. As far as the softwood lumber people are concerned, they are saying: "Look, go ahead, cancel the Memorandum of Understanding. We will take our chances in the courts. We would rather take our chances in the courts than take our chances with this Government." That is what they are saying.

The softwood lumber issue is growing day by day. This Government is going to have to make a decision on it. It is saying to us: "Why don't the provinces do something about it? Why don't the provinces raise their stumpage fees? Let them do it." I have a message for the Hon. Member for Mississauga South (Mr. Blenkarn) who is the expert in finance and the expert on who is going to get what in eastern Ontario. Last fall after the election he described eastern Ontario as an area that should be penalized. I don't think he has much hope of being heard in this House this morning, although he does sound much better from the seat of his pants than he does in front of a microphone.

The export charge on softwood lumber is so poorly designed to be almost unworkable. This is the answer that I want to give to the Hon. Member for Mississauga, that the original 1986 Memorandum of Understanding indicates the Government's intention to ultimately replace the export charge with higher provincial stumpage rates.

The Province of Ontario is getting about \$25 or \$30 million a year in earnings from stumpage fees across Ontario for softwood lumber. In order to get it to the stage that the United States wants to see those stumpage rates at under the Free Trade Agreement, the Province of Ontario would have to increase stumpage fees by three times. It would have to triple those stumpage fees in order to satisfy the United States. So what is the sense of tripling the stumpage fees and then removing the 15 per cent export tax? The industry will still be loaded down for years to come with those higher stumpage fees because you cannot change them. If you do, you are going to be in trouble with the United States.

So, don't tell us to go off to the provinces. Don't blame the provinces. This Government signed the Memorandum of Understanding. Only it can remove it. It should

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do it in order to save the industry, an industry that has been the heart and soul of this country in many ways since before Confederation days.

Some Hon. Members: Hear, hear!

Mr. Hopkins: I want to talk about another industry, the Crown corporation that the Government has taken sums of money out of because it was able to have some in the bank. Let me say a word about Atomic Energy of Canada Limited which again is under attack today. If anything happens to Atomic Energy of Canada Limited, and we get out of the nuclear energy business or impair it in any way, then what is really going to happen is that this country is definitely going to have a shortage of power in years to come. This year AECL research and development has taken another reduction from \$130 million down to \$112 million, a reduction of \$18 million. It is told at the same time by the Minister of Energy that it can maintain last year's spending levels, but it is missing \$18 million. The Minister says to them, well, take it out of your reserves. In 1985, when this Government cut ACL by \$100 million in research and development, it also took \$70 million out of its reserve fund. Since then this Crown corporation has put \$30 or \$40 million back into the reserve fund.

But now the Government is saying, use your reserve fund to keep your expenditures up to that level. We are not going to give you any money to do it. We have a fantastic science community. I ask the Government today to consider its actions very carefully, and to get on with the job of research and development. Research and development is the driving force of our industry and, without it, there is no capacity to compete internationally.

• (1210)

Today in the Province of Ontario 50 per cent of the hydroelectric power and the jobs related to that industry are dependent on CANDU reactors which have proven to be the safest in the world. This technology is established in industrialized Canada.

Without those CANDU reactors in industrialized Canada, in order to generate the same amount of electricity as they have produced over the years, it would have been necessary to buy more than \$7.5 billion of coal from Pennsylvania for coal-fired furnaces. Of course, today everyone screams about pollution. There would have been \$7.5 billion more in coal-produced acid rain floating around Ontario. Imagine what the Parliament Buildings would look like under those conditions.