

### *Softwood Lumber Products*

The Government of Canada and the Government of the United States of America will consult semiannually and otherwise at the request of either Government regarding any matter concerning this Understanding.

I submit to you, Madam Speaker, that this is extremely important for the following reasons. First, it is the position of the Maritime lumber industry that because it was not identified as being part of the problem, that is, it was not specifically named as was British Columbia, Alberta, Ontario and Quebec, it believes the American lumber interests would be prepared to grant a blanket exemption to the Maritime Provinces. Five firms in New Brunswick, for instance, were granted an exemption under the countervailing duty action which was the initiation of this entire procedure.

It is important to understand that the Maritime Provinces export only 1.5 per cent of the total amount of lumber which goes into the United States. Over 95 per cent of Canada's timber harvest which goes into the United States comes from other regions of the country. The Maritime Provinces account for substantially little of what is shipped into the United States, yet we pay the largest stumpage fees.

It is important to recognize that the stumpage fees in New Brunswick were increased in excess of 25 per cent and the stumpage fees in Nova Scotia were increased in excess of 10 per cent since the timeframe was identified by American lumber interests and the Memorandum of Understanding was signed with reference to the particular time-frame.

It is also important that we recognize that we in the Maritimes are paying stumpage rates now of between \$46 and \$57 per 1,000 compared to \$1 to \$10 paid by the four provinces which were named. We, therefore, submit that we are not part of the problem and we should be excluded. In fact, there is basis under the Memorandum of Understanding for the Government to take action now, to go to the American authorities and gain that exemption for us. We feel we are entitled in law and in compliance under the agreement.

I think it is also important to understand that 57 per cent of the lands in New Brunswick are freehold lands. In Nova Scotia I believe close to 67 per cent are freehold lands, whereas in the balance of the country the freehold lands only account for 8 per cent of the production of lumber goods. By definition, then, it becomes obvious that we cannot expect that lands which are not subjected to stumpage can be part of the problem or would have been part of the countervail action. There is no subsidy on freehold lands, so obviously that point becomes very important in determining the future.

There is in jeopardy thousands of jobs in the Maritime Provinces. The Government has the opportunity to address this problem under the Memorandum of Understanding which is in place. We implore the Government to utilize that power and the jurisdiction which now falls within its purview to have, if necessary, stumpage rates increased in the four provinces which have been named. I urge the Government to move in this direction immediately.

There are thousands of jobs in the Maritimes which are dependent on a healthy and competitive lumber industry. We must ensure that the Government puts in place policies which do not result in job loss or the loss of our competitive situation, which could be one of the difficulties.

**Mr. Dan Heap (Spadina):** This year's New Year's present from the Government to Canadian industry is Bill C-37 which imposes a 15 per cent charge on the export of certain softwood lumber products to the United States. For Canada, this Bill is a great disaster, not eclipsed even by those disasters who have been appointed to the present Cabinet and who have had to resign.

There are several serious problems created by Bill C-37. They are certainly worse than the problems we had before, or the problems we could have had if the Government had been willing to take our case to GATT, the General Agreement on Tariffs and Trade.

The Government has set a precedent for the American lumber industry to control vital parts of the Canadian industry to a greater extent than it now does. It already owns far too much of Canadian industry, but this gives it the right to look into the books of our largest exporting industry, our lumber industry. It also gives the Americans the right to argue about federal-provincial relationships, to get into the argument of stumpage fees, to interfere between negotiations within Canada which are often difficult enough in their own right. It is also illegal. It will bring down on us the wrath of countries like Sweden, normally a good friend and ally. We will be accused of discriminating by placing a tax on exports to only one country, the United States. We will perhaps be forced to put that tax on all our exports. That will cut us out of still more of the foreign markets we have enjoyed and which we need.

There are many other disadvantages to the Bill which some of my colleagues have outlined in great detail. However, I want particularly to take up an objection made on Tuesday by the Hon. Minister of Public Works (Mr. McInnes), the Hon. Member for Halifax. He did not disprove any of our arguments so much as simply complain that the New Democratic Party is always against and never for anything. What he said was said in a very cheerful way, but it was nonsense. It was a good thing he smiled when he said it. I quote from page 2500 of *Hansard* on January 20:

My friends in the New Democratic Party must come out of their igloos.

I am here from my igloo in Spadina.

We are now in the 20th century. We must turn on the light bulb and become aware of the realities.

Members in that particular Party are against everything. It is about time they took a position with regard to what they are in favour of.

In the time I have at my disposal I would like to give the Minister a list of a few of the things of which this Party stands in favour. We have spoken strongly, in and out of this House, in favour of a very large Government effort to provide the sort of child care which is needed by parents, especially by working