

Softwood Lumber

They have been about our farms, the fishing industry and now our forest industry and forest workers.

It is clear that the decision by the U.S. commerce department on Friday is unfair and is unjustified. The decision by the U.S. commerce department is going to add almost 15 per cent to the cost of our lumber exports to the United States. This imposition of the tariff across all of the provinces in Canada, but Saskatchewan and the Atlantic provinces in particular, will have a dramatic impact on the forest industry and the workers in that industry.

In fact it is going to hurt Americans. It will add some \$1,500 to the price of a home that Americans want to purchase and will mean that President Bush's game plan to try to get home starts going in the United States will falter as his election campaign is.

In particular, the singling out of the British Columbia log export policies is hypocritical and ridiculous. As has been pointed out, both Washington and Oregon states control log exports. Washington, D.C. approves it and its move to include the log export policy from British Columbia is, and I underline it, a hypocritical policy. It is one that I am certainly pleased the new government in British Columbia, forest minister Dan Miller and Premier Harcourt, have already discussed. They have made their voices clear and loud about how they view this issue.

It is an important issue to us. This country exports over \$3 billion in lumber exports to the United States. It is clear just how dramatic and important this issue is when it is in dollars alone.

We have to take a brief step back in history to see just where we are and to set the stage for where we are now. Members know, of course, that these lumber disputes go back a long time. We had one in recent time, in 1982, when Canada actually won the case.

As has been pointed out, the issue resurfaced in 1986, provoked by U.S. lumber interests through the memorandum of understanding, the infamous memorandum of understanding. I say "infamous" because of the dramatic impact that agreement had and how we ended up in the mess that we are in today.

If our governments of the day had dealt with the issue at that time, no one is to say we would not have another dispute but we certainly would not have yet another cloud over the heads of our industry and the workers in the forest industry.

At the time, you will recall the now Prime Minister said it was a good deal for Canada. In interviews later on, the current forest minister said that the MOU was not a major worry for the forest industry, but we take issue with those views. We do not believe they are an accurate reflection of just what the situation is in the forest industry or in the whole matter of the trade disputes surrounding this issue.

We even had the most unfortunate situation where the former Socred government of British Columbia actually sided more with the Americans than it did with Canada. There have been published reports, astounding reports, which stated that when a Canadian team was negotiating and working out its strategy, the then premier and his forest minister in those meetings would later that night call the Americans to tell them what the Canadian strategy was.

That is an appalling approach for the premier of a province to take. I for one would say thank goodness that government is gone and that we now have a government in British Columbia that is prepared to fight and to defend the interest and the forests of our province.

Those who were deeply involved in the negotiations of the memorandum of understanding and the free trade agreement will tell you that the pressure from Washington at the time on Ottawa and the provinces was tremendous. The federal government and the provinces basically sold out our forest industry in order to get a very flawed free trade agreement.

Information we have obtained through the access to information legislation shows that the American commerce department would use the memorandum of understanding to challenge virtually anything that they considered to be a subsidy to our industry.

When Canadian National Railways and B.C. Railway decided to encourage more freight traffic, the Americans challenged the right of our railroads to reduce freight rates. They alleged that it was yet another subsidy. At that time our government told the Americans to shove off, it was none of their business. We supported them for that because it is just ridiculous given the mess we got into with this memorandum of understanding.

We supported the government as well when last fall it gave notice to the United States that the memorandum of understanding should be cancelled. We should never have been in that situation in the first place but the decision to scrap the MOU came too late and cost thousands of jobs. In the case of British Columbia,