

Adjournment Debate

statistically significant increase in the incidence of malignant brain tumors as compared with contemporary control animals.

In addition, Dr. Sheila Hoar and her co-workers at the United States National Cancer Institute have recently published the results of a study conducted in Kansas. The authors of this study have concluded that Kansas farmers using a variety of herbicides, in particular 2,4-D, were at an increased risk of developing a rare form of cancer. We believe that the evidence recently published by the doctor and her co-workers, when taken together with the experimental results demonstrated in rodents, suggests that 2,4-D may be a potential human carcinogen.

Officials of the Health Protection Branch have advised their colleagues in the Department of Agriculture that human exposure to 2,4-D should be kept to an absolute minimum and that alternate chemicals should be used wherever possible.

I see Madam Speaker signalling that I am running out of time. I should like to conclude by saying that consultations and the co-operation suggested in the studies are ongoing with the various Departments. Indeed some positions will be arrived at in the not too distant future.

● (1810)

TRADE—UNITED STATES DUTY ON CANADIAN SOFTWOOD LUMBER. (B) MINISTER'S POSITION—CANADIAN PROPOSAL

Mr. Maurice Foster (Algoma): Madam Speaker, on December 5, I put a question to the Minister for International Trade (Miss Carney) concerning the Government's plans with regard to the softwood lumber countervail duty which had already been imposed in a preliminary way on the industry. Since that time, the Government has totally capitulated to the United States and has not waited for the U.S. to impose or not impose a countervail duty. Instead the Government has imposed an export tax. There is a significant difference in the two arrangements. Clearly the Canadian softwood lumber industry is violently opposed to the Government imposing an export tax. People in the industry and many others believe that we could have defeated the U.S. softwood lumber coalition plan either in the trade tribunals in the United States, in the trade courts, or before the General Agreement on Tariffs and Trade panel in Geneva, Switzerland.

In any event, the Government has moved ahead with the imposition of an export tax which is most unfair. It infringes on our sovereignty and does not take into account the traditional arrangements we have had for native people. It is a decision which will come back to haunt the Government and future governments for many years to come. Outstanding constitutional experts and international legal experts during the past two weeks have said the same thing.

We are most concerned in my section of the country of northern Ontario. During the months of November and December, while this countervail duty of 15 per cent was in place, three major softwood lumber producers shut down operations or reduced the number of shifts. This would be bad

enough if that were the end of the issue, but the softwood lumber industry does not make the estimated \$550 million to \$600 million a year which the 15 per cent export tax is expected to cost. The industry does not make that much profit now. How can companies absorb the tax and turn any profit at all? No industry can operate indefinitely without some profit margin.

It has been made clear in a letter from Trade Representative Yeutter and Secretary of Commerce Baldrige to the United States Coalition for Fair Lumber Imports that they intend to have control over where that money goes in Canada. It cannot be used for forestry related projects, for roads, or for supporting or encouraging the industry. Where will the money go, Madam Speaker? It will go to the provincial Governments but it cannot be used in support of the industry. The more distressing concern is that the United States Government is demanding the export tax of \$550 million or \$600 million be imposed at that same level as a stumpage charge by the provinces.

Stumpage charges are, of course, right across the board. When you impose that level of tax as stumpage, the total cost to the industry and to Canadian customers and other export customers will be closer to \$870 million, as estimated by the United States. If the industry cannot afford a tax of \$550 million or \$600 million, how will it be able to afford a converted stumpage charge? Of course, the precedent will be set for the American pulp and paper industry to demand and receive a similar kind of tax to be imposed on the Canadian pulp and paper industry whose exports to the United States are two to three times as large as those of the softwood lumber industry.

● (1815)

Areas like my riding are faced with an incredible dilemma. Many plants had to shut down during the month of December. The industry does not know how it will pay this tax and still survive. I hope the Parliamentary Secretary will be able to give us some answers and some hope. I hope she will appreciate the dilemma that is faced.

The tax is unfair. Producers in Ontario pay a stumpage charge of something like \$17.50 per thousand board feet while in British Columbia, the equivalent stumpage charge on similar kinds of softwood lumber is about \$4.50. Yet the export tax is identical: 15 per cent across the board. It is much easier for B.C. lumber mill operators to pay the tax and still survive. In Ontario, the producers have to pay the very high stumpage fee while still paying the flat tax.

I hope the Government will move decisively on this because the industry is facing a terrible dilemma. Hundreds and thousands of jobs in northern Ontario will be lost due to this export tax.

Mrs. Jennifer Cossitt (Parliamentary Secretary to Minister of National Revenue): Madam Speaker, I am pleased to be able to respond to the question my colleague directed to the Minister for International Trade (Miss Carney) on December