

*Softwood Lumber Exports*

New Brunswick. Of that total, 40 mills are the only major industries in their communities. If the record were checked, I believe it would show that none of the 40 mills were among the five exempted from the tax. They certainly comprise some of the largest employers in the area.

There are 22,000 jobs in the lumber industry in the Maritimes. Some 6,000 of them are in New Brunswick and directly depend upon a healthy and competitive industry. The jobs in spin-off businesses and related industries are undetermined. However, there is certainly no question—and I say that with assurance—that they would be subject to the domino theory and that there would be substantial economic consequences if indeed there were serious implications on the future of the lumber industry.

It is imperative that the policies and initiatives which we put into place as a Government—and indeed it has been the track record of the Government—do not result in job loss or the loss of a competitive position, particularly in the Atlantic region. The result would be continued and deepened regional disparity, if that were to take to place. Economic security can certainly be assisted and would be greatly boosted if regional exemptions for all softwood producers were negotiated successfully by the Government.

Industry predictions indicate that if the Maritimes softwood lumber industry is not provided a blanket exemption, more than 4,000 jobs could be adversely affected and indeed lost to a region which is already suffering from chronic unemployment. In a region which is struggling to create jobs and to build a strong economic base this primary sector should be and must be assisted by policies that encourage, not discourage, risk-taking and expansion.

The Maritimes softwood lumber industry indicates that the export tax could have several long-term debilitating effects on the sector. Obviously unexempted softwood producers will lose the American market when the market becomes soft, which it inevitably will, because the tax will render their product uncompetitive.

There is also a great concern among producers in the Maritimes that producers west of the Maritimes, that is, from Quebec westward, could flood the market with their products in an effort to avoid the 15 per cent tax and when markets south of the border start to dry up. This could reasonably result in the loss of local markets for producers in the Maritimes as they are swamped by lumber from western producers.

Apparently that is taking place in Ontario at this time in that it is cheaper to bring in product through British Columbia from the United States to Ontario than it is to import directly from British Columbia forests. This is because the implications of the tax have caused American producers to gear up and to produce more lumber now. Their markets are drying up, so they are shipping lumber north of the border. As a result, we are seeing a negative impact.

We also recognize that European producers are agitating for a similar situation.

I believe, as do many others, that producers in the Maritimes are entitled to a regional exemption for the following reasons. First, they are already paying higher stumpage rates than those required in a negotiated settlement. Second, New Brunswick has raised its Crown stumpage fees by 27 per cent and Nova Scotia by 10 per cent since the countervailing duty assessment came into effect. Third, as a matter of law, the Maritimes can claim exclusion from the export tax based on the conditions of the Memorandum of Understanding.

In recent days, representations from Quebec and British Columbia have been made to the federal Government on the basis that those provinces have now increased their stumpage fees. They feel that they should now be exempted under the Memorandum of Understanding in subclauses 15(1) and 15(2) of Bill C-37 from the 15 per cent. Indeed, they probably should be exempted. The federal Government has recognized this and has responded positively in so much as it has agreed to take the matter to Washington to have it decided.

Why, in all the hype and talk which have been going on, has the situation as far as Maritimes softwood lumber producers are concerned not been addressed? Why is the following not recognized? We were not only paying high stumpage rates to begin with and were not part of the problem, but since that time we have increased stumpage rates to the point that we will be paying rates above those about which the Provinces of Quebec and British Columbia have been talking.

We should now be talking positively at the federal government level about lumber producers in the Maritimes as well as those in our sister provinces of Quebec and British Columbia.

I brought this issue to the attention of the House of Commons a number of months ago. I believe the Government is committed to eliminating regional disparity and has taken a perceptive look at what initiatives are needed to help Maritimers to help themselves. Initiatives such as the Atlantic Opportunities Program directed by Atlantic Canadians for the success of Atlantic Canada are great. We applaud them. Economic progress fostered by those who live and work in the region is welcome. We want a fair and equal opportunity for economic growth. We are not looking for hand-outs or for charity. We want to be able to survive. The failure to achieve a regional exemption under the memorandum is difficult for those individuals in communities penalized by this punitive tax to understand.

When I raised the issues a few months ago, we heard great accolades from members of the New Democratic Party and members of the Official Opposition. They asked where we had been and why we had not talked about it before. They attacked me personally because it was the first time I had raised it in the House. There is no doubt that there will be a response from them today, so I ask where on earth they have been all this time. They give all kinds of lip service to the type of things we