

*Softwood Lumber Products*

I will not relinquish my efforts to fight for the lumber industry in northern Ontario—

Will the Member for Timmins-Chapleau not begin his fight now and oppose and vote against Bill C-37? I believe it is more important to support our region of northern Ontario than it is to support the Minister for International Trade, so I say to the Hon. Member that the reasons given in his speech yesterday for supporting this Bill are weak and rather unconvincing.

Let me review those reasons quickly. He said that if we had not struck a deal with the Americans we may have faced a countervail tariff higher than 15 per cent. The evidence is all to the contrary. There is no evidence that it would have been higher, but there is good evidence that we would have won our case in Washington.

Second, he says that the money will stay in Canada where it can be used. For what? He calls upon the Premier of Ontario for support, saying that we can use this money to retrain forestry workers who will lose their jobs. The Hon. Member has much more faith in these retraining programs than I do.

He also talks about the establishment of a heritage fund for northern Ontario and doing more research on the spruce budworm problem.

I invite the Hon. Member for Timmins—Chapleau to come with me at the end of the month to meet a large number of bush workers from Hearst, Mattice, Opasatika, and Chapleau to make these arguments in their presence and see how convincing they are.

The Member for Timmins—Chapleau also says that the money could be used to help find new markets in Europe and the Pacific Rim. The Hon. Member knows as well as I do that what prevents us from gaining access to those new markets are the prohibitively high freight rates that we must endure in our region.

Therefore, I conclude by saying that from a northern Ontario perspective Bill C-37 is just unsupportable. It simply has to be opposed by all Members from the region, including Liberal, New Democrat and Progressive Conservative Members alike. This is a clear-cut and unequivocal regional issue and I call upon the Member for Timmins—Chapleau and the Member for Timiskaming (Mr. MacDougall) to stand with all Members and let us have one strong voice in the House for northern Ontario against a tax which will inevitably result in a large number of lost jobs. It will be a set-back for the industry and our economy is much too fragile to be hit with yet another blow of this kind.

**Mr. Bob Corbett (Fundy—Royal):** Mr. Speaker, I am pleased to have the opportunity to speak to Bill C-37 which has been introduced as a result of an unfortunate situation that has developed between the American lumber interests and lumber interests here at home.

It is my opinion and that of many others, including many in the industry, that the Memorandum of Understanding that was signed between the Governments of Canada and the

United States was concluded under conditions of some duress. The Government of Canada found itself between a rock and a hard place, and I believe without any doubt that the Minister for International Trade (Miss Carney) and the Minister of State for Forestry and Mines (Mr. Merrithew) reached an agreement that they believe is in the best interests of Canadians now and in the future.

While I, as well as industry, recognize that there are certain deficiencies as a result of the agreement by which we cannot come out a winner, I believe my hon. friends in the Opposition would have to agree that it is much more beneficial to have the money generated from this export tax remain in Canada for the benefit of Canadians than being collected by the Americans.

Of course, we will never know whether this dispute would have been resolved in favour of the American or Canadian interests if it had gone to the international courts. The unfortunate part of that situation is that such a procedure could take years and a decision in favour of the American interests could involve the collection of such a substantial amount of money that it could jeopardize an industry today as well as in the future. Industries would not be able to determine the price of their lumber exports to the United States because of those future uncertainties.

I want to deal specifically with the Maritime region. I am most familiar with the difficulties being experienced in the Maritimes, particularly the Provinces of New Brunswick and Nova Scotia which depend heavily on the forest industry as a basis of their economy. The Government's decision as reflected in the Memorandum of Understanding could have very serious impacts on that industry.

Let me state two positions with which I sympathize and agree, which have been taken by a group known as the Coalition Against Unfair Lumber Taxes, formed by the Maritime lumber interests. The first position is that at no time were the Maritime provinces identified by the American lumber interests as being the problem. They maintain that, as they are not part of the problem they should not become part of the solution.

It is with this in mind that I implore the Government to look at the situation in the days and weeks to come, because there are opportunities within the Memorandum of Understanding to do so. For instance, the Memorandum of Understanding states that:

The Government of Canada and the Government of the United States of America agree that the fiscal year 1985-86 for each province will be the reference year for establishing the baselines from which increased provincial charges will be calculated.

● (1220)

Clause 5a states:

The Government of Canada may reduce or eliminate the export charge on the basis of increased stumpage or other charges by provinces on softwood lumber production.

Clause 8a states: