

which had gone through the earlier process to obtain exemption were those who were subsequently included on the exempt list.

Subsequent to December 30, 1986, the Minister of State for Forestry and Mines (Mr. Merrithew) commented how great it was that he had been able to do such good work for the Maritime region in obtaining these exemptions—and that is something that irritated me. He is a Member from that region and as such he has every right to get out and provide information to corporations, small or large, as to how they should go about getting exempt status. During committee consideration, it became abundantly clear to us that this kind of unfairness of treatment could not go on.

If a company is exempt, whether that company is based in British Columbia, Alberta, Ontario, Quebec, or the Maritime region, it has an unfair advantage over the non-exempt company when it comes to shipping product into the U.S. market. Given two companies in exactly the same circumstance—the same wage rate structure, cost structure, taxation structure—one exempt and one not exempt, we are faced with an unfair situation.

If we as a Parliament cannot find a way to remedy that unfairness, a number of things will ensue. The banks are obviously going to be more inclined to advance funds to the company with the exemption, with the result that over time that company will buy up the forest lands of the non-exempt company, ultimately ending up with the market and operations of that company.

We heard evidence from companies right across the country, and there were very few if any that could say they were making a 15 per cent profit. Most said they were barely keeping their heads above water, and that what little profit they were making would be eroded by the 15 per cent export tax.

Those who are exempt from this export tax are in a position to take over the operations of those who are not. Those companies without the exemption are going to have to cut corners, perhaps leading to lower safety standards, lower production levels, and the seeking of other markets.

Strictly from the point of view of fairness, this situation needs to be remedied. Canada has always at least attempted to have its tax laws operate fairly.

It has never, of course, been a level playing field, as Sam Gibbons and others like to call it, but at least there has been an attempt to have tax measures apply reasonably fairly across the landscape.

I am not proposing a mandatory provision that all forestry companies are immediately exempted; what I am proposing, through this amendment, is that the Minister, as is provided in Clause 15, be given the opportunity to grant exemption. It would provide the opportunity for corporations to demonstrate that they meet the requirements to be conditionally or

### *Softwood Lumber Products Export Charge Act*

unconditionally exempt in respect of the charges under this legislation.

This is crucially important, and particularly so for the Maritime region, where we do have the situation where it is only the large corporations that are exempt. In many cases, the smaller operations, operations that have been owned in many cases by the same family for many generations, find themselves in the situation where they either did not apply at all or just missed gaining exempt status. I think it important that the Government accept this amendment.

● (1730)

The next paragraph (d) reads:

Conditionally or unconditionally exempt any softwood lumber products from corporations that can demonstrate that their raw log supply comes from regions not named in the 1986 U.S. Countervailing Duty action.

I have very broad support for this amendment from right across the country because, as I point out:

For greater certainty this includes those areas outside of B.C., Alberta, Ontario and Quebec.

This would provide an exemption to those companies operating in Saskatchewan that were not named in the U.S. CVD action which provides exemptions for all of Maritime Canada, and should products from Yukon or NWT start to come on the market, it gives them an exemption. The United States and the U.S. coalition in the CVD action went after the four provinces which they felt were subsidizing logging and trees, namely B.C., Alberta, Ontario and Quebec, so this would provide the opportunity for the Minister conditionally or unconditionally to exempt the products.

It also does another thing which I raised earlier today, namely, the matter of wood coming from south of the border. These are trees grown in the United States. The Americans never named the United States in their own CVD action. Wood comes into western Canada, and particularly into the Province of Quebec, to the 13 border mills. They get almost all of their wood from the United States, and clearly that wood was never named in the U.S. CVD action. That wood was never named during the negotiations in Washington leading up to that fateful agreement of December 30. It seems highly odd to me that in committee we did not find some fertile ground on the government side to provide the kind of opportunity for conditional or unconditional exemptions that I am suggesting here for wood produced in those regions.

I would like to hear from government Members who participated in this process. I find it interesting that on the last day of our committee, the Minister for International Trade (Mr. Carney) happened to be in New Zealand, just as on December 30 we happened to find her in Hawaii, and we found that the Conservative Members who had participated earlier in the committee process had suddenly vanished. Once again, today, we find that those government Members, particularly from the west but also from Ontario and other parts of the country who had participated in the hearings are not here in this debate. This disturbs me profoundly and