

Bill C-37 that has been proposed by my hon. friend and colleague, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). In speaking in favour of this amendment I would like to underline what the two previous speakers have said.

The failure to approve this amendment and have it become a part of Bill C-37 will make it possible for the very long arm of Washington to reach into provincial administrations and, in fact, to dictate forest resource policy. I do not think Hon. Members opposite want to see Ontario's forest management policy dictated from Washington.

Mr. McDermid: You're dictating from Ottawa.

Mr. Penner: If my hon. friend thinks that that is acceptable, then he has not properly understood the effects of Bill C-37.

I submit as well that Mr. Baldrige and Mr. Yeutter, in making the argument they made in their letter to the Coalition for Fair Lumber Imports, that somehow silviculture activities, roadbuilding into places where wood is overripe and would otherwise be subject to blow-downs and be lost entirely or engaging in some sort of assistance for the recreational use of forests, is considered to have the effect of offsetting or reducing the export charge, have made an argument that escapes me entirely. For example, we know that there are forest-management agreements in the Province of Ontario at the present time. These agreements place upon the companies an obligation to reforest.

In accepting certain timber limits, the companies agree with the provincial administration that they will undertake certain obligations in the restoration of the cut-over area. However, it has not always been so. There was a time when the Ontario Ministry of Natural Resources assumed that responsibility itself. At that time, seedling nurseries were entirely operated by the Ministry of Natural Resources. Now that particular obligation has been passed to the private sector. The private sector grows the seedlings which are then sold to the companies that are obligated to plant them.

I must tell the House that the Ontario forest management agreements are experimental in nature. It is believed that they will be more successful than entirely government-operated ventures had been in the past. However, that is a philosophical discussion and all of the facts have not yet been submitted. We do not know for a fact at this point in time if forest management agreements are a better method than operations entirely within the scope of the Ministry of Natural Resources.

The point I am making is that if at some point in time it were to be decided that forest management agreements were not as successful as some have argued they will be and the Government of Ontario or any other provincial administration wanted to assume this obligation for itself, there could be a direct challenge to the provincial authorities on the legality of this if this amendment is not passed. The very fact that that possibility exists is the reason Members of my Party and Members on the government benches must approve this amendment. Approving this amendment will leave the door

Softwood Lumber Products Export Charge Act

entirely open for provincial administrations to make these decisions.

We know that in the past there have been agreements between the provinces and the federal Government under the Department of Regional Industrial Expansion to undertake road and bridge construction in isolated areas, where the costs are enormous or in fact prohibitive, in order to access a resource that is ready to be harvested. If you cannot access that resource, if industry finds the cost prohibitive, then the province and its people have lost a resource which could otherwise be used.

● (1630)

What will happen to it? During a lightning storm a fire will start and will be allowed to run its course because it is in an isolated area as sometimes happens in northern Ontario, or there will be exceedingly expensive operations to put the fire out. That is why it was decided in agreements between the Government of Canada and the provincial Governments that these overripe areas should be accessed and that they have a joint responsibility to assist the industry so that the resource can be used.

Now we are saying, if we accept the arguments of Mr. Baldrige and Mr. Yeutter, that this can no longer be done. The responsibility is totally that of the industry. Spruce Falls Power and Paper, Domtar, or Abitibi-Price must bear that cost themselves and somehow recoup it in the sale of their products.

Mr. McDermid: Do they now?

Mr. Penner: It has already been proven in many cases that the industry cannot bear that cost.

Mr. McDermid: Do they now?

Mr. Penner: What choice do we have? We can let the trees stand and either suffer a blowdown from high winds, a fire, or rot. In any case it is a waste. It is stupidity. It is bad forest management policy and something no one will accept.

Why would we want to prohibit the provincial Governments from making those kinds of decisions? How can it possibly be argued that to access an overripe resource and make use of it is in some way offsetting this 15 per cent charge on the production of softwood lumber? It makes no sense at all. If it does not make sense for those reasons, then how even more remote is it to argue that a provincial Government cannot make use of its resource by spending tax dollars for recreational purposes? How would we be offsetting the 15 per cent charge by opening up a lake, for example, through the provincial Ministry of Natural Resources so that cottagers can, under a Crown lease arrangement, erect a cabin or residence for summer use? How would that be offensive?

My friend seems most anxious to speak, so he will have answers to all this.