

agreement has been made with the Americans with respect to the export of softwood lumber.

Mr. Speaker, somebody might raise the question: Why should a Member who represents an urban riding be concerned about such a major issue as the export of softwood lumber? I don't have very many—in fact, I have no farmers and no forestry operations in my riding, but I know the subject because I have had a general interest in the matter for the past thirty-five of forty years, and as the Hon. Member opposite said earlier, Members should be able to speak to subjects of interest to them, and we may, on occasion, even astonish people with what we do know.

Mr. Speaker, the Minister for incompetence and International Trade has shown how not to negotiate an agreement with the Americans. I also recall, and perhaps I may put this incompetence in chronological order, that on September 30, 1986, the Minister made her first “final” offer to the United States to end the trade dispute by increasing stumpage fees by 10 per cent. On November 26, 1986, the Minister made her second “final” offer, agreeing to impose a 15 per cent export tax on Canadian softwood lumber. However, the offer was turned down by the U.S. Coalition for Fair Lumber Imports. On September 12, 1986, the Minister turned down a U.S. counter-proposal to accept the 15 per cent export tax, her excuse being that it was unacceptable that the United States should insist on controlling management of provincial resources.

On December 30, 1986, Canada signed an agreement with the United States imposing a 15 per cent tax on lumber exports, an agreement that, as interpreted by the Americans, will severely restrict the provinces control over their own resources.

Madam Speaker, in the ten minutes I have I cannot—it is impossible—explain to the House the nature of the problem we are facing with the provinces as to how this whole question will turn out. The Conservative Members are enjoying themselves on the other side, they appear to understand the issue. I invite them to stand up and explain to us how the provinces will ever be able to reach agreement with respect to stumpage fees, how they will do it.

**Mr. Blais:** They are in agreement.

**Mr. Gauthier:** They are not in agreement. It is not true. It is not true, you know they are not in agreement, you know that.

**Mr. Gérin:** On a point of order, Madam Speaker.

**Mr. Gauthier:** Madam Speaker, we know that the Standing Orders—

**The Acting Speaker (Mrs. Champagne):** The Hon. Member for Ottawa—Vanier (Mr. Gauthier) has the floor.

**Mr. Gauthier:** Thank you, Madam Speaker. I will resume my remarks, and once again let us hope that we will be able to get some kind of reaction from the Quebec Members. So far

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very few of them have taken part in this debate, and indeed they should rise and give us the views of Quebec on this question. If, as the Hon. Member claims, Quebec and the other provinces agree with the Minister with respect to this negotiation and this agreement, they should explain it to us because Canadians do not understand, and I doubt that the Hon. Member himself can say now that he understands this. It is confusion, a question of outright incompetence to try to make believe that one can understand such a . . . as far as I am concerned it is the worst kind of shilly-shallying.

I would like to give a few examples, and there are many I could quote.

There is Adam Zimmerman, president of MacMillan-Bloedel, Maxwell Cohen, a well-known economist and a judge of the International Court, Ontario Premier David Peterson, who was quoted in *The Globe & Mail* of January 6 as saying: “They—speaking about the American Government—will leave us with our hands tied, and if we do not behave, they will intervene. I do not like such an agreement.” Also, Madam Speaker, as quoted in *The Ottawa Citizen* of January 6, 1987, the Premier of our province of Ontario, Mr. David Peterson, had this to say: “We have put not only our resource and taxation policies, but also in a sense our regional development and employment policies in the hands of another sovereign country. That is a dangerous precedent.”

I could quote Stan Shewaga, president of the Pulp and Paper Workers of Canada. I could quote Ian Drummond, an economist at the University of Toronto, who is quoted as saying in *The Ottawa Citizen* of January 3, 1987: “The American claims are nonsense since the Canadian industry does not receive any money from the provinces who own the resources.”

In addition, Madam Speaker, Edward English, economics professor at Carleton University, was quoted as saying in *The Ottawa Citizen* of January 3, 1987: “Natural resources are an absolute right which should not be handed over to any foreign government.” “They take the same position as for the Soviets. This proves that the suspicious atmosphere in Washington is not restricted to East-West relations.”

If the Hon. Members want quotes, I can give them. Robin Neill, an economic historian, had this to say in *The Ottawa Citizen* of January 3, 1987: “Even if Canada were to lose its case, it would be better for this country to assert itself immediately rather than jeopardize its sovereignty for the future.” Madam Speaker, we are all concerned by the issue of sovereignty. The Conservative Government is well aware that this has been the key issue of this whole debate. The fact is that the Conservative Government, by fielding to the pressures of the Americans, has literally sold out the provincial resources without consulting the provinces—

**Mr. Blais:** The provinces are in agreement.

**Mr. Gauthier:**—without the agreement of the provinces and without thinking how such a consensus can be developed.