

*Softwood Lumber Products Export Charge Act*

U.S. economy. It is no secret that the United States is in more of a protectionist mood than it has been in for several decades.

Canada can complain about falling victim to the pressures put on the U.S. administration by the U.S. lumber lobby, but in fact Americans have moved on several other fronts to put up tariff barriers on products from other countries. One need simply look at the reaction of the United States' chief negotiator, Mr. Yeutter, in reply to the European Economic Community's decision to allow Spain into the EEC. The United States agricultural community lost some \$230 million worth of its market as a result of that decision and the U.S. has retaliated against the European Economic Community by imposing a tax of up to 200 per cent on certain items entering the United States from France, including wines and endive from Belgium.

We cannot view the tendency of the United States toward protectionism in isolation from other events that are happening throughout the world. By caving in to the U.S. demands to impose a tax on our own resources we have given up the opportunity to use our rights through the trade tribunal to put forward our own sovereign Canadian viewpoint.

I believe many Canadians feel that because of the way in which the Government has dealt with the lumber issue it has given up many of our traditional rights to protect cases at the international level. I think caving in sets a very dangerous precedent and there will be other industries that will be similarly challenged.

Finally, the Minister indicated that part of the reason we should accept the agreement was that in no way would we tread upon the provinces' rights to use their own resources. I submit that that last point is flawed in its logic as well. The provinces do not have the right to use the money in whatever way they want. Clearly the memo from President Reagan to Baldrige commits the United States to using retaliatory action if Canada slips in any way as defined by the Dennison letter.

Clearly, in submitting Bill C-37, the Canadian Government has given up its rights and this will set a very dangerous precedent. I should hope that members of the Conservative Party will see the error of their ways and vote to throw out Bill C-37.

**Mr. Derek Blackburn (Brant):** Madam Speaker, this is the second time I have entered debate on Bill C-37. However, this is not just the second time I have spoken about it in this House. I first raised concerns about this Bill in a statement pursuant to Standing Order 21 in which I pointed out that remanufacturers in Ontario were being forced to pay a 15 per cent tax on lumber originating at exempt mills in parts of Canada and the United States. At that time, the Minister for International Trade (Miss Carney) was furious with me. She heckled from her seat that I had my facts wrong. She went so far as to depart from her own prepared remarks to say that I had misled Canadians. However, I checked my facts.

Apparently, so did the Minister, because when I questioned her on the same matter later in the week her attitude had changed completely. The Minister even thanked me for

bringing what she called these anomalies—her word, not mine—to her attention. Evidently her officials had done some checking and advised her that there were indeed loopholes in this Bill. The Minister went so far as to plant another oral question from her own benches to help her correct this mess. This time the Minister agreed with the member of her Party that there were problems with the Bill. She admitted that some remanufactured softwood products had not been covered by the original legislation and she promised that she would meet with industry representatives to get all the facts. Now the Minister will have to get the Americans to agree that other products should be exempted from the export tax. Such an oversight tells me that this legislation was drawn up rather hastily, to put it mildly.

There should be no holes in such important legislation. We are dealing with a Bill that affects thousands of jobs in the softwood industry, a Bill that goes to the very heart of our sovereign rights as a nation. Yet there are obvious problems. I am not an expert on this issue. Indeed, not many in this House are experts on the softwood lumber trade. Yet I was able to find glaring errors in this legislation. How many more might be found by lumber and trade experts with time to examine this proposal in detail? Certainly the Minister must wonder. I imagine there were some red faces and scorched ears in her Department when these mistakes were discovered.

● (1600)

There seems to be ample evidence in just this one illustration to show that a six-month delay is definitely warranted. However, there are other examples as well. Last Friday the Government attempted to force a vote on this Bill. Only then was it pointed out that there were blank spots that had to be filled in. The rules of this House prevent us from voting on blank Bills and for good reason. It goes to the very heart of our responsibilities in this place. We are being asked to consider and approve laws which affect the lives of our constituents. It would be negligent for us to give *carte blanche* authority by approving a blank Bill. I am not suggesting the Government was seeking *carte blanche*. Undoubtedly this was just another oversight. Indeed, the sight of people scurrying around the Chamber with copies of the agreement last week showed that this was no sinister plan. Yet again, the Government showed it was ill-prepared. It was seeking House approval without ensuring that it knew exactly what it was asking the House to approve. Again that shows a delay is worth considering.

Finally, there is the U.S. part in this to consider. The problems we have uncovered, and any others which trade and softwood lumber experts might uncover, would have to be negotiated into the agreement with the Americans. It will do us no good to go through the exercise of debates and votes if we have to do it all over again in a few weeks or a few months. Canadians expect us to consider legislation carefully. Let us get it right the first time. Let us make sure we all understand what we are doing when we say yea or nay in this Chamber. Part of that understanding has to be a realization that we are ceding power to the U.S.