

Softwood Lumber Products Export Charge Act

We find those same words in the amendment by the Hon. Member for Winnipeg—Fort Garry, namely, silviculture, roadbuilding, recreation and other foresting activities on a non-competitive basis.

We went through this matter at some length in the committee. We could not get some of the expert witnesses that we wanted, but I attempted, as you will note in Motion No. 8, to do the same form of clarification by stating definitively that for further clarification forest management includes silviculture, conifer release, reforestation, site stabilization and general forest rehabilitation. I also state:

The revenue derived by Canada from the charge imposed on softwood lumber products under this Act shall be used for the purposes of forest management in the regions from which those revenues are derived.

As Members of this House will know, the Minister for International Trade (Miss Carney) pointed out quite accurately that the Province of British Columbia, the largest producer of softwood lumber used not only in Canada but exported to the United States has become a silvicultural slum. We are aware on the coast that we have only, according to Dr. Peter Pierce, 14 years of forest supply left. We have Bill Ewing's report in relation to Prince George and the northern Cariboo, which report said very much the same thing as Dr. Pierce, that by the year 2000 we will be out of wood. Clearly in British Columbia we need to use all of that \$300 million a year to get cracking on forest rehabilitation. While the Government claims that the letter outlining the U.S. Government's interpretation of the export tax agreement has no weight, let us keep in mind that the letter was sent the same day the Memorandum of Understanding was signed. It was cranked up the same day and given to the Coalition as the U.S. Government's interpretation.

Now that we have waived our opportunities to go before a GATT panel we have put ourselves in the position that if we do not live up to the expectations of the United States the Americans can slap Section 301 on us 30 days after they back out of this agreement.

Let us look at what was said by Max Cohen, one of Canada's foremost experts on international law, once a judge on the international Court of Justice and former chairman of the International Joint Commission. In evidence given before the Standing Committee on Banking, Trade and Commerce on February 19 he said:

I conclude by saying to you that in my view it would be very difficult for the legal adviser of the U.S. State Department to deny the effect of the interpretation given by Mr. Baldrige or Mr. Yeutter.

● (1620)

In *International Trade* of January 3, 1987, Mr. Cohen went on to state:

It is a strange procedure to allow someone to monitor our own stuff.

The committee did try, but did not get very far, to have the Chair accept these amendments while we were still in committee some six weeks ago. Of course, at that time, the Government felt it was urgent that we finish the committee process so that this could return to the House, but that was six weeks ago.

The committee sent a letter signed by the Hon. Member for Prince Edward—Hastings (Mr. Ellis), the Chairman of the committee, drafted on March 25 and addressed to the Hon. Minister for International Trade. In that letter, point number five made by the Chairman with the unanimous support of the members present asked that an attempt be made during negotiations to clarify the confusion as to the application of tax revenues brought about by the so-called Dennison letter. The House now has the opportunity to do that.

We have before us the evidence of internationally renowned legal expert Max Cohen. We have before us the letter signed by Malcolm Baldrige and Clayton Yeutter. We have before us an amendment and we know what the committee sought unanimously. The committee still has not received a response from the Minister for International Trade on what kind of clarification there has been from the U.S. to the Minister for International Trade on the Baldrige-Yeutter letter to Mr. Dennison. This leaves us with only one opportunity.

I am quite certain that we on this side of the House will vote unanimously for the motion and I hope that government Members do not get nervous because this amendment is brought forward by the Opposition. I hope that they will think coolly and carefully about this. Canada's sovereignty was massively invaded by this whole process. Even if government Members do not believe that this will have an impact on sovereignty, then there will be no reason for not voting in favour of the motion. I would encourage government Members to speak in favour of this amendment and also, when they have the opportunity, to vote in favour of it.

It is very important that we send that signal from the House of Commons to Washington and to the U.S. coalition. As well, we should send a nice clear message back to British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, the maritime provinces, the Northwest Territories and Yukon.

This House has a vital responsibility to pass an amendment like this, making it clear that the money gathered under Bill C-37 and returned to the provinces can be used for rehabilitative work, silviculture, roadbuilding or anything else the provinces are planning to do, using either their own revenues, revenues that will be returned to them from the 15 per cent export tax or revenues from any new measures that might be brought in, like a provincial export tax or an increase in stumpage fees. If nothing else, that will protect our sovereignty. If nothing else other than that, it will send a clear smoke signal to Washington, indicating that we will not be shilly-shallied about on sovereign issues like taking care of our own forests and natural resources.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I would like to say a few words in support of the amendment to