

in the order of 20 per cent or 25 per cent as opposed to 8 per cent or 10 per cent in Quebec. This is borne out as well by the fact that stumpage in Quebec is 50 per cent higher than in British Columbia. But our great Canadian negotiators, led by the Minister for International Trade (Miss Carney) from the beaches of Hawaii, bore no reference to that fact at all. They were not aware that they were negotiating the Quebec industry into a tax which would be \$10 or \$11 per 1,000 board feet higher than the tax in British Columbia.

Effectively, unless they can persuade British Columbia to bear a much greater burden with the replacement measures than Quebec, they are permanently disadvantaging the industry in eastern Canada as opposed to western Canada. The situation in Ontario falls somewhere between that in Quebec and British Columbia. However, the two major producing provinces are Quebec and British Columbia. The tax is much higher in Quebec than it is in British Columbia.

[Translation]

I ask the 56 remaining members of the Progressive Conservative Party in Quebec how they can justify the fact that the tax on lumber produced in Quebec is higher than on lumber from British Columbia. How many of them will be re-elected after showing that they were willing to accept a tax and replacement measures which were much more costly for Quebec lumber producers than for producers in British Columbia?

[English]

I will conclude on that note. Contrary to what the Minister said, the industry is furious at the way it has been drawn into this particular situation. It is furious at the way that its good reputation is now being used and abused by the Minister who says that it supports this rotten deal entered into by the Government of Canada.

[Translation]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, the question before the House concerns the previous question, namely that the debate come to an end after a few more hours, and it was the Hon. Member for Brampton—Georgetown (Mr. McDermid) who moved that we end the debate and vote on the motion for second reading of Bill C-37. Madam Speaker, this is another example of the impatience of this Government and its complete inability to read public opinion.

The situation is rather serious. The Hon. Member for Ottawa Centre (Mr. Cassidy) has just made an important comment. He invited Members from Quebec to tell us what they think about the lumber issue and the 15 per cent export tax which would cost the industry at least \$600 million and probably \$800 million if it applies to all categories of lumber.

Madam Speaker, I asked the same thing in the House on January 22. I invited the Members from Quebec to take part in the debate and tell us what they think of this issue. They replied that they agreed with the Government. I could name

Softwood Lumber Products Export Charge Act

all those who were shouting during my speech, particularly the Parliamentary Secretary to the Minister of Justice and Attorney General of Canada (Mr. Gérin) who told us some strange things. I told him at the time, and I can still assure him that Ontario does not agree with this export tax on lumber. I wish to emphasize another point now that I have the opportunity to do so. The fact is that the sovereignty of our country of Canada in the area of natural resources is being jeopardized and probably prejudiced by this agreement.

[English]

In the agreement which we finally saw on Friday we see that indeed the Government has signed an agreement which gives the American Government and the American lumber industry the right to look into our affairs in regard to the 15 per cent export tax. They can look into how we set the rate, how we collect it and how we disburse the funds collected. That is an attack on our sovereignty. It is regrettable that the Government has agreed to give the United States Government and the American lumber industry the right to look into how our provinces, which are responsible and autonomous on questions of natural resources, will set the rate in regard to the tax and how they will collect it and disburse it.

The next point I wish to make is perhaps one of the most important. It is that the U.S. Government can object to the way we manage our natural resources. It can object to the ways and means by which we will set the rate, collect and disburse it. I repeat that this is in direct contradiction to maintaining one's sovereignty over one's natural resources. It is a direct weakening of Canadian sovereignty and our control over our natural resources.

● (1220)

In her remarks in the House the Minister drew our attention to Clause 5 of the Memorandum of Understanding as the possible sovereignty clause. It provides the following:

The Government of Canada may reduce or eliminate the export charge on the basis of increased stumpage or other charges by provinces on softwood lumber production.

Clause 2(3) of the Bill respecting the imposition of a charge on the export of certain softwood lumber products indicates that the Memorandum of Understanding, tabled in the House on Friday of last week, may be referred to when interpreting the export charge Act. In the Minister's mind this establishes that the sovereignty claim is protected.

Clause 5b of the Canada-U.S. agreement provides the following:

Calculation of the value of any replacement measures in relation to the export charge will be subject to further consultations and agreement between the two Governments.

According to this clause, should the U.S. disapprove of any measure which Canada may introduce to replace the export tax, it could conceivably oppose it and possibly have it changed on the grounds that it does not have an effect on total Canadian softwood exports which is equal in value to the export tax—