

Softwood Lumber Exports

I will very briefly discuss another subject matter with which I am very familiar. They made equally strong representations on behalf of duty on potatoes shipped from Canada to the United States, and when the duty was levied, it was levied on individual shippers. Unfortunately, the American Department of Trade and Commerce has neither the manpower nor the time or capability to determine what duty should be charged on individual shippers on the basis of their law.

In the case of two particular people, both of whom are personal friends of mine and I am very familiar with their business, one person in the potato industry was subject to no duty for shipment of potatoes to the United States and the other, identical, I repeat, in the *modus operandi* of the business, was levied at 40 per cent. One has to have some knowledge of how these things work when they are imposed by the United States.

I submit that the last two speakers, the Hon. Member for Cochrane—Superior (Mr. Penner) and the Hon. Member for Kenora—Rainy River (Mr. Parry), do not have the personal familiarity with the system and how it works and how very prejudicial it can be. I repeat again that the lumber bureau was pleased that it got a deal, which is only a 15 per cent deal, and it has never said anything else before the committee of the House of Commons or in public. Therefore, I think we have to start from there. I support the Hon. Member for Timiskaming (Mr. MacDougall) when he says that lumber costs in New Brunswick are very high. The amount of wood is small. The expense of product from the sawmill is very high. The final finished product, as a result of the size of the timbers we have to use, puts us in a position of disadvantage with almost any other lumbering area of Canada. I submit that both on the basis of the cost of the operation in New Brunswick and on the basis of the cost of stumpage, as was so very well outlined by my colleague, the Hon. Member for Fundy—Royal (Mr. Corbett), we are in every way qualified for exemption from that tax, which was the ultimate decision of international negotiations.

I would also like to point out that it has been said today that in the markets which exist, the industry has been able to survive and to profit in spite of the tax. I agree with that. But normal markets will be down the road and this was not a normal demand. It was not a normal market. It happened to be at the peak of the cycle. Those people who were shipping lumber under those circumstances did in fact find they could survive and prosper to a limited degree, limited by the amount of the tax, of course. Yes, they have not been put out of business as we initially feared they might be. No, there has not been the abnormal trans-shipment of lumber to different areas of Canada as a result of a restriction of flow from Atlantic Canada to the United States market. Nevertheless, we do need to be relieved of that tax at the earliest possible date.

I am very pleased to know that the Government of Canada is in fact putting the issue forward. It is not correct to say that it was never put forward in the negotiations because it was. It is not correct to say that negotiations have not been taking

place in the period of time since the introduction of the Bill which opposed the tax. They have been and are promoting to get rid of that tax as far as Atlantic Canada is concerned. I think the Government has acted in an extremely responsible way.

I compliment the Hon. Member for Fundy—Royal for his motion, for the research he did and the presentation he made in his usual dedicated fashion on behalf of Atlantic Canada. He should be commended for that presentation. But let us not spread false rumour around this country that this was not a good piece of legislation, that it was not a good deal for the lumber industry. We found ourselves in a cycle of market in which we survived in spite of it. All the negotiations which can possibly take place should be encouraged by virtue of this motion and by virtue of the interest of the lumber industry of Canada to negotiate our way out of it. But we got off as a result of very astute, careful and deliberate negotiations with much, much less duty than otherwise would have been imposed had we not had the influence we had and had we not been treated in the good faith with which we were treated in Washington. Had the lobbyists had their way in a clear field, the duty they would have imposed would have crippled us. We did negotiate ourselves into a sustainable position on an economic basis for the lumber industry of Canada, including Atlantic Canada, but we do need to negotiate our way out of it. That is what this motion is intended to encourage.

Mr. Felix Holtmann (Selkirk—Interlake): Madam Speaker, I realize I only have about three minutes, but I would like to commend the Hon. Member for Carleton—Charlotte (Mr. McCain) who brought to the attention of this House quite clearly that not only the Hon. Member for Cochrane—Superior (Mr. Penner) but the Hon. Member for Kenora—Rainy River (Mr. Parry) really have it all wrong. If we go back to the very creation of the lumber dispute with which the Hon. Member opposite is very familiar, it was the present Liberal Premier of Ontario who in fact said that the problem clearly was that stumpage was not adequate in Quebec and in fact in British Columbia. He admitted there was clearly a problem and it should be addressed.

The Hon. Member for Cochrane—Superior suggested we should have let it fall through the normal trade negotiations and dispute mechanisms we presently have. Does he realize that the countervailing duty on hogs by the United States went through the normal channels, through the Commerce Department of the United States, and we are living with it today? Having a free trade agreement rather than having to go to some other foreign mechanism to settle this dispute, which we would clearly like to negotiate back to a normal situation we had, is really what the exercise is about.

My hon colleague, the Hon. Member for Fundy—Royal, brings an important point to the debate by indicating that stumpage in the Maritimes was always high, perhaps almost on a level playing field with the American stumpage charges in different parts of the United States. However, as a country,