

also made our interpretation of what is stated, and I have not heard any disagreement from the United States with respect to our interpretations.

**Mr. Fulton:** Oh, come on.

**Mr. McDermid:** I sat and listened very patiently all afternoon to my hon. friends opposite. I have been restraining myself all afternoon. I thought I was pretty good. I have behaved myself very well. I did not interrupt Hon. Members but sat and listened attentively to them. I find it interesting that they concentrate more on the American letter than on what the Minister has said and on what our Government's interpretation of the agreement is.

I can tell Hon. Members this. If the provincial Governments planted trees before and did silviculture before, then they can do it with this money. If they built roads with it before, then they can build roads again with this money. They can use it for employee adjustment. They can do these things with this money as long as it does not form a grant back to the industry, a direct grant, or something that could be considered to circumvent the memorandum of understanding. We said that. We said it in committee. Hon. Members who were there and who are in the House today know full well that that was said in committee.

I find it rather amusing that the amendment was drafted by Malcolm Baldrige and Clayton Yeutter and not by the Hon. Member for Winnipeg—Fort Garry. The amendment is word for word out of their letter. It is not original on the part of the Hon. Member. I do not want him to take credit for it.

**Mr. Penner:** Come on, John, you can do better than that.

**Mr. McDermid:** I find it interesting that Malcolm Baldrige and Clayton Yeutter drafted this particular amendment. It has been lifted from the last few lines of their letter.

**Mr. Penner:** What has that to do with anything?

**Mr. McDermid:** We cannot accept this amendment. It would be inconsistent with our understanding with the provinces for federal legislation to state how the provinces may spend revenues arising from the export charge.

**Mr. Penner:** It is just the opposite, and you know better than that, John.

**Mr. McDermid:** My friend opposite can sit and argue all he wants. He can holler and yell and rant and rave. It is inconsistent with the agreement we have with the provinces in this regard. There is no stipulation in the Bill, no conditions whatsoever, with respect to what use the provinces may put the revenues generated from the export charge. It is not in the Bill. We are not going to limit them. We are not going to give them permission or anything else. They know how they can spend the moneys. It is their money because it is their resources about which we are talking.

### *Softwood Lumber Products Export Charge Act*

The Minister for International Trade (Miss Carney) and the Minister of State for Forestry and Mines (Mr. Merrithew) have already stated very clearly many times that they hope the provinces will use this money for reforestation and silviculture. They have stated that many times.

All I can say is that the amendment would be inconsistent with the agreement that we have with the provinces. Therefore, on behalf of the Government, I say that we cannot accept the amendment. We will be voting against it.

**Mr. Penner:** May I ask a question of the Hon. Member, Mr. Speaker?

**Mr. Deputy Speaker:** Is there unanimous consent to allow the Hon. Member for Cochrane—Superior (Mr. Penner) to ask a question?

**Some Hon. Members:** Agreed.

**Mr. Penner:** Mr. Speaker, I have one question for my hon. friend. He mentioned in his remarks to the House something about the possibility of the countervailing duty having proceeded. Of course there is no proof that that in fact would have ever happened. Spokesmen in the industry argue that they could have won that countervail action. They argue that they could have been successful, as they were in the past.

My friend also suggests that to negotiate is a sovereign act. I agree with that. But will he not accept the fact that it is possible in those negotiations to bargain away a portion of one's sovereignty?

My real question is this. The amendment proposed by the Hon. Member for Winnipeg—Fort Garry puts no obligations on the provinces at all. It says that they may be applied. The letter from which the Hon. Member for Winnipeg—Fort Garry gets this concern states that this is an interpretation of the Government. The Parliamentary Secretary says: "We have a different interpretation". I wish to ask the Parliamentary Secretary this. How do we know which interpretation will prevail? Does he not agree that it would make good sense to put this amendment in, so that we have greater certainty? Would the Hon. Member not agree with that?

● (1720)

**Mr. McDermid:** In the first place, I do not think it offers greater certainty—

**Mr. Penner:** That is exactly what it does.

**Mr. McDermid:** To answer the first question, when two sovereign countries negotiate an agreement, sign an agreement, each gives up a little something. There is no question about that.

**Mr. Penner:** What did the Americans give up?

**Mr. McDermid:** What have they given up?—\$600 million, or \$500 million, or however much they would have received by way of a countervail duty.