

just signed an excellent agreement with the United States. It is excellent for the simple reason that the 15 per cent tax which in fact represents about \$600 million will not be paid to the Americans. This money will stay in Canada. That seems to be their motivation and reasoning for endorsing and supporting this Bill. Mr. Speaker, I submit, with respect, that this reasoning and this logic would only make sense if we assumed that the United States would otherwise have won their case for imposing a tax. Actually, there is a precedent, because this is not the first time the matter has come up. There was a precedent where the Canadian position won out, and the United States had to drop their plan to impose a tax. I repeat, this agreement is entirely unacceptable, for a host of reasons.

First of all, and my colleagues on this side of the House have said this repeatedly, it is a direct attack on our sovereignty. To those who are inclined to believe this is not so, I say that at least part of the agreement would seem to be very significant in this respect. I shall read it, if I may:

"The Government of Canada will provide the Government of the United States of America with data concerning the level of Provincial and Federal softwood and total stumpage harvest, the total revenue collected from the sale of Provincial and Federal softwood and total timber, total export charge collected, total shipments of certain softwood lumber products to the United States of America, total lumber production by province and total softwood lumber production by province, for each fiscal year within three months of the close of the fiscal year."

Mr. Speaker, what I have just read is an integral part of the memorandum of agreement, and I think the conclusion is obvious. What we have here is blatant proof that the United States will now be entitled to interfere directly in a sector that in my view is a strategic and vital one and one of the most important industries in our economy. That in itself is sufficient indication that what we have here is interference and a serious attack on Canadian sovereignty.

Mr. Speaker, there are also the consequences of the agreement. The federal Government is the official party to this agreement. However, it so happens that the forestry sector and the lumber industry fall within the exclusive purview of the provinces. Now, at first glance, that 15 per cent levy might be expected to total some \$600 million, but it could also come up to much more. What about those \$600 million? People have said, and I hope they are right, that the \$600 million will be redistributed to the provinces on the basis of their lumber exports to the United States. This of course would mean additional revenues for the producing provinces.

But the question is this: What will the provinces be doing with that tax money? Clearly, in my own Province of Québec, we have a specific forestry problem, a reforestation problem. We have a problem in the sense that we must make huge investments in that strategic sector. Those who are concerned about that important question of course would be tempted to

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see in those future revenues the possibility to use them to meet expenditures that are absolutely vital for Québec's future.

But no, that will not be, Mr. Speaker. The province of Québec will not be allowed to use those monies the way it would like, because the Americans are telling us those funds cannot be used to support the lumber producing sector.

At that point, Mr. Speaker, we in Québec will be faced with a still more dramatic problem—producers will have to, first, pay the 15 per cent tax, and, second, dig into their pockets for the investments needed for reforestation. This means that many producers will be so hard pressed that unfortunately it is to be expected that in a near future we will be faced with a whole series of sawmill shut-downs.

Mr. Speaker, I was rather surprised as well when I heard my colleagues opposite, particularly those who come from Abitibi, say that they had consulted practically every single producer and that nearly all of them endorsed the agreement.

Mr. Speaker, allow me to say that I too had discussions with a number of producers, including some of the most important, and that I found the picture to be quite different. Right now they are very concerned—shocked might be more accurate—about the dire consequences which the agreement mentioned in this Bill will have on the industry.

As I see it, Mr. Speaker, another aspect which must be pointed out is the principle underlying the whole negotiation process.

Last Monday I listened to the Hon. Member for Charlevoix (Mr. Hamelin) when he gave us his own version of a progress report on the negotiations. Here is how I would sum up his remarks: Gentlemen, let us be realistic. Canada is a country which borders on the United States, a country which happens to be much bigger, much more powerful, and much more important than Canada. The Hon. Member for Charlevoix even referred to David and Goliath as an example, Canada being David, of course. He told us: In the normal course of events it is practically impossible that a power the size of Canada, confronted by a superpower like the United States, would be in a position to negotiate on equal terms and hope to reach an agreement that would not compromise its sovereignty.

Mr. Speaker, if we suffer from such an inferiority complex, if we feel so powerless, and if we think that a superpower such as the United States can do pretty well as it pleases, I suggest we should be very concerned about the future and especially about the free trade issue that is currently making headlines.

Mr. Speaker, if we start on the premise that Canada is a very small country compared with a superpower such as the United States, it is like admitting publicly that we must surrender and give up on almost all areas.

Mr. Caccia: David won.

Mr. Tardif: My honourable colleague reminds me that, in the Bible, David really did win. Based on my honourable friend's logic, Mr. Speaker, I suggest that in this case Canada