

Not later than sixty (60) days after the end of each quarter, the Government of Canada will provide the Government of the United States of America with a report on a province-by-province basis containing, at a minimum, the following: the quantity of softwood lumber products exported, the value on which the tax was paid, and the total tax collected for the quarter. If a monthly statement is requested, it will be provided not later than sixty (60) days after the end of that month.

In light of the content of that agreement, I do not know how in early January the Minister for International Trade could have proclaimed victory. This baffled me. I am sure that it is a source of continuing and increasing concern, as has been expressed by a number of editorials that have appeared in the national press.

When we had a similar incident in 1983, we supported the industry in the resolution of this dispute. We made sure that the industry would be given the necessary instruments to battle its case in the United States. At that time the lumber industry had the support of the Canadian Government, and it did well.

In 1986 the Government came to power with the aura and commitment to consensus building with all sectors of society. In this particular battle it decided to replace industry, go it alone, thus creating this enormous tension that we have heard about between the industry, that is making justifiable and understandable claims, and the Government itself, which took a different course of action and forgot about its own commitment to consensus building with the sectors in society.

**The Acting Speaker (Mrs. Champagne):** With regret, I must advise the Member that his time has expired.

**Mr. William G. Lesick (Edmonton East):** Madam Speaker, it is a pleasure and honour for me to rise and speak on Bill C-37, an Act respecting the imposition of a charge on the export of certain softwood lumber products.

What we are experiencing is a result of neglect of previous Governments in not looking after our foreign trade, especially with the United States. In 1984 our Party had the foresight to make this issue one of our planks, so that we would have security of trade with the Americans, our largest trading partner. This has been pursued with great diligence for the last two years and five months of our mandate. We have initiated, and some people say we have even bullied the United States, into freer trade talks. We felt it was extremely important that we have assured trade with the Americans, and that we would not have to pass a Bill such as we have before us today imposing a charge on the export of certain softwood lumber products.

The Americans have a problem. In the past, we did not realize that the Americans may flex their muscle, that they would find that their debt load was increasing, and that their trade imbalance was causing them severe problems. A year and a half ago, this Government took the initiative to say that we want freer and assured trade with the Americans. This was on the fast track.

This is the positive step that we have taken. We knew that this was going to happen. In 1983 we knew that the Americans

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were having problems, and this time the best advice that we received was that we might not be as successful as we were then. Certain things had changed, and we took the best possible advice. We had to face up to what would happen and decide what to do. If we had accepted the countervail duty, it would not have been in the interest of Canadians. We knew that the lumber industry was the largest industry in Canada and that it accounted for more exports than any other product. We had to do something, and we did.

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Since assuming office our Government has participated in consultation. We consulted with the provinces in 1984, 1985, and 1986, and we are continuing to consult with them. We have also consulted with labour, business, and interest groups for the benefit of all Canadians. We consulted so that we would be able to represent Canada in the best possible way.

When the softwood lumber dispute with the Americans arose, the Prime Minister (Mr. Mulroney) met with nine Premiers in November 1986 at the First Ministers Conference in Vancouver. We faced the problem. We decided that in the interests of all concerned we would negotiate with the Americans. We did not want to let them take money through the imposition of a duty on our lumber, so we decided to do it ourselves and keep the money in Canada. It was a very sensible thing to do. Surely we had a responsibility. There would have been countervailing charges against Canadian lumber. With that in mind we had to negotiate with the Americans and rightly so; the reverse would have been true. We have done it in good faith and properly. We will be providing them with information and they will be providing us with information covered in the agreement.

What was the alternative to a countervailing duty? It was exactly what we did, and that is why it is good for all concerned. The provinces and the unions have agreed that it was the best possible course of action. However, if we had set up our freer trade agreement with the Americans sooner, if the previous Government had initiated it, this would never have arisen.

It is the best deal for us. The provinces will be retaining their flexibility in determining stumpage prices. In the months to come these will have to be negotiated among the provinces and the federal Government. The increased revenues will remain in Canada and will be distributed to the provinces accordingly. Of course the dangerous development of an American countervail policy has been avoided by the withdrawal of the petition.

The Alberta Government has stated that it feels this is the best possible solution under difficult circumstances. We must remember that 70 per cent of Alberta softwood lumber products are exported to the United States. Although we do not produce as much as British Columbia, Ontario, or even Quebec, it is a significant industry for us. The economy in Alberta is very fragile. The prices of oil have dropped drastically. Agriculture is in great difficulty. Tourism is attempting