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Standing Committee on International Trade

Thursday, November 2, 2006

• (0910)

[English]

The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)): Good morning, everyone. Let's get started.

We're here today to deal with Bill C-24, An Act to impose a charge on the export of certain softwood lumber products to the United States and a charge on refunds of certain duty deposits paid to the United States, to authorize certain payments, to amend the Export and Import Permits Act and to amend other Acts as a consequence. We're here today to give clause-by-clause consideration to this bill.

We have as witnesses, from the Department of Foreign Affairs and International Trade, Stephen de Boer, director, softwood lumber; Carl Hartil, deputy director, softwood lumber; Dennis Seebach, director, administration and technology services; John Clifford, counsel, trade law bureau; Michael Solursh, counsel, trade law bureau; and from the Canada Revenue Agency, Ron Hagmann, manager, softwood lumber; and Cindy Negus, manager, legislative policy directorate.

Welcome to you all once again. You're getting to be familiar faces here, but hopefully not for too many more meetings.

Before we get into the meeting itself, I want to mention a few things. The officials are here to answer questions on the implications of amendments. There is also, of course, a legislative clerk to answer questions on procedure, and she will be moving over here when we get through the initial business. The officials really can't comment, of course, on any political questions. They're here to speak to the amendments and not from a political commentary point of view, so if you go there, I'll certainly interrupt at that point.

The committee has packages of amendments. They have been distributed to all members to facilitate the work. Part of the package is a package of sheets that show certain clauses in the softwood lumber agreement that are also included in other acts. They're kind of standard clauses that have been used in other acts, such as the Air Travellers Security Charge Act, the Excise Act, the Excise Tax Act, the Income Tax Act, and so on. This is to make you aware that these are clauses that are used elsewhere. You are aware of the other contents, but I simply wanted to point that out.

I'd like to thank the members for respecting the deadlines for amendments. At this time I'd also like to say that we've had three motions from Peter Julian—proper notice has been given—and we will deal with two of those motions right now, Mr. Julian, if you're ready. The third one will be dealt with after clause-by-clause is finished, because we had agreed to proceed with clause-by-clause. That's the agenda. It has nothing to do with clause-by-clause consideration of the softwood lumber agreement, so it will be dealt with at the end of the clause-by-clause procedure.

You can go ahead with the other two motions, Mr. Julian. Please go ahead and read the first one.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Chair, I do have a question. There is the motion, very important and very timely, on textile protection—

The Chair: That one will be dealt with, Mr. Julian, after clauseby-clause on the bill is finished, because it has nothing to do with the agenda of the—

Mr. Peter Julian: Well, I'm suggesting for today that we would consider that at, say, 12:30 p.m. There is that motion. There is also a motion that was moved that we did not fully consider. Mr. Cardin suggested some amendments on October 17 dealing with the Canada CA-4 free trade agreement. As you recall, there were two motions: one motion was adopted; we didn't get to the second motion.

What I'm suggesting is that we would come back to that at a designated time today. I'm suggesting 12:30 p.m., both for that motion and for the motion on the textiles and apparel industry.

[Translation]

We must discuss this second motion, the one relating to the textile industry in Montreal. Two weeks ago, I participated, alongside several of my colleagues from the Bloc québécois, in a textile workers' rally. This is an urgent and important matter. It must be considered today.

[English]

The Chair: Mr. Julian, you've given proper notice of that, of course, and you're free to bring that up any time you wish. If you want to bring it up, you—

Mr. Peter Julian: So you're suggesting that I move that motion sometime after noon.

The Chair: You can do that, yes.

Do you want to deal with these other two motions now? It would seem appropriate, if you would like to deal with them at all.

Mr. Peter Julian: I certainly would, Mr. Chair. There's no doubt about that.

I have provided notice of motion on the second motion. As I have done with some previous motions, I'll reserve the right to move that motion when I feel it's appropriate. The Chair: You have that right.

Mr. Peter Julian: I would now like to move the first motion:

That the Standing Committee on International Trade hear testimony from those organizations, businesses and municipalities that have recently written to the Committee to request to testify on Bill C-24, and that they be heard either in person, or by video, or telephone conference before the beginning of clause by clause consideration of Bill C-24 by this Committee.

I'm moving this motion because on Monday of this week the government started making payments to the EDC. It's taxpayers' money, but it provided the support to the softwood industry that we've been advocating for many months. For nine months we've been saying that the government has the ability to do this. On Monday, the government made an initial payment of \$950 million. We credit the government for doing that. It would have been better if it had been six or eight months ago. The important thing is that those funds from taxpayers are now going to the softwood industry. This allows the committee the opportunity to do our due diligence on Bill C-24.

As we heard from witnesses on Tuesday, there are some critical aspects of this bill that need to be considered. On Tuesday we received an important bit of information from the only witnesses we brought in, aside from departmental witnesses. Credible as government witnesses are, it's important to hear from outside folks. We heard that there is a risk of double taxation in clause 18. That's one element that we heard about on Tuesday.

The second element, which is a very important one, was the question of the actual language of Bill C-24. Mr. Pearson provided strong testimony that if we have loose language, or language that is vague or incomplete, we may be setting ourselves up for litigation that would happen almost immediately.

So the few witnesses we have heard informed us of important risks. If we don't do a measured, complete due diligence on Bill C-24, we could well end up provoking a further crisis in the industry, either through continued litigation, because Bill C-24 hasn't been drafted with the required exactitude, or through double taxation components or other perverse impacts. If we don't do our due diligence, we may indeed find that we're doing more harm than good.

These were the only witnesses we invited. Members around this committee table were invited to submit names, and I did so. Some colleagues haven't, but that may be understandable in light of who we requested. This is a different situation. We're talking about folks across the country who have indicated their interest in coming and speaking to us on Bill C-24, providing their expertise. Whether they come from industry, whether they're workers in the softwood industry, or whether they're municipalities, they're impacted by Bill C-24. There is real concern across the country about what this committee may be doing. From the letters we've received, we've gotten a clear indication that these groups, these folks who are experts in the area of softwood lumber and understand the impacts of Bill C-24, want to be heard. And they want to be heard before we enter into clause-by-clause consideration.

Let's look at who's asked to appear before us. We have Russ Cameron, the president of the Independent Lumber Remanufacturers Association—

The Chair: I would like to remind you, Mr. Julian, that this committee agreed that each member of the committee would have any recommendations for witnesses in by a certain date. That date was roughly two weeks ago. The clerk is looking up the exact time. We were all given ample time to do that. You did name some witnesses. That process was followed through.

I would ask that all members of this committee respect the previous decision made by the committee.

Mr. Peter Julian: Mr. Chair, with respect, that's not a point of order. What we're talking about here is that folks across the country, with a level of expertise, have written to this committee, written to you, through the clerk, to indicate their interest in testifying. That is a completely different situation from what members might be submitting as lists of witnesses for consideration.

What we're seeing here is a reaction across the country. It's called democracy, and it's a welcome thing.

That people who have a real interest in the future of the softwood industry would write to us, would write to you, through the clerk, I think, indicates a level of interest, number one, in Bill C-24, but number two, and more importantly, it indicates the level of concern. Some of these perverse impacts of Bill C-24, if they're not appropriately considered.... If we don't get the type of due diligence and the type of input that we certainly need from these folks across the country, what we may indeed be seeing is the adoption of clauses or amendments that will have perverse impacts. We certainly heard on Tuesday that those impacts could be very serious.

I'd like to come back, Mr. Chair-

The Chair: Ms. Guergis has a point of order.

Ms. Helena Guergis (Simcoe—Grey, CPC): Thank you, Mr. Chair.

I'm hearing a lot of things coming from my colleague Mr. Julian that he has said around this table umpteen times already. We have had ample opportunity to hear from witnesses. Of course, witnesses can always provide written submissions at any time. We've done our due diligence. We have heard from witnesses over and over again.

I feel as though the honourable member may be just trying to stall here as long as he possibly can. I know we all made a decision here. I think integrity is at question, because we were all hoping to just get on with clause-by-clause at this point. I see that right off the top here, we're not actually making an effort.

Please call the question.

• (0920)

The Chair: Ms. Guergis, that is debate on a motion, I would suggest.

Mr. Julian, do you have more to say?

Mr. Peter Julian: Thank you, Mr. Chair. Yes, I certainly do.

Ms. Helena Guergis: I'm sure he does, for another two hours.

Mr. Peter Julian: I will do so. That's the reality. Members of the committee around this table do have the right to make statements.

The Chair: Mr. Julian, would you please address the chair and get on with your discussion on the motion?

Mr. Peter Julian: Certainly, Mr. Chair. I apologize.

Let us take Bill C-11, for example, which is being considered in the transport committee. We have now had four weeks of hearings from witnesses across the country on that particular bill, and in fact we are looking at a period of six weeks to submit amendments.

In this case, the opposition was extremely cooperative. Eight days after receiving a clause-by-clause report, it submitted clause-byclause amendments to the bill. That level of cooperation is something that wasn't seen either in this or the previous Parliament.

So I would hope that the government would cooperate back, given that we have made concessions, both in terms of the time required for amendments and also in extending the time today for the hearing.

Mr. Chair, I'd like to come to the most important thing, the actual witnesses themselves, and what they have said in requesting to be heard in front of this committee. Whether it's by teleconference, video conference, or in person, I think this is of much less important than the fact that they want to appear.

Russ Cameron of the Independent Lumber Remanufacturers Association stated the following. He urges you to convene committee meetings so that the parties affected by Bill C-24 may appear as witnesses and express their views on this pending legislation:

We realize that sessions were held earlier in this process as we appeared at them, but things have changed a great deal since that time. For example, we were originally assured that all our interest would be returned to us, but now Canada will take some of it too. We were originally told in writing that we would get all our money back if we elected not to sell to EDC at a discount, but now Canada is imposing a special charge and will take that money from us too. We were originally told that 95% support was required, but when it was not there, Canada changed that requirement. We were originally told that all litigation must be dropped, but when it was not dropped, GOC changed that requirement too.

We have yet to see the much changed final agreement that the GOC plans to force upon us, yet we are currently operating under it. We now have experience with what this agreement will do to our industry and we need the opportunity to relate this new knowledge to the Committee.

At the July 31 Trade Committee meetings, a motion by Mr. Julian was passed to take the Committee to the affected parties and hold meetings in BC, Quebec, and Ontario. This has not yet occurred

-and we ask you to follow through with this motion.

The Independent Lumber Remanufacturers Association represents 120 B.C. companies, employing over 4,000 Canadians. Our annual sales are \$2.5 billion on four billion board feet.

So that's Russ Cameron from the Independent Lumber Remanufacturers Association writing to urge this committee to have hearings on Bill C-24 before we move to clause-by-clause consideration.

We have a letter from Frank Everett, and Bill Derbyshire, who's president of Local 1425—

The Chair: Mr. Julian, I have a point of order.

Mr. Ted Menzies (Macleod, CPC): Mr. Chair, a point of order.

It's just a clarification. Are we having de facto witnesses through Mr. Julian today? The deadline is up. We came here to go through this clause by clause.

I would like to call the question on Mr. Julian's motion. We've all had the opportunity to read these letters; we don't need them read out to us again.

The Chair: We can't do that, of course.

Mr. Cannan.

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Thank you, Mr. Chair.

I understand Mr. Julian's concerns. He's expressed them numerous times, and the majority of us have agreed that we want to move ahead.

Coming from British Columbia, as Mr. Julian, we've heard from the communities. There's a real need to move ahead with this. We have a roomful of highly paid staff, and I think in the best interest of taxpayers, I'd like to move that the debate now be adjourned.

• (0925)

The Chair: The member has moved that debate now be adjourned, which is not debatable. We go to the question on that, for the vote on the motion.

Mr. Peter Julian: Mr. Chair, you're well aware that when a person moves a motion or when we are discussing amendments, you cannot impose—

The Chair: Is that a point of order, Mr. Julian?

Mr. Julian, as chair I call for the question. This is not a debatable motion, and it is in order, Mr. Julian.

Mr. Peter Julian: It is not in order.

The Chair: I call for the question on Mr. Cannan's motion. Would you like to repeat the motion, Mr. Cannan?

Mr. Peter Julian: It is not in order, Mr. Chair.

Mr. Ron Cannan: I move that the debate now be adjourned and we move to clause-by-clause.

The Chair: It is that the debate now be adjourned.

Mr. Peter Julian: It is not in order.

Mr. Chair-

The Chair: Yes, Mr. LeBlanc.

Hon. Dominic LeBlanc (Beauséjour, Lib.): I have a question. If Mr. Cannan's motion is accepted, does the committee adjourn for the day or do we proceed to clause-by-clause?

The Chair: We proceed. We're finished with Mr. Julian's motion.

Mr. Peter Julian: Mr. Chair, you have the legislative experts here. I believe you should be consulting them as to whether or not this, what I consider quite outrageous behaviour, is in order.

The Chair: Mr. Julian, I'm confident that in fact my ruling is in order and—

Mr. Peter Julian: Would you please consult?

The Chair: —we will go to the vote.

Mr. Peter Julian: Mr. Chair, would you please consult? You have to do things right, now, not like this.

The Chair: Just a moment.

Mr. Julian, the motion by Mr. Cannon is in order. You of course can appeal the decision, which we would deal with now if you choose to do that, or we can go on with the vote.

Mr. Peter Julian: Yes, indeed, I appeal the decision, Mr. Chair, on the basis of fairness for committee work, and essentially when we have witnesses who have indicated that they want to testify amongst us and they want to come to the committee, those individuals should have an opportunity to be heard.

What we're suggesting, though, is even prior to having the decision of this committee—

The Chair: Mr. Julian, your motion is actually non-debatable, so you will not speak on that. We'll go directly to the question.

Mr. Peter Julian: Mr. Chair, just for the record, because it is the right in the committee, every vote that takes place from now on I will ask be a recorded vote—in other words, a recorded individual vote.

The Chair: Absolutely.

Mr. Peter Julian: Rather than wasting the time of the committee in raising this every single time, I would request that every vote from here on in be done as a recorded vote.

The Chair: The actual question here that the members will be voting on is should the decision of the chair be sustained? If you agree with the decision of the chair, you will vote affirmative to the question.

It's a recorded vote. Mr. Julian has requested that.

(Motion agreed to [See Minutes of Proceedings])

The Chair: We now go to Mr. Cannan's motion that the debate be adjourned. That's the motion. What that means is that we will no longer deal with Mr. Julian's motion; we'll get on to the next order of business for the committee.

• (0930)

Mr. Peter Julian: Mr. Chair, just to clarify, what you're saying is that there will be no vote at all on the motion.

The Chair: That is correct.

Mr. Peter Julian: I'd be surprised by that.

The Chair: Just hold on. I'll discuss this with the clerk.

Okay, Mr. Julian, if this motion does pass, it would mean that you can't go to a vote on your motion today. Of course, you can bring it back at a future meeting, but there will be no vote on your motion today—just for clarity.

I'm calling the vote on the motion. Did you ask for a recorded vote on this, Mr. Julian?

Mr. Peter Julian: On all of them, yes.

The Chair: Okay, let's go to a recorded vote.

(Motion agreed to [See Minutes of Proceedings])

The Chair: We will now then go to the next order of business, which is clause-by-clause of Bill C-24.

We're just going to change and get Susan in position here to answer any questions on the process.

Do you have a point, Ms. Guergis?

Ms. Helena Guergis: I actually wouldn't mind, by point of order, Mr. Chair, making a request to bundle some of the clauses, just in the interest of time and because they all actually pertain to the same thing—specifically date changes. They are clauses 10, 18, 104, 105—

The Chair: Could you just hold on, Ms. Guergis?

We have them. It's okay. They're being recorded.

Ms. Helena Guergis: They are amendments, sorry.

The Chair: They are amendments, yes. Just repeat them, please, Ms. Guergis.

Ms. Helena Guergis: Sure.

I would like to request that the government amendments be bundled for the purposes of debate. Those would be clauses 10, 18, 104, 105, 107, 108, 109, and 126. All these amendments relate to changes in the effective date of the legislation. We're proposing, of course, eight amendments to reflect the softwood lumber agreement's October 12, 2006, entry into force date.

I think these should be read together in their entirety to ensure the correct understanding of the act and its proper functioning. Of course, they are very important to Canadian softwood lumber exporters. They will ensure the correct date for application of the export charge, refunds of all the duty deposits paid, refunds of charges paid, the transition period calculation of surcharges, the making of regulations in a timely manner, and a definition of their variance.

The Chair: The members of the committee have heard the proposal here. If it were agreed, we would deal with them at the time the first amendment comes up. Is that agreed?

Go ahead, Mr. Julian.

Mr. Peter Julian: Mr. Chair, I would like to get a legislative interpretation of what that means for the clauses and amendments.

We have very extensive amendments on clause 10, for example, from Monsieur LeBlanc. We have an extensive number of amendments around clause 18; there have been serious concerns raised about that. So I would like to hear from the legislative expert we have with us today what that means in terms of the consideration of all these clauses. Ms. Guergis has moved to have eight clauses wrapped together, unless I've misunderstood, and she's just referring to dates.

• (0935)

The Chair: She is referring just to government amendments, and they're just date changes to reflect reality. The other amendments would be proceeded with in the appropriate order, Mr. Julian. The member is simply trying to deal with all the date changes together.

Ms. Susan Baldwin (Procedural Clerk): Mr. Julian is correct inasmuch as there are.... I haven't had time to look at this carefully, because this has just been moved. But if you look at the amendments to clause 10, there is a line conflict between G-1 and NDP-4. I would like to be able to go through and sort of mark all these line conflicts.

If the committee agrees, what we'd do is deal with the amendments that have line conflicts with the government amendments before we proceeded with all the other amendments and before we dealt with the proposal to group all of these for debate.

That would be the fairest method, so everybody would get a chance to propose their amendments.

The Chair: The line conflict would just determine which one would be debated first.

Ms. Susan Baldwin: No, you could only amend an amendment in one line, at one stage, once. So if we adopted Ms. Guergis' proposal without carefully looking at the line conflict situation, we could eliminate some of the other proposals on that line. I would like the committee to at least look at all the amendments to the same line before we proceed.

Ms. Helena Guergis: There is no line conflict with respect to the date changes.

Mr. Ron Cannan: October 1 to October 12.

The Chair: We're just going to check that out.

Ms. Helena Guergis: That's not what I'm asking for. I'm only asking for the date change.

Ms. Susan Baldwin: If you just give me two seconds, I'll look.

The Chair: We're just going to check this out.

Ms. Susan Baldwin: If you'll turn to your bundle of amendments and look at NDP-4 on page 7—I'm just using this one as a first example, since I haven't had time to look at the rest of them—you'll see that Mr. Julian's motion proposes one date. Government motion G-1, on page 8, proposes a slightly different date.

It would not be fair to pre-decide, by packaging the motions, which ones the committee would like to have.

The Chair: Ms. Guergis, yes, I see the issue here.

Ms. Susan Baldwin: What I can do, if you like, is make up a list of where there are these line conflicts. Then the committee can deal with the ones that are subject to the line conflicts first, and then we can follow, if the committee wishes, Ms. Guergis' proposal.

That would satisfy everybody, hopefully, and would be fair to everybody.

[Translation]

Le président: Mr. Cardin.

Mr. Serge Cardin (Sherbrooke, BQ): Thank you, Mr. Chairman,

Rather than losing ourselves in the Standing Orders as we attempt to determine exactly what should apply, and given the possibility of our misleading ourselves that exists, why not consider each clause in sequence? Let us deal, one by one, with each one of the clauses Ms. Guergis wishes to amend. If the changes are accepted and if other changes are then made, we will simply have to add them as we go through each one of the clauses as already amended.

[English]

The Chair: Ms. Guergis, you've heard the proposal by Monsieur Cardin.

Ms. Helena Guergis: I'm not going to beat my head against the wall all day long. No one's interested, so....

The Chair: Ms. Guergis, should we just go ahead, starting with clause 1?

• (0940)

Ms. Helena Guergis: I think I answered that already.

The Chair: It does seem, yes, that there's not agreement.

Members, pursuant to Standing Order 75(1), consideration of clause 1 is postponed.

(On clause 2-Definitions)

The Chair: Shall clause 2 carry? Agreed...?

Mr. Julian.

Mr. Peter Julian: Mr. Chair, I don't want to have to intervene each time, but if you prefer that I do so, I will. I did request that we have a recorded vote on each of these clauses. I think it's important to be on the record in each case.

As you know, according to Marleau and Montpetit, any member of the committee can request that we have a recorded vote. I indeed request it.

The Chair: Okay.

Yes, Ms. Guergis.

Ms. Helena Guergis: Mr. Chair, I do want to point out that a number of clauses don't have amendments, or they're not contentious. Obviously this is another stall tactic by my colleague, to delay as much time as possible around the table.

Perhaps we could all agree that for those clauses we don't have amendments for, we're not required to have a recorded vote. Let's get them out of the way and then get into debate and discussion around the clauses with amendments.

The Chair: Thank you, Ms. Guergis.

CIIT-35

Mr. Julian, you've heard the proposal. On clauses where there are no amendments, do you still want a recorded vote?

Mr. Peter Julian: As you know, Mr. Chair, according to Marleau and Montpetit—

The Chair: You have a right to request that. I'm not denying that or doubting you.

Mr. Peter Julian: —any member of a committee can request a recorded vote. It's not subject to a committee's decision.

The Chair: Then let's go to a recorded vote on clause 2.

Mr. Julian, would you agree, since there is no amendment to clause 3 either, that we do clauses 2 and 3 together?

Mr. Peter Julian: I prefer a separate recorded vote.

The Chair: Let's go to a recorded vote on clause 2.

Shall clause 2 carry?

(Clause 2 agreed to [See Minutes of Proceedings])

The Chair: Shall clause 3 carry?

(Clause 3 agreed to [See Minutes of Proceedings])

(On clause 4-Interest to be paid)

The Chair: We will now go to clause 4. The first amendment is NDP-1.

Go ahead, Mr. Julian.

Mr. Peter Julian: Thank you very much, Mr. Chair.

Moving to amendment NDP-1, as was expressed in the brief hearings we had on Tuesday on Bill C-24, the concern here is the overall impact on the softwood industry. What we have in the current Bill C-24 is a case where moneys that are owed effectively to the Government of Canada are subject to a rate calculated through the Government of Canada treasury bills sold at auctions of Government of Canada treasury bills during the first month of the calendar quarter and 4%. Essentially, in this clause as it's currently crafted, Mr. Chair, what we're doing is imposing an additional penalty on softwood companies.

As witnesses on Tuesday attested, we know this is a pretty draconian bill. There are a series of penalties that we'll be discussing in the course of the next few days. But the reality is that a lot of these penalties are penalties that should not be imposed on the softwood industry. They've already suffered enough, and they're certainly suffering from the softwood sellout itself.

Now, if we look at Bill C-24, we have clauses that are additional penalties—additional punishments, if you like—on how these companies are treated. When there is interest to be paid at a specified rate—and we've already acknowledged that because of the decision of the Court of International Trade on October 13, these taxes and these penalties do not need to be paid—the way the bill is currently configured, what we end up with not only penalizes the companies having to pay these taxes that they shouldn't have to pay because we won in the Court of International Trade, but we're also very clearly including a 4% penalty on top of

(a) the rate that is the simple arithmetic mean, expressed as a percentage per year and rounded to the next higher whole percentage where the mean is not a whole percentage, of all amounts each of which is the average equivalent yield, expressed as a percentage per year, of Government of Canada Treasury Bills that mature approximately three months after their date of issue and that are sold at auctions of Government of Canada Treasury Bills during the first month of the calendar quarter preceding the particular calendar quarter, and (*b*) 4%.

That's the way the bill is currently worded.

Assuming that the Government of Canada treasury bills are above the inflation rate plus the 4%, we have companies paying taxes that they should not have to pay, because, as I mentioned, the Court of International Trade said we don't have to have these self-imposed taxes. In addition, in clause 4, we have this quite egregious penalty.

As a result of that, what we have offered up is an amendment that would simply allow the rate of the interest penalty to be paid by softwood companies. These are small softwood companies right across the country. These are folks who are already going to suffer from many aspects of the bill unless we clean it up. To have them pay the treasury bill rate plus 4%, as opposed to what our amendment proposes—which is the rate that is the Bank of Canada core measure of inflation calculated in respect of that....

In other words, what we do by incorporating this amendment is, in some way, to soften the blow of the double penalties that these companies are going to have to pay. We're talking about an onerous administrative burden. We're talking about onerous financial burdens, as we've heard—and hopefully we'll have the time and due diligence to go through clause 18 to eliminate the double taxation that occurs.

It seems to me quite straightforward and quite simple that we don't want to penalize and doubly penalize companies that have been operating in good faith, companies across the country that have paid the price of this agreement.

• (0945)

[Translation]

Mr. Chairman, what we are proposing is very simple. We are proposing to replace the suggested wording, in other words, the rate that is the simple arithmetic mean of Government of Canada Treasury Bonds. I have read the text in English, and there is no need for me to repeat it in French.

We are proposing an interest rate that would be the average return on Government of Canada Treasury Bonds, plus 4%. Very clearly, the effect of the bill would be to penalize, to attack, to harm these companies, who are already paying double: first of all, they are getting less money than their rightful share, money that was illegally collected by the government of the United States. Secondly...

[English]

The Chair: Mr. Julian, there is no need to go through the same debate in English and French separately. There is translation here. So certainly if you've done it in one language, the translation would have it be understood in the other language. I encourage you not to repeat.

• (0950)

Mr. Peter Julian: Well, Mr. Chair

[Translation]

Thank you very much, but I deem it important to make my arguments in both official languages. This is certainly the right of any Canadian citizen. I believe it is important to present certain arguments in a detailed way. If these companies—I am talking of companies that could be in the Abitibi region, in Saguenay—Lac-Saint-Jean, on the North Shore...

[English]

The Chair: Mr. Julian, repetition is against the rules of debate, and I will cut that repetition off. Certainly, members of this committee can be heard in either official language, and we are always happy to accommodate that, of course. That's a right. But I will not allow you to go through, in both official languages, the same debate. It's still the same debate.

[Translation]

Mr. Peter Julian: What I am trying to say, Mr. Chairman, is that I do not agree when you say that this is the same debate. I am speaking here—and I did not do so in English—about companies that are situated in the Abitibi-Témiscamingue region, in Saguenay—Lac-Saint-Jean and on the North Shore. I am very familiar with the Saguenay—Lac-Saint-Jean region, having lived there for three years.

If we retain the provisions of the bill as they now stand, these companies will indeed wind up paying double, and this is not normal. If we really take their interests to heart, we will not want to impose upon them a penalty, in other words the rate of return of Treasury Bonds, plus 4%. What we are suggesting is much more reasonable: simply following the rate of inflation. It is a reference which to my mind is appropriate. The rate is set by the Bank of Canada. It is not set in a haphazard way, but by the Bank of Canada itself. This is done regularly, based upon solid statistics, which is why the rate is reliable.

If the Bank of Canada provides us with the reference level, in other words, the rate of inflation, then that holds a lot of weight. To my mind, this is what the reference point for this clause, clause 4, should be. We cannot impose a penalty such that the Government of Canada might well profit from the difficulties of softwood lumber companies. It is to my mind completely inappropriate to impose upon these companies an additional 4%, given that they have already had their share of setbacks.

What we are proposing is simple, important, and based upon a reliable rate, as I have already stated. The Bank of Canada is an organization we can place our trust in. It sets its rates based upon goods and services-related statistics Canada-wide. The rate of inflation gives the average picture of the performance of goods and services overall.

If, for example, the cost of fuel goes up, that would be reflected in the rate set by the Bank of Canada. There are other criteria as well, for example the cost of a food basket, an average basket of food that all Canadian families could purchase. This rate is based upon various factors affecting Canadian families. All of these elements are taken into account.

There is also the cost of fuel and the cost of heating one's home. All of this comes into play in calculating the rate of inflation. An Every month, the Bank of Canada does a review of all goods and services. It takes everything into account and does its calculations. Then, from month to month, it calculates the overall cost of these goods and services, which are important and essential. These are not luxury items. The cost of a limousine does not come into play in the calculation of the cost of goods and services. The Bank of Canada does its calculations and compares the result obtained at the end of the previous month with that of the following month.

Based upon these calculations, it is able to establish over the year the variations from month to month. It also calculates the annual inflation rate. These numbers change from one month to the next, of course, but they really give us a good idea of the monthly evolution of the cost of living for Canadians.

• (0955)

This is why I say that, in my opinion, the inflation rate is extremely reliable, extremely valid and extremely important for a business having to pay interest because of Bill C-24. It is based on something that only represents the cost of the differences incurred that month by the Government of Canada. In other words, if there is money that is owed because of the passage of Bill C-24, because of these interest payments to be made, the only thing this represents for the Government of Canada is the shortfall while it awaits these payments.

Given that we have these calculations of the Bank of Canada, we know that this in no way whatsoever represents a loss for those who have not paid all of these taxes resulting from Bill C-24. Therefore, it cannot be said that the government is losing something by having to wait one, two or six months, but in making these changes to clause 4, we would be going back to a situation where nothing would be lost but where the company would not be unfairly penalized. It would not be on the receiving end of a punishment which, in a sense, would amount to a double or triple penalty.

This is why the measure I am proposing should indeed be taken into consideration.

At present, there are those who are starting to prepare contrary arguments. They will be critical of the rate of inflation. They will, for example, say that this rate does not take into account all data or that it is not exact, given that the results come one month later. It is a fact that all of these calculations cover the previous month. Therefore, given that they correspond to the previous month, the rate cannot be exact, and certain calculations would need to be adjusted.

If there is a drop in the price of fuel in a given region of the country, for example, what happens? Given that we average the prices charged across the whole country, it is quite possible that the inflation rate not be exactly representative of each region of the country. In other words, there clearly are variables.

In British Columbia, there might be a given objective or some kind of representation. If the cost of fuel slid down in British Columbia, this would not necessarily be reflected in the national rate. And if the price of fuel were to drop in Quebec, for example, that change would not necessarily find itself reflected in the overall data.

I believe that those who make these criticisms are mistaken with regard to one thing: the inflation rate cannot be the same from one end of the country to the other. It cannot be the same in Prince George and in Iqaluit. The cost of a grocery basket will clearly vary. The price of fresh fruit, for example, will obviously be much higher in Iqaluit relative to the cost of fuel in other regions.

• (1000)

[English]

The Chair: We have a point of order, Mr. Julian.

Mr. Cullen.

Hon. Roy Cullen (Etobicoke North, Lib.): We've just heard from translation. Because of all the background noise, they've cut off the translation. I think that's a slight to people who want to listen to what Mr. Julian is saying in English or in French. I wonder if we could keep the background noise to a minimum so at least we can hear what he has to say.

The Chair: We will ask the members and anyone near the table to keep the conversation very quiet so we can have the translation.

Mr. Julian, continue, if you would like to.

Mr. Peter Julian: Thank you very much, Mr. Chair.

I'd like to thank Mr. Cullen for his intervention, because I do believe this is important.

When we talk about the calculation of the inflation rate, there are differing points of view on the issue. I think it's important that this committee take very seriously into consideration the amendment because of the fact that we do have these disputes around whether the Bank of Canada inflation rate, calculated nationally, actually represents perfectly what the inflation rate is in certain regions of the country. Of course, Mr. Chair, that is not the case. If we are talking about the price of certain goods and services in the Yukon, for example, because of the high cost of transportation from southern Canada to northern Canada, the national basis point will not represent, ideally, what the inflation rate is indeed in that region. That is very true. I think it's a valid criticism.

In British Columbia, for example, we've seen in greater Vancouver, certainly, a rise in the cost of gas and in the cost of heating oil. Other parts of the country, like Nova Scotia, have seen that as well. And that will not be reflected in the national inflation rate.

But the argument I would make back, Mr. Chair, is quite simple: there is no way of guaranteeing with exactitude an inflation rate that takes into consideration every single region of the country. We're a vast land. We have a variety of resource bases in different parts of the country. So indeed, it would be very difficult—almost impossible—to have an inflation rate that would actually correspond with the actual inflation rate in each of the regions of the country.

[Translation]

I will give you an example. When I was living in the Saguenay— Lac-Saint-Jean, we did not take into account the cost of transportation from Quebec City to Chicoutimi through the Parc des Laurentides when establishing the inflation rate. The costs were lower. When we saw the inflation rate announced by the Bank of Canada, we realized that the inflation rate in the Saguenary—Lac-Saint-Jean region was much higher than elsewhere in the country. There were marked variations. This criticism is well-founded. Furthermore, I think it is important to underscore the fact that what we are offering now is the most precise possible element in the circumstances.

There is another matter that is also important. What is included in the basket? Does the basket truly reflect what people need to purchase? For example, I was talking about one element that the Bank of Canada takes into account in establishing the rate of inflation. I am talking here of Internet access. Is this an essential product or simply a matter of personal choice?

A few years ago, the cost of an Internet connection was not included as an essential product, because the majority of Canadian households did not have access to the Internet. However, as in the case of the telephone, with the evolution of technology, the cost of an Internet connection has been included as a core measure of inflation.

Today, access to the Internet is considered essential for the majority of Canadian households. The cost of an Internet connection for Canadian households must therefore be included in the consumer price index used by the Bank of Canada to measure inflation, and for a very simply reason: today, people need this access. Numerous taxpayers working at home require Internet access. The Internet is an element of our modern-day communications.

This second criticism of the rate of inflation as it is measured by the Bank of Canada is, I must admit, legitimate. Indeed, it represents essential goods. One must recognize that the definition of what constitutes an essential good has changed. This is important, and these things evolve. Clearly, the Bank of Canada has not always been on the cutting-edge of technology. It has often overlooked things that we would consider to be essential goods, in the belief that they were not truly essential. I believe that it is our duty as parliamentarians to exert pressure on the Bank of Canada in order for it to always take into account these essential products when determining the content of the basket of goods and services it uses to calculate the rate of inflation. It should indeed include all of these elements. It is sometimes true that the consumer price index lags behind. That being said, we can oppose that affirmation because, in essence, it nevertheless is the best we can do. If there are deficiencies in the general price index used by the Bank of Canada to measure inflation, to my mind, these are deficiencies that all of us have a duty to...

• (1005)

[English]

The Chair: Mr. Julian, I have been told that there are some comments being overheard and some rude gestures from people in the audience. This will not be tolerated. Please ensure that any comments you're making are very quietly made and that no rude gestures or comments of any type are made. Certainly, we have to show respect for all members of the committee, and we will do that.

Mr. Julian, please continue.

Mr. Peter Julian: Thank you, Mr. Chair. I'm going to be moving to my conclusion shortly. I appreciate the committee's patience, because this is an extremely important issue.

How we calculate the inflation rate is something that I know all members find interesting, because it has such a marked impact on our daily lives. We need to know that our inflation rate is accurately calculated. It should include all of the essential goods that appear in the Bank of Canada calculation of the monthly variation in prices on which the annual estimate of the inflation rate is based. Certainly, the fact that there are regional variations is something we have to take into consideration as well.

We should be studying these regional variations with attention. Only careful study will give us an accurate picture of the inflation rates in each of the regions of our vast country, because there are significant differences, without a doubt. Because of the resource base in various parts of the country, there are substantial differences in the composition of our national basket of goods and services.

The Bank of Canada does a passable job in representing this core inflation rate. Surely no member of this committee would disagree with the idea that the inflation rate is much less punitive than imposing what we have in the current wording of Bill C-24, where we take the Treasury Board rate plus 4%. This ensures that we have an interest rate that not only respects the fact that the Government of Canada is not receiving those funds, but also respects how difficult it has been for softwood companies over the past few years and how difficult it will continue to be for them. Any interest that is owed is based purely on the core measure of inflation, as opposed to the kinds of penalties we see in clause 4.

I'd like to thank the committee for its indulgence in hearing me out on the inflation rate. It's certainly a passionate subject for me, and I appreciate the opportunity to speak on it.

• (1010)

The Chair: Thank you, Mr. Julian.

Mr. Cannan.

Mr. Ron Cannan: Thank you, Mr. Julian, for your comments. In respecting the time of everybody around the table, and also of taxpayers, of whom I'm one, I think we need to have a little more efficient use of our time. So I propose to make two motions at this time.

Motion one is this. I move that total debate for clauses and all amendments are to be limited to a maximum of three minutes per member, and that if the committee would like to extend debate beyond three minutes per member for a specific clause or amendment, this could be accommodated by general vote. So each member has a total of three minutes. If we would like to extend it—if there's something contentious or something that takes more time—we could do so by a general vote.

The Chair: Okay, you've heard the motion. Is there any debate on the motion? Then we'll go directly to the vote.

Mr. Julian.

Mr. Peter Julian: Mr. Chair, I do not believe it's the kind of motion that's in order. Certainly when we're dealing with clause-byclause amendments, what we're dealing with is very important legislation, and we have to have the opportunity to express ourselves. So certainly all members from all parties have amendments that are brought forward to this committee. We certainly know, and we've heard from the testimony on Tuesday, that how we treat this bill is of utmost importance. If we make mistakes in how we treat this bill, mistakes on how we choose to amend the various concerns that have been brought to our attention, either through the witnesses we heard on Tuesday or those who were refused to be allowed to be witnesses through the discussions this morning.... So we have some very serious concerns.

This is a highly technical bill. It contains numerous clauses and subclauses, in each of which the wording will have fundamental impacts on the softwood industry across the country.

I was in Thunder Bay just a few days ago talking to softwood workers about the impact of Bill C-24. I believe, in fact, softwood workers in Thunder Bay were one of the first groups to write in to this committee to say they wanted to testify in front of the committee. They want to testify because they're concerned about the impact of the bill. They're concerned about the impact of the bill because they're not certain that the government will accept the amendments that have been offered from the opposition parties.

We've had numerous amendments from Mr. LeBlanc, which are important amendments that I think will have an impact on improving this bill. I'm not sure if it will be improved to the extent that it would actually be something that anyone could support, but certainly to improve it we've had amendments.

[Translation]

Mr. Cardin and Mr. André tabled amendments. This means that there are amendments that are important to the members seated around this table. The practice in the House of Commons is a very simple one. With regard to committees, we do not attempt to muzzle people who are trying to present amendments, who are speaking to them. Often, as the case may be, the interactive aspect of the debate around each amendment is extremely important, because it facilitates improving the bill. This way of doing things traces back to the very beginnings of Parliament. Committees have an important role to play with regard to amendments to bills. Each member has something to contribute. It is today completely out-moded, Mr. Chairman, to attempt to muzzle members of Parliament or to curb debate.

• (1015)

[English]

The Chair: Mr. Julian, you are repeating yourself now, so unless you have something new to say, we will go to the vote on this question. I see nobody else asking for comment, although Mr. Cannan actually is—

[Translation]

Mr. Peter Julian: Mr. Chairman, as a matter of fact, I was dealing with an important aspect of what Mr. Cannan is proposing: let us look at all of the history and let us examine the workings of Parliament. This is the 39th Parliament, and the present government has made promises, guaranteeing that the work of committees would be treated with much greater respect. The new government has promised changes to the way committees function.

Mr. Chairman, I have already told you several times that I find that your way of managing the committee has greatly improved over the last few months. You respect all members and give everyone an opportunity to participate and have his or her say.

However, we have before us Mr. Cannan's motion, aimed at denying this respect due to committee members. There is no need for that, because the government already has tools it can use in any situation. It has already used some to close off debate on the bill in the House. It has already shown its ability to hit hard on committees.

It would be inconceivable for us, as committee members, to accept that the government decide what we can say and seek to limit our debate. That is inconceivable for anyone who has fought for democracy. If we look at emerging democracies, such as South Africa, for example, we can see that Parliament has had to determine to what extent opposition members should be able to speak out and represent their riding.

In South Africa, Parliament has changed the way committees work because, previously, when the regime was much less democratic, committees had no real power. They did not have the power to draft bills.

We have but to look at was is going on in Taiwan. I was thrilled to go there last summer and to see the approach they have with regard to the legislature and the rights of the opposition.

In none of these countries do government members attempt to quash opposition members or limit their opportunity to speak. If we refer to Marleau and Montpetit, it is clear that they do not have the right to do that. They do not have the right to impose rules limiting the ability of members to intervene and they cannot decide that nothing goes, under the pretext that it is the government that is in charge.

Mr. Cannan does perhaps not respect what I am saying, and perhaps he is convinced that he need not listen to me, but I find this important, and I am not alone.

I would be very pleased to hear Mr. Cannan's comments on these issues.

[English]

The Chair: We'll hear Mr. Cannan on a point of order.

Mr. Ron Cannan: Thank you, Mr. Chair. This is to clarify what Mr. Julian is saying.

I appreciate that he has his House of Commons *Procedure and Practice* manual, which every member has. You can get the novel at the gift shop for \$200. I'm glad you're reading it, because it says on page 646, under "Length of Speeches":

Every member of a committee may speak as often as he or she wishes and may also speak as long as he or she wishes, subject to the practice that the committee adopts in that respect. Frequently, a committee will pass motions to govern its proceedings, such as motions to regulate the length of time that members of the committee may speak, to establish the rotation of speakers...and to impose time limits for the proposal of certain types of motions or amendments.

So it states right there that it's-

• (1020)

Mr. Peter Julian: That is not a point of order.

The Chair: That is debate.

Mr. Peter Julian: As Mr. Cannan knows, you cannot-

The Chair: Mr. Julian, please, I'm on a point of order. The chair has the floor right now.

I have ruled that it is not a point of order. It is a point of debate. We know, of course, that the committee does control its own destiny. If the committee should choose to pass a motion to limit the debate, it can choose to do that. It has been done many times before; I'm sure it will be done many times in the future. That's exactly what we're debating right now, the motion brought by Mr. Cannan.

Back to you, Mr. Julian.

Mr. Peter Julian: Thank you very much, Mr. Chair.

I appreciate that, because the issue around limiting debate is an extremely important one for parliamentarians. It is important to note that Mr. Cannan didn't mention the one important issue that came up when we talked about the amendments, which is the fact that motions to amend a clause of a bill do not require notice.

What we've had from the opposition is full cooperation—for eight days—since the time the clause-by-clause package was actually delivered. In no other committee have we seen this kind of cooperation from the opposition. Within eight days, over 100 amendments were put forward to improve this legislation—which was badly drafted, badly crafted, badly botched.

What we've seen from the opposition is very clearly complete cooperation. We don't need to do that. We could have brought forward the motions today. We could have provided them without notice. We could have dropped them now, and certainly we can choose to do that in the coming days.

But the issue is how the government will try to deal with a bill that desperately needs to be improved. Even from the strongest supporter's standpoint, it is very clearly a bill that has been botched. We've heard limited testimony on that; it would have been wonderful for this committee to hear more. But to now have the proposal, the sledgehammer, to ensure there is virtually no debate on these motions, no debate on issues like clause 10, where we see a clause that could have huge ramifications for the future of the softwood industry.... We've heard some limited testimony to that effect, but the government is saying, "Well, we don't want to hear any more. No, sir, we don't want to know that there are problems with this bill."

In clause 18 we now have an imposed double tax, and the amendments that were brought forward on this imposed double tax are amendments that are going to make a substantial difference to companies.

Mr. Harris himself asked the question on Tuesday. For a company like Canfor, what is the difference between, in clause 18, a double taxation—in other words, a tax of 18% taken off on the duty refund—and then a special charge levied that is another 18%?

Now, in Mr. Harris' case, he asked the question of what that would mean for Canfor, for example, which is an important business in his riding. And he said—

The Chair: Mr. Julian, you seem to have moved back to

Mr. Peter Julian: Certainly not, Mr. Chair. I'm talking about the importance of these amendments.

The Chair: We're now debating the motion.

Mr. Peter Julian: Mr. Chair, with respect, we are debating a motion that will determine to what extent we can consider amendments. It is very much my right and my prerogative to point out some of the clauses that represent enormous difficulty and enormous danger that if this motion were adopted, if this legal procedural sledgehammer were adopted...what it would mean to our ability as a committee to deal with these important clauses.

I come back to clause 18, because that is something that was raised in the testimony on Tuesday and should have sounded alarm bells right through the Conservative members of the committee. What we're looking at in clause 18 is, now, the fact that.... The duty deposits, through the government's own legal machinery, take away 18% of the duties that are to be refunded to companies, and then in clause 18 we see that there is a special charge levied of 18%. That is double taxation that, as Mr. Harris asked about, would mean in the case of Canfor something in the order of \$140 million that they would have to pay in the special charge.

We had testimony previously that alluded to the fact that somehow the government was going to fix it by regulation somewhere else. But we also know, the way clause 18 is currently worded, that the companies would be liable to pay the amount of the special charge by a fixed date. At this point, since we don't know when the actual moneys would be coming from the United States, perhaps it's a moot point because of the fact that the government is already making payouts of taxpayers' money. But the result of what has been, I think it's fair to say from everything we've heard, poor crafting on clause 18, is essentially that we have to gut and rewrite that clause, that amendment. We've had a number of amendments in that area that essentially deal with that particular issue. But clause 18 is something we need to have due consideration on. Having already seen the procedural sledgehammer in the House that the government has been using to ram this through, and of course the procedural sledgehammer with the companies, we're now seeing the same procedural sledgehammer brought in at the committee stage.

Looking through the various amendments, such as Mr. Casey's amendment, and we see Mr. LeBlanc's amendments on clause 10, an important clause, one thing that the Maritime Lumber Bureau referenced very clearly is that it's a problem for the Maritime lumber industry, the way things are currently worded. In a sense, we didn't see the provision made for Maritime lumber that we expected to have. We have clauses that essentially are dealing with important aspects of the punitive nature of this particular bill. I mean, a bill that imposes an 18-month prison sentence on softwood business operators—18 months. That's incredible!

• (1025)

[Translation]

It is inconceivable! We are talking about a prison sentence for a person operating a business in the Abitibi-Témiscamingue region. Not only would this individual lose his or her ability to operate, not only would the province of Quebec no longer be able to intervene, given these anti-avoidance provisions preventing it from assisting the forestry industry in any meaningful way, but, on top of that, directors of such companies in the Abitibi region would be sent to prison for 18 months. It could happen that the directors of a company be held responsible for that company's debts. That aspect is, it too, important.

[English]

The Chair: Mr. Julian.

Mr. Peter Julian: Mr. Chair, these are relevant points to the debate on the motion.

The Chair: I'm trying to be helpful, though, Mr. Julian.

We will be getting to each clause, one after the other. I believe you're probably familiar with the process, and we will be getting to each clause. You will certainly have an opportunity to debate each clause as we get to it. That's the way things are normally done at the committee, Mr. Julian. You may be new enough that you don't know that.

Mr. Peter Julian: Thank you, Mr. Chair, that's very kind. I do understand what the implication of Mr. Cannan's proposal is. That's exactly what I am speaking to.

Mr. Ron Cannan: I'd like to make an amendment, Mr. Chair. I am trying to-

The Chair: I'll accommodate Mr. Julian's request.

Mr. Ron Cannan: I'm sorry, I'm speaking, Mr. Chair.

The Chair: You can't, Mr. Cannan. I'm trying to accommodate Mr. Julian's request.

Order!

Mr. Cannan, the only way you can intervene in Mr. Julian's debate is if you move a point of order. **Mr. Ron Cannan:** I was simply trying to make an amendment to help accommodate his request to proceed.

The Chair: You can't interrupt unless you're moving a point of order.

Mr. Julian.

Mr. Peter Julian: A point of order.

The Chair: On a point of order, Mr. Julian.

Mr. Ron Cannan: On a point of order, I'd like to make an amendment to my motion to help accommodate Mr. Julian's concerns about clauses 10, 18, and other amendments, so we can have the opportunity to debate fully—

Mr. Peter Julian: Mr. Chair, I do have the floor.

A point of order is not an amendment, but I will-

Mr. Ron Cannan: I'm trying to be cooperative, as you mentioned earlier how cooperative you are. In the spirit of cooperation and moving ahead—

The Chair: Mr. Cannan-

Mr. Peter Julian: Mr. Cannan, I'd be more than pleased to hear your amendment once I'm finished speaking, but I would like the chance to—

The Chair: Order, Mr. Julian. Hold on a minute now.

Mr. Cannan, that isn't a point of order. We have to go back to Mr. Julian.

Mr. Julian.

• (1030)

Mr. Peter Julian: Thank you, Mr. Chair. I appreciate that, and I will be offering an amendment at the end of my speech, in reaction to Mr. Cannan's proposal.

Because indeed, Mr. Chair, that's what is at stake here. As we heard on Tuesday, we talked about draconian legislation. We have to make sure that every clause is fully amended, that every one of these punitive.... The punitive nature of the bill is quite incredible. But we have to make sure that essentially we're not jeopardizing the softwood industry, those poor softwood companies that have borne the brunt of the last five years.

So essentially because of that we have a wide variety of punitive measures, which have to be duly considered. They have to be fully considered because indeed what we are talking about is the future of our softwood industry.

Now looking at Mr. LeBlanc's proposals in clause 25, for example, he's offered a very extensive amendment at that stage, which I think is well thought out, as most of what Mr. LeBlanc does is thought out with a great deal of forethought and with the appropriate consultation.

Now this motion of Mr. Cannan's would basically eliminate any sort of in-depth debate on the provisions of that particular clause. We have Mr. Casey's amendments, and more from Mr. LeBlanc.

Then we have some of the elements around the punitive nature, which I mentioned—the 18 months certainly—but going further than that, the punitive nature of the government being able to go to

softwood directors on an individual basis. This is after what is essentially an imposed assessment, because we've certainly heard from previous testimony that there is an assessment done by the Government of Canada. The assessment is done, but certainly the companies don't have the ability to respond to it. Effectively their recourse is tax court, which could take about a year, from the testimony we heard.

So we're looking at a procedure. If we adopt this bill without the amendments, as I believe Mr. Cannan is pushing, without the real indepth discussion of the implications of each of these amendments, we would end up with a bill where the assessments are made, where the companies have no recourse in the short term, or recourse really in the medium term either, and then essentially the extremely punitive measures—a bit like what I see Mr. Cannan's motion as being, in trying to close off debate—take effect.

The punitive measures are as follows. The companies and the individual directors become responsible for those debts. Now these are assessments that are imposed, and the companies have no real way of reversing them in the short term. It's up to the minister.

From there, they're going through tax court. Perhaps on a longterm basis, they can expect to see some modification of the assessment. But the government has draconian tools, as Mr. Feldman testified, to go to those individual directors and say to them, you're responsible, and then look at those individual directors to see if they've transferred funds at any time. That's the way the bill is currently crafted.

The amendments we're bringing forward, that the opposition is bringing forward, are dying to address that. But imagine a company in Prince George, where a wrong assessment has been made and the company is going through the long process of tax court to try to get some repudiation of the assessment. Then the government can wade in, go to those individual directors and say to them, "Well, have you transferred money at anytime in your life? Do you have an educational trust fund for your kids? Have you transferred money to your spouse?"

They cannot only go after the individual, the softwood owner and director who started a small softwood company a few years ago in the Cariboo or Prince George, the areas of British Columbia that are highly impacted by Bill C-24—highly impacted if we do not do our job as parliamentarians to fully vet and investigate this bill....

• (1035)

What we see is that those directors and their spouses and their children could have the government going after them for moneys owed for an assessment that might well be incorrect. But the procedures, the systems of checks and balances that exist in other legislation, as we've seen, don't exist in Bill C-24. So that system of checks and balances that we as parliamentarians are responsible for maintaining does not exist. Essentially, a director can be...

[Translation]

pursued by the government, and the same goes for his or her children and spouse. If we are talking about the Abitibi, a small company could find itself in the same situation. The amount of money due would be determined by the government. The calculation is not always very precise and the company could not go after the government. It would have to rely on the tax court, and that takes time, sometimes up to a year. There therefore would be no recourse. These directors and their families would see the government go after them. There is no system of checks and balances vis-à-vis the powers the government is assuming under Bill C-24. Small softwood lumber company directors are seeking justice and fairness and they wish to be treated with respect.

[English]

Other punitive elements of this, Mr. Chair, lie in the fact that not only can the company directors have the government going after them, but you actually have commercial clients of these softwood companies.... For example, in Quesnel, British Columbia, if that small company gets an incorrect assessment, and essentially what they're doing is trying desperately to stay afloat, they have to pay the assessment. If they don't pay that assessment, their recourse in tax court takes too long, and then you can have the government, under the current wording of Bill C-24, actually go after their commercial clients.

What are the implications of that, Mr. Chair? What are the implications of this kind of draconian legislation that says now if you are a commercial client of a Canadian softwood industry...

[Translation]

Be careful, because if you are the customer of such a company, the government can go after you. This possibility would exist under the bill if it is adopted. Who would want to do business with a softwood lumber company from the North Shore, the Saguenay—Lac-Saint-Jean area or the Abitibi-Témiscamingue? Who would want to do business with a softwood lumber company in Northern Ontario?

[English]

Who would do business with a softwood company in Saskatchewan, Alberta, or British Columbia? If there are cashflow difficulties, we're in a situation under this draconian legislation that essentially what we could have is the government going after those clients.

So the perverse impacts of that kind of situation, once word gets out, if we were to adopt Mr. Cannan's motion and just ram it through with no due consideration of the amendments—just ram it through, and let's not go into any depth, let's just treat this as question period, very brief, nothing of any depth or any substance to it. The implications of just ramming this through are significant and they are irreversible, Mr. Chair—irreversible—because the decisions we make now could well run many of those companies that are already on the ropes right out of business, either directly, through the punitive measures that are imposed on those companies, the fines, the imprisonment, the fact that you can go after directors and certainly go after directors' families, but also because of the ability of the government to go after the commercial clients....

CIIT-35

What we will see, those of us who've been in business, is a shying away of companies that don't want to get involved with companies that might be liable to draw them into legal difficulty with the government. Who would want that? What commercial client would want to be involved in a company that may have the government coming after them? Yet this is one of the very perverse and very unfortunate consequences of badly crafted legislation.

We have responsibilities. We have the responsibility as parliamentarians to fully vet this legislation. We have the responsibility to go through clause-by-clause in detail and indepth to ensure that essentially we do not at any time make decisions that would imperil the softwood companies that are left.

If we simply allow things to stand, if we simply allow the fines, the imprisonment, half of this legislation, more than half of the legislation...in fact, if we go from clause 50 on, I believe, we are looking at punitive measures, clause after clause after clause.

In the front portion of the legislation, we have legislation that imposes double taxation, double penalties. We have legislation that, at this point, desperately needs to be amended. That's whether we're talking about how the lumber remanufacturers are defined, which has been a serious issue that folks have raised, and the Independent Lumber Remanufacturers Association certainly raised that—and I'll come back to that in a moment.

In the back end of the legislation, as we've seen, we're talking about draconian measure after draconian measure—draconian measures that follow one after the other, penalties, fines, jail sentences, all for folks who just wanted to create jobs in their community and who just wanted to sell value-added softwood products. That's all they wanted to do.

So what we have when we go to the front end of this legislation, if we take Mr. Cannan's motion and if we have the government impose this on us, and what we have in the back of the legislation is draconian in nature and it has to be amended. We cannot simply allow the legislation to leave this committee as it is written. It simply cannot, and I don't see how any parliamentarian around this table would support such draconian measures for softwood companies in Quesnel, B.C., in Prince Albert, Saskatchewan, or in northern Alberta, and we can look right across the country, in The Pas, Manitoba—I'll certainly be going there to meet with folks in the softwood industry next weekend—and when we look at the north, northern Ontario, and certainly the reaction we've seen there in the softwood industry...a concern about the draconian nature of this legislation.

[Translation]

The representatives of the industry in Quebec are a little worried about this. And if you take the industry in the Maritimes, we have amendments...

• (1040)

[English]

The Chair: Mr. Menzies.

Mr. Ted Menzies: On a point of order, Mr. Chair, I've lost track of how many times I've heard the word "draconian", and if that isn't repetitive, if that isn't a waste of this committee's time.... That should be a point of order.

You spoke earlier about wasting this committee's time with repetition of the same thing. We have a motion that we should be discussing. This committee should be discussing this piece of enabling legislation rather than listening to this filibuster that is an absolute waste of this committee's time.

I call for the vote.

The Chair: That's not possible, Mr. Menzies. As long as Mr. Julian is debating Mr. Cannan's motion, he can proceed.

Mr. Ted Menzies: That's my point-he's not.

The Chair: I've already brought it to Mr. Julian's attention that he has been repeating himself. He's then gone on to new debate.

Ms. Helena Guergis: Mr. Chair, how do we end this, in order to proceed?

The Chair: That's a discussion you'll have to have back there. In the meantime, I will allow Mr. Julian to go ahead.

Mr. Peter Julian: Thank you, Mr. Chair. In consideration of Mr. Menzies, I'll use the word "dictatorial" from now on.

The Chair: You can use it through the chair, but not to another member of the committee directly.

Mr. Peter Julian: I apologize, Mr. Chair. I apologize to Mr. Menzies as well.

The Chair: We have another point of order.

Mr. Menzies.

Mr. Ted Menzies: Can we refer this back to you, Mr. Chair? With all respect, it is up to you whether to interrupt a member whose remarks or questions are repetitious. I would argue that the points Mr. Julian is making are simply repetitions of a very narrow commentary. I ask for a ruling, Mr. Chair.

• (1045)

The Chair: Thank you, Mr. Menzies. Just give us a minute.

Yes, Mr. Menzies, as I've said, I've already mentioned to the member that he is being repetitious at times. All I can do as chair is point that out. If it becomes extreme, or if he is repeating the same thing, then I will make a judgment call. But I've been advised, and I agree, that Mr. Julian isn't at that point yet. So we'll continue with Mr. Julian's debate.

Yes, Mr. Menzies.

Mr. Ted Menzies: To clarify, Mr. Chair, you have the authority to suspend this meeting if you decide that the repetition is—

The Chair: You mean Mr. Julian's debate on the motion.

Mr. Ted Menzies: I guess it's debate. I prefer to call it repetition. But you have the authority to suspend the meeting if the debate continues to be repetitive.

The Chair: I do. It is to some extent a judgment call, but there is guidance for it, and that guidance indicates that we aren't there yet.

Mr. Ted Menzies: We'll leave it up to you.

The Chair: If we get there, I will end Mr. Julian's debate, and we can get on to the next people on the list.

Mr. Ted Menzies: Will you wake us up when we get to that point?

The Chair: Mr. Julian, go ahead.

Mr. Peter Julian: Thank you very much, Mr. Chair.

I think it is important to note that we saw the same thing with the environment committee. It was another party—in that case it was the Conservative Party—that was raising concerns that it felt were important to the environment committee. Certainly at that time, in the environment committee, that member was allowed to speak, and I believe he spoke for two hours. He raised important points. I think I have more important points that I would like to raise, so I certainly appreciate the chair sticking to what is the very strict definition of what members' rights are in committee work. Very clearly, Mr. Cannan's motion does not respect the ability of members to raise these important elements of concern.

Now the punitive aspects, or the dictatorial aspects—I certainly won't use the word "draconian"—of the second half of this legislation are something that require due diligence, and certainly require our going through, step by step, line by line, to check to make sure that every word is exactly the way we would wish it to be. And I would certainly hope, and have offered a series of amendments to that effect, to water down or dilute the dictatorial nature of this particular legislation.

I'd like to come back to the more important components that are at the beginning of the legislation, because as you know, Mr. Chair, it's not just the amendments that Mr. Cannan is targeting that have already been proffered. As I mentioned earlier, in Marleau and Montpetit, very clearly, members of this committee have the ability to move amendments at any time. They simply have the ability to do that.

Now, what we have, in addition to amendments that have already been proffered, are amendments coming from the independent remanufacturers, for example. This is a similar type of amendment that would be impacted by Mr. Cannan's very draconian approach— I'll use it in the sense of how he's approaching the clause, not the legislation. The legislation is dictatorial, but I would say that Mr. Cannan's motion—

The Chair: Mr. Julian, under Standing Order 58.... We've been having a discussion, and the clerks have gone for an opinion on this outside of those present, and they have determined, Mr. Julian, actually, that because this actually isn't a superseding motion, it is out of order. So we will have to end the debate on this motion, because it is out of order. A motion can be brought up only when....

We do have another motion before the committee. It wasn't clear, and it is certainly a debatable point, but we have received that advice, and I concur with that advice. So that motion is out of order at this time.

• (1050)

Mr. Ron Cannan: What you're saying is that you can't bring any comments on that motion to the table.

So, Mr. Julian, that last discussion, I guess, was for naught, and we are going back now to your debate on NDP-1. By the way, Mr. Julian, just so you know, NDP-2 is a consequential amendment to NDP-1, and therefore the vote on both will take place together, and so will the debate. It is a consequential amendment. That's been ruled.

Go ahead, Mr. Julian, with your debate on NDP-1. Thank you.

Mr. Peter Julian: Mr. Chair, with respect to that, you are saying that NDP-1, which fixes it in terms of moneys owed to the government, and NDP-2, which is in terms of moneys owed to companies, would be treated as similar amendments. I would have to disagree.

The Chair: One is consequential to the other, and that is the advice I've been given by the legislative clerk. So, Mr. Julian, go ahead with your debate on NDP-1 and NDP-2, and we'll go to the vote when we have no more speakers on that. Proceed.

My apologies. Mr. Julian had concluded his debate on that. That is correct. So we could, then, go to another motion.

Mr. Julian, my memory is flawed, and I have been reminded. That is correct. You had ended your debate on that.

Mr. Peter Julian: I had ended it on NDP-1, but you are now saying that we would be voting on NDP-1 and NDP-2 together. That is subsequent to the debate on NDP-1, which would allow me to debate NDP-2.

The Chair: No, actually, it won't, Mr. Julian.

Mr. Peter Julian: Yes, this is subsequent.

The Chair: The debate is together.

Mr. Peter Julian: You are announcing that you are combining the two after we have started debate on the first amendment.

The Chair: One is dependent on the other, Mr. Julian. They are consequential amendments.

Mr. Peter Julian: No, they're not. They are two separate categories: the first has to do with the moneys owed to the government; the second, the moneys paid by the minister to a person. Essentially, we're talking about two different categories.

The Chair: Just hold on.

We would like a comment from the officials on the amendment NDP-2, which is increasing the rate under paragraph 4(2)(b) from 2% to 4%. There is some question whether that interferes in the royal recommendation.

• (1055)

Mr. Paul Robertson (Director General, North America Trade Policy, Department of Foreign Affairs and International Trade): I would ask my colleague, Ms. Negus, to respond.

Ms. Cindy Negus (Manager, Legislative Policy Directorate, Canada Revenue Agency): Could you repeat the question, please? **The Chair:** NDP-2 seeks to amend paragraph 4(2)(b) and raise the rate from 2% to 4%. It is thought that this may interfere with the royal recommendation.

Ms. Cindy Negus: In what sense?

The Chair: It's increases the amount of money the minister would be required to pay out.

Ms. Cindy Negus: Correct. Our only response to this would be that when the calculations were determined, they were based on other statutes, together with an assessment of the projected value of time and money. That's how the rates were determined in the first place.

The Chair: I hear your comment. The question is whether this increase would require the minister to spend more money than would be spent in the unamended version.

Ms. Cindy Negus: Yes, it would. To have this rate different from the one that exists in other statutes would result in increased costs to the government, not only in the amount of interest paid but also in infrastructure changes.

The Chair: Mr. Julian, your question on the subsequential amendment, on whether NDP-2 is a subsequential amendment, actually is a moot point because amendment NDP-2 is out of order because it does require more spending on the part of government.

So we will now go to the vote on NDP-1.

Mr. Peter Julian: On a point of order, Mr. Chairman, it does not require an expenditure of money. It simply requires that an interest rate detract. This is a penalty; it's not a charge.

The Chair: Mr. Julian, the way I read it and the way the researcher has read it here is that it does in fact require an increase in government expenditure, and that is clearly out of order.

So therefore we will go to the vote on NDP-1.

And we will go to a recorded vote, Mr. Julian, I understand.

Mr. Peter Julian: I have a point of order, Mr. Chair. We have gone from a treasury-bill-based amount to an inflation-rate-based amount. At the same time, in terms of the moneys owed back to the companies, which we bring down from the treasury bill rate to the inflation rate, we are actually increasing the other rate from 2% to 4%. They should offset each other.

So I would disagree with you on the calculation that somehow this requires further government expenditure. What we are looking at in NDP-1 is reducing it from the treasury bill rate to the inflation rate. So a reduction there from the treasury bill rate down to the inflation rate is calculated by the Bank of Canada.

Now, the analysts and researchers would be able to give us more information about that, but essentially what we are doing is bringing down the base rate, as calculated. In terms of moneys that are owed to the companies, very clearly in NDP-1 what we are doing is reducing the amount that those companies would have to pay. I think it's quite clear, if we look at NDP-2, that essentially what we are doing is transferring the treasury bill rate down to the inflation rate and then increasing the additional percentage from 2% to 4%. I would leave it to the analysts and researchers to do the in-depth calculation that would be required, but it would seem to me that essentially what we're doing is balancing off in subclause 4(2). In subclause 4(1), very clearly the intention was to lower the rate that companies would have to pay. I make no bones about that, and I did have an opportunity for a few minutes to talk about that particular issue, as you know.

For NDP-2, the analysts could give us a better-

• (1100)

The Chair: Ms. Negus, perhaps you could comment on Mr. Julian's.... I'll ask you for your comment on that.

Ms. Cindy Negus: Essentially, if we were to increase the interest rate on amounts that were paid by the minister to individuals by two percentage points, which is the suggestion here, that, in itself, would in fact cause the government to incur additional amounts. In addition, there would be significant infrastructure changes for systems, resources, etc., to change or to make the proposal here possible. There is extensive programming when it comes to interest rates, and when it's not consistent with all the other tax statutes that exist, there would have to be exceptions built and, as I said earlier, an enormous amount of work spent on this one particular change. So, in fact, there would be significant costs for the government.

The Chair: Ms. Negus, just for clarity, in the answer you gave, the last part of the answer really doesn't apply. In the first part of the answer, when you take Mr. Julian's amendments, NDP-1 and NDP-2, together, is there an increase in government expenditure? Would there be?

Ms. Cindy Negus: Bear with me while I review this more closely.

To be 100% certain on the amount that would be a cost or attributable to the government, we would have to know, for starters, how many people would be non-compliant in this regime.

If there are a large number of people who are non-compliant, and we are in fact charging them less interest, then the government would have less money coming in. On the other hand, if there are a lot of people who are expecting refunds, and we are paying more refunds to those people, then the net effect of the two would be, in fact, a cost to the government.

Without having numbers or estimates, at present, on the compliance and the refund position that taxpayers are in under this statute, we're really not in a position to be certain.

The Chair: Thank you very much, Ms. Negus.

Mr. Julian, because there is uncertainty about whether it would be an increase in government spending, you are given the benefit.

The member has the benefit of the doubt in this case.

But I had already ruled, and I believe appropriately, that NDP-2 is consequential, so we will go to the vote on the two together.

• (1105)

Mr. Peter Julian: My point of order, Mr. Chair, is that you're telling us after the fact. You did not tell us before the debate actually began on NDP-1 that you were going to move to have the two amendments considered consequentially. If that's the case then, my point is that we need the opportunity to debate NDP-2.

I would like to speak to that motion. The two are separate motions in our book, and you mentioned the consequentiality after Mr. Cannan's motion.

I will say, Mr. Chair, you're doing a very good job under difficult circumstances.

The Chair: Mr. Julian, you have made a point, but I believe the ruling still stands. If you want to question that, of course, you're free to do that, and we can have a vote on that at committee. It's up to you, Mr. Julian.

Mr. Peter Julian: Mr. Cardin, I think, wants to

The Chair: Monsieur Cardin, do you want to speak to ...?

[Translation]

Mr. Serge Cardin: Thank you, Mr. Chairman.

[English]

The Chair: To what ...? Just a minute.

[Translation]

Mr. Serge Cardin: I just want to enlighten you.

[English]

The Chair: Monsieur Cardin, for clarity, are you speaking to Mr. Julian's amendments, to amendments NDP-1 and NDP-2?

[Translation]

Mr. Serge Cardin: Yes, both. I would also like to provide some clarification.

Subsections 4(1) and 4(2) are fundamentally different. The first deals with the interest rate people pay to government and the second deals with the interest rate that government pays to people. If we increase the amount under paragraph 4(2)(b) from 2% to 4%, the government's accounts payable will increase. You cannot know by how much, since accounts payable and receivable fluctuate.

I would also like clarification about the amendment to paragraph 4 (1)(a). Madam said earlier that it would change the whole system. Does it mean that all the government's interest rates are based on this formula? The one proposed here is almost double jeopardy. Treasury bills return a given yield at a specific time, which would reflect the market rate, and then you add 4% on top.

This is tantamount to saying that the government essentially views people who owe it money as deadbeats since it wants 4% more than the normal rate. This must be emphasized because it is important. Whether we get paid interest or pay interest, it should be the current rate with a little extra added on, as banks do.

If we change the percentage under paragraph 4(2)(b) to 4%, it will cost the government more, but requiring individuals who owe money to the government to pay 4% more than the Treasury bill rate is not showing great esteem for Canadians.

• (1110)

Le président: Thank you, Mr. Cardin.

[English]

We'll now go to the vote on amendments NDP-1 and NDP-2.

Do you have a point of order, Mr. Julian?

Mr. Peter Julian: No. We are resuming debate on amendment NDP-2.

The Chair: No, actually we're not. I've made a ruling on that, Mr. Julian, and we're going ahead with the vote now.

Mr. Peter Julian: We've just had discussion on NDP-2-

The Chair: That's right.

Mr. Peter Julian: —so obviously the debate is already engaged. I would like now to speak to NDP-2. I didn't have the opportunity to speak.

The Chair: We'll go to the vote on NDP-1 and NDP-2, a recorded division. Mr. Julian, we have completed the debate on those motions. We have no one else asking to speak.

Mr. Peter Julian: I indicated very clearly I wanted to speak on amendment NDP-2, and I would like the opportunity to speak now. Mr. Cardin spoke very eloquently on NDP-2 and NDP-1, obviously raising the point that essentially you've combined these two amendments. I'm not objecting necessarily to the combination. I am objecting to it taking place after the fact. But you've already allowed debate, so in a sense we're already engaged in the debate. You can't refuse me from debating an issue, which is amendment NDP-2, even if we have had debate on NDP-1.

The Chair: Mr. Julian, in the future I'll certainly try. If I see subsequent motions, I'll certainly try to point that out ahead of time. Sometimes it's not clear at the start. It does take some thought here.

Mr. Peter Julian: No, that's understood. I'm not blaming you. I'm just saying that if you're establishing after the fact that it is consequential, then in a sense you have to allow us to discuss the two motions. I won't refer to NDP-1, but I would certainly like to refer to the logic around NDP-2, which you've now grouped with NDP-1.

I'm not admonishing you for your mistake. It's an honest mistake. It's a long committee meeting, because we've extended it, in cooperation—the opposition party is cooperating with the government. But now we have to have that debate on NDP-2, which is on a different clause from NDP-1.

We're talking about two different components here. The first component is very much about moneys that are owed to the government and stopping that penalty that companies would have to pay, the double taxation. But in this case, when we look at NDP-2, clause—

The Chair: Mr. Julian, just before you go on here, I was referring, of course, to the vote when I said that NDP-2 is subsequent to NDP-1. You are, of course, allowed to debate motion NDP-2. I failed to point out before that they would be debated together, so you do have a right to debate NDP-2.

Mr. Peter Julian: Thank you very much, Mr. Chair.

I will say you're guiding us very effectively through this.

I am pleased to be able to speak now to what we will be voting for together, which is essentially NDP-2.

There are two components to that. There is a link, as you mentioned, which is reducing the percentage that is paid—and the companies would be paying it in treasury bills—down to the inflation rate. We don't have those numbers yet, but presumably we

would be able to get them at some point through the course of these hearings. I believe what we do find, as I mentioned earlier, is that indeed we would bring down the treasury bill cost to the inflation rate and then we would increase...in paragraph 4(2)(b), which would be from 2% to 4%.

Effectively, what is the impact of that? In this case, we are talking about moneys that, in a sense, the government actually owes to softwood producers. When we look through all the many clauses of Bill C-24, and I won't use the words "draconian" or "dictatorial" somebody suggested mean-spirited—we see many provisions of the bill that are so. There's very little in this that actually helps to support the companies that are suffering the brunt of this across the country, whether we're talking about the seed for Alberta, Saskatchewan, or Manitoba...certainly northern Ontario, northern Quebec, and even the Maritimes.... We'll be coming back to the issue around the Maritimes a little later on in our considerations as we move through clause-by-clause.

I will come back to what these companies are suffering and how best, as a committee, to respond to what they've been going through over the last few years. What they've been going through is cruel, and certainly being punished by these illegal, punitive duties is something no industry in Canada has had to suffer to the same extent.

We come to Bill C-24, and to the interest charges that would be levied to them. Essentially, the way Bill C-24 was originally crafted, in subclause 4(2) it said:

For the purposes of every provision of this Act that requires interest at a specified rate to be paid on an amount payable by the Minister to a person or applied by the Minister against an amount owed by a person, the specified rate in effect during any particular calendar quarter is the total of

(a) the rate determined under paragraph (1)(a) in respect of the particular calendar quarter, and

(b) 2%.

If we look at line 35, at the rate determined, that is essentially the treasury bill rate that we mentioned earlier, the rate of the treasury bills. Essentially what we did, looking at NDP-1, which this modifies also...as you mentioned, it is consequential, so we have to, in a sense, go back and forth between the two amendments to ensure everyone understands the full ramifications of these particular amendments.

By going back and forth between the two amendments, and I am putting the primary focus of my comments on NDP-2, what we do, for the purposes of subclause 4(2), is we reduce the rate that would be paid by the government to the company, in the case where there's interest payable by the minister.

Hopefully, other amendments that we'll consider later on in our deliberations will also help to right the playing field that exists so that we're not talking about this mean-spirited bill, but something that softwood companies can actually use in a much more effective way to help them further their business interests. One of the key aspects of that is furthering business. As you know, Mr. Chair, and any other member of the committee who has been involved in business knows, the cost of capital, the cost of money, is a key component to that. How do you access funds? How do you access funds that are actually owed to you by the Government of Canada?

• (1115)

Mr. Chair, there are a variety of ways of doing that. We've reviewed some of the calculations around the core measure of inflation and how that in effect lowers the cost of capital when companies owe money to the government. Essentially, because we're talking about a big, big stick contained within this legislation, when money is owed to the government those companies are very much in trouble.

So by lowering the rate of money owed to the government, or by lowering the cost to companies so that they're not paying these excessive punitive penalties, we've lowered the cost of capital, in a sense, to those companies. They won't be paying, and won't be seeing, corresponding increases in the amounts of money owed.

Where do those go? They go, of course,

[Translation]

to accounts payable.

Mr. Chairman, when I was taking financial management classes, proper management of accounts payable was considered extremely important. Businesses that know how to adequately manage their accounts payable are able to lower their costs, whether these amounts are owed to other businesses or, such as here, to the government. The ability to reduce these costs is extremely important. This is what we are doing here with the first amendment.

This will benefit small businesses like those of the Estrie, and more particularly in Northern Quebec, in the Saguenay—Lac-Saint-Jean area, in Northern Ontario, in Timmins, in James Bay and other regions, because they have very little room to manoeuvre. They have to make money every day in order to pay their bills and taxes. This is why properly managing their accounts payable is so important to them.

I often congratulate the member for Sherbrooke, because Sherbrooke University is a good university. I studied financial management there and I found that the approach they took to financial management of a business was very well balanced. One must begin by adequately managing accounts payable, and then reduce the cost of these payables. This is what we are doing with our first amendment.

This is why our motion reads:

That Bill C-24, in clause 4, be amended by replacing line 38 on page 3 with the following:

Motions NDP-1 and NDP-2 go together. They are somehow twin motions. I agree to putting them to a vote together, even though I was less pleased with the fact that this was decided after the fact, but this has been corrected. Thank you very much, Mr. Chairman, for having made the correction.

By passing those twin motions, we will reduce the cost of accounts payable because we will reduce the interest rate on amounts owed to the Government of Canada. At the same time, this reduction, due to the wording of paragraph 4(b) which says that the rate should be based on the yield of Treasury bills, has a real impact on both money to be paid and money to be collected.

Therefore, if we lower the interest rate on the government's accounts receivable, we also reduce the rate it pays out to companies. This is an important aspect.

It is just as important to manage accounts receivable as accounts payable. Accounts receivable of a business are a very important asset when you have to go meet with your banker. We know that the government approached bankers to get them to push companies to sign the softwood lumber agreement, which they did. The reason why the government approached banks is that banks are important for businesses.

Banks play a major role, just like the network of credit unions, which is very extensive in Estrie and elsewhere in Quebec. The Mouvement Desjardins is the largest financial cooperative in North America and it has enormous capital at its disposal. This coop does a very good job with softwood lumber companies. But the *caisses populaires*, the credit unions or banks that finance those companies always want information on their accounts payable and the applicable rates of interest. The issue of accounts receivable is therefore extremely important. We should not underestimate its importance, because accounts receivable are more than simply being owed money. These accounts appear in the financial statements that are established at year-end. Accounts receivable can have very broad implications. This is not an insignificant subject we are discussing today.

• (1120)

What we are seeking is a better balance. On the one hand, we reduce the amount companies have to pay to the government by bringing down the interest rate. This is important in terms of the accounts payable. On the other hand, this does not reduce the interest rate that the Government of Canada must pay to those companies.

Let us take for example a small softwood lumber company located in Estrie. It deals with the *caisse populaire* of Sherbrooke, which is a credit union that has great involvement in the life of business people in this whole area. When the manager or the representative of that institution sits down with the representative or the head of that business, the first thing he or she will ask to see are the financial statements of the previous year and whether these have been audited by a chartered accountant. Without financial statements, you cannot even sit down with a banker. When you are dealing with a credit union, where people know each other better, the business person will be able to meet with the manager but will not be able to discuss financing without showing financial statements.

The first thing banks or credit unions look at in the financial statements of a business is the assets and liabilities, including accounts payable, their percentage, their turnover, whether they have increased or decreased over the last few months or the last year or couple of years, whether the business has financial difficulties, etc. All of those aspects are shown in the financial statements as audited by a chartered accountant. Accounts payable play an important role.

[&]quot;(b) 4%."

Next, banks will look at accounts receivable, at the assets of a business, whether there are substantial accounts receivable from the government and whether this will have an impact on the financing of the business. It is a critical aspect because if it appears that accounts payable increase and that accounts receivable decrease, the business will be told to at least try to get that money as quickly as possible. But the law gives very few tools to corporations to make the government pay them the money it owes, which is why we have a rather draconian way of doing things.

So, with those measures, companies cannot go to the government and insist that they immediately need the money owed them. We cannot ask these companies to live with such uncertainty. It is not only companies who are faced with uncertainty, but also their employees, the financial institutions that provide financing to them, such as *caisses populaires*, credit unions and banks.

• (1125)

These people look at every line in the financial statements to make sure that the business is solvent. One important factor in this review of financial statements is the turnover in the accounts payable and receivable, as well as the amounts that the business can expect to receive.

It is important to provide this service to softwood lumber companies, whether they be located in Estrie, in Abitibi, in Northern Ontario or in British Columbia. On Vancouver Island, for example, the softwood lumber industry is very strong. Local credit unions and lumber companies are jointly making a large effort, but nevertheless, due to the situation that we know all too well, 4,000 jobs have been lost over the last few weeks and many operations had to close. The situation is very serious for these people.

Bill C-24 allows us to offer something substantial to those companies. On the one hand, in terms of the credit unions and banks that provide financing to them, we must reduce the interest rate they pay when they owe money to the government. This is the first step, a first improvement. At the same time—and just as important—, when the government owes them money, they should be entitled to a better balance. I could read that subsection again, if a member so requested, but I do not think it is necessary. I believe everybody understands very well. We reduce the rate from the annual yield of Treasury bills down to the rate of inflation, while increasing from 2% to 4% the additional percentage paid to those companies.

Why is this important? We know that the lumber industry is seasonal, that the labour turnover is important at certain times of the year and less so at other times. Bill C-24 recognizes the seasonal nature of some parts of the industry, for example in the calculations based on the months of production.

Since Canada is a northern country, it is obvious that during the winter months, in some areas, it is not possible to log trees and to do all the field work that is required. We also know that in some areas, manpower is unavailable to the lumber industry at certain times of the year, for example in the fishing season or during periods when other primary industries are active. Therefore, we have workers going from the lumber industry to other industries.

Why is the seasonal nature of the softwood lumber industry significant? Because it is part of the factors that the industry and all

businesses taking part in it must take into account in terms of financing. All companies must adjust to these fluctuations between periods in a year. We are not talking here about manufacturing a toy or a car, which entails steady levels of performance throughout the year.

Things are different in the natural resources sector. This is why financing is such a critical aspect for those companies. They have no other choice but to rely on the support of financial institutions. They are not doing so out of self-interest or because they like having a cup of coffee with the credit union manager, but because they have no other choice.

• (1130)

[English]

The Chair: You know, Mr. Julian, there is a relevance issue here. We're debating your second amendment, which is the difference between 2% and 4%. If you're finished with the debate....

You're not debating that issue now, Mr. Julian. There is a relevance issue.

• (1135)

Mr. Peter Julian: Oh, I disagree, Mr. Chair.

The Chair: Go ahead if you want to, but I'll be watching carefully. If you stray from the debate on that 2% to 4% issue, then we will call the question.

Mr. Peter Julian: Mr. Chair, I was just giving my comments in French.

The Chair: Go ahead, Mr. Julian, if you'd like to continue with the debate.

Mr. Peter Julian: I think it's important to respond to you on that before I come back to my remarks.

The point that's important about NDP-2 is its relationship directly to the lending institutions. This is the foundation of the argument, that indeed—

The Chair: Mr. Julian, if you want to argue my decision, we can go to a vote on that. If you do not get back to the debate on the 2% to 4% issue, we will go to the question.

[Translation]

Mr. Peter Julian: Agreed, Mr. Chairman, I will deal with the next issue.

If we pass amendment 1 and not amendment 2, and reduce the rate from the yield of Treasury bills down to the rate of inflation, there will be repercussions. We do not have the benefit of an assessment of this impact, but it is clear that there will be consequences. Let us suppose we do not increase the rate to 4% in paragraph (b) in order to compensate for the reductions made elsewhere. Of course, there are good reasons to implement those reductions since they will bring down the cost of accounts payable the companies would have to pay. But if we were to do this without increasing the second rate to 4%, we would reduce the amounts payable by the government to those companies. This would have two consequences. If we pass amendment 1 without also passing amendment 2, we would reduce the interest rate paid to those companies to whom the government owes money.

[English]

The Chair: Mr. Julian, I've heard this before—more than once, actually—so we will go to the vote now on NDP-1 and NDP-2.

Mr. Peter Julian: No, Mr. Chair-

The Chair: If you want to question my decision, we can have a vote on that; we are not going to have a debate on that, Mr. Julian.

One or the other.

Mr. Peter Julian: Mr. Chair, this is an important point.

The Chair: Are you on a point of order? What are you speaking to?

Mr. Peter Julian: What I am saying is that we have debate, and you realize that—

The Chair: Okay, we're going to the vote, recorded division on NDP-1 and NDP-2.

Mr. Peter Julian: Mr. Chair, you cannot simply interrupt a speaker-

The Chair: You can question my ruling if you like, Mr. Julian, but you're not doing that.

Mr. Peter Julian: It's a point of order, Mr. Chair.

The Chair: Okay, Mr. Julian, a point of order.

Mr. Peter Julian: Very simply, Mr. Chair, I believe you have misunderstood me. When I'm talking about the impact of making the adjustment and I—

The Chair: We're now going to the recorded division on amendments NDP-1 and NDP-2.

Mr. Peter Julian: No, no, Mr. Chair, I am on a point of order.

I would like to suggest to you-

Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, CPC): I'm sorry, we're voting on...?

The Chair: Mr. Casey, I'm not surprised you don't know where we are. We've been waiting a long time.

We are now voting on amendments NDP-1 and NDP-2. They're together.

Mr. Peter Julian: No, Mr. Chair, I have a point of order-

The Chair: Not when a vote is going on.

(Amendments negatived-[See Minutes of Proceedings])

The Chair: Now we're voting on the clause

We have a point of order from Mr. Julian.

• (1140)

Mr. Peter Julian: There is no time limit on points of order, Mr. Chair, and I would like to stress that you cannot cut off debate on amendments. Indeed, we have to have consideration, to make sure all the arguments are brought out for each of these important clauses. Essentially what you're doing by cutting off debate, which is what you did, is infringing upon the ability of the members of this committee to intervene.

Essentially I was talking about the differences between

[Translation]

accounts payable and accounts receivable. This is a very important aspect. Some distinctions might be required, obviously, but to say that the use of this term is a repetition...

Are there courses available about managing accounts payable and accounts receivable? One could spend a whole session discussing nothing else.

[English]

The Chair: Mr. Julian, your point of order is actually out of order. You are raising a point of order on a decision that has already been made, so now we are going to the vote....

Mr. Menzies has a point of order.

Mr. Ted Menzies: I would like to propose a motion that will help move this along. I think we all know what is going on here.

The Chair: Mr. Menzies, we have to go to the vote-

Mr. Ted Menzies: I thought we were finished; I was so excited that we were done.

The Chair: We're finished his motion, so we have to vote on the clause now.

What clause are we on? I forget. We are going to the vote on clause 4. It is unamended.

I call the question. It will be a recorded vote.

(Clause 4 agreed to [See Minutes of Proceedings])

The Chair: Mr. Menzies is next.

Mr. Ted Menzies: This, Mr. Chair, is in the spirit of accomplishing something here. We are all well aware of what's going on here, and I don't think anybody acting in the role of a parliamentarian representing their constituents is not being heard here today.

In that spirit, Mr. Chair, I would like to move that the total number of minutes of debate per amendment, per member of this committee, be limited up to a maximum of three minutes; and that the committee finish clause-by-clause consideration for Bill C-24 by the end of the day on Tuesday, November 7, 2006; and that all clauses that have no proposals for amendments at this time be voted on together at the start of the meeting on Tuesday, November 7, 2006. There are some prioritized amendments that we would like to put forward at that time, at the beginning. I would also move that Bill C-24 be reported back to the House on Thursday, November 9, 2006.

The Chair: You have heard the motion.

Mr. Peter Julian: Mr. Chair, I'd like to have that in writing. That's a very detailed, complex motion from Mr. Menzies.

The Chair: Could we get the motion in writing? It's very clear to the chair.

Mr. Ted Menzies: Thank you, Mr. Chair, for allowing me to speak, finally.

The Chair: We'll be patient, Mr. Menzies.

Please just go ahead and get that in appropriate order. We want to make sure we have it clear.

Mr. Ted Menzies: It's obvious that you are, Mr. Chair. I recognize that.

• (1205)

The Chair: Members of the committee, witnesses, we are going to suspend for about two minutes while the motion, which is a complex motion, is written up, so that Mr. Julian and others can have a copy of it. We'll get right back to it afterwards.

(Pause)

•

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• (1220)

The Chair: Let's reconvene the meeting.

We have a copy of the motion in English. I'll have to read it for that reason, so the interpreters can do their work. I will read the motion now that is before the committee:

That the total number of minutes of debate per amendment, per member, be limited up to a maximum of three minutes, and that three minutes per member also be allotted to the clause, amended or not.

That the committee finish clause-by-clause consideration for Bill C-24 by the end of the day on Tuesday, November 7, 2006.

That all clauses that have no proposals for amendment be voted on together in one vote at the start of the meeting on Tuesday, November 7, 2006.

That Bill C-24 be reported back to the House on Thursday, November 9, or as soon as possible.

That the clause-by-clause consideration of Bill C-24 be completed before considering any other committee business.

That any debate on motions related to Bill C-24 be limited to three minutes per person per motion.

Mr. Julian.

Mr. Peter Julian: The first clause is clearly out of order. It essentially does not allow members of this committee to provide subamendments. By tying the minutes of debate to amendment of the clause, it excludes the possibility of subamendments, which is clearly permitted in Marleau and Montpetit. It's out of order.

The Chair: The subamendment is an amendment, to my understanding.

Mr. Peter Julian: So you're saying subamendments are not covered by this?

The Chair: I'm saying that a subamendment is an amendment and it is covered by this.

Mr. Peter Julian: A subamendment is treated differently, but....

The Chair: It allows three minutes of debate per amendment.

Mr. Peter Julian: It's per amendment, which excludes the possibility of subamendments.

The Chair: No. A subamendment is an amendment. It's an amendment to the amendment, and that is covered in this statement.

Mr. Peter Julian: Are you saying that for each subamendment there would be the ability to intervene for three minutes?

The Chair: That is correct.

Mr. Peter Julian: Is that the interpretation from the head of the table?

The Chair: The interpretation comes through me, Mr. Julian. We have discussed it.

Mr. Peter Julian: I would like to move an amendment to the motion deleting the second paragraph, "That the committee finish clause-by-clause consideration for Bill C-24 by the end of the day on Tuesday, November 7"; and the second-last paragraph, "That the clause-by-clause consideration for Bill C-24 be completed before considering any other committee business."

I'll speak to those amendments that are being offered. In terms of the committee business, this essentially—

The Chair: There's a point of order from Mr. Menzies.

Mr. Ted Menzies: If this isn't a friendly amendment to this motion, and I don't view it as such, I won't accept it.

The Chair: Of course, the member can move an amendment. It's up to the committee to decide whether it's accepted or not.

Mr. Ted Menzies: Then I call the question on it.

Mr. Peter Julian: You can't do that on a point of order.

• (1225)

The Chair: Mr. Julian, go ahead.

Mr. Peter Julian: What I would like to do now, Mr. Chair, is speak to the motion itself and to each of the individual clauses, because I think it's important for this committee to fully consider the impact of this particular motion and what this means for committee business.

I've had a moment during the break, Mr. Chair, to go to the washroom and reflect a bit on all of the aspects of this particular amendment and what this does to the committee's ability to work. So let us look at the subamendments I am offering.

Essentially, Mr. Menzies is imposing an artificial deadline, or the end of clause-by-clause consideration.

It is one thing to say that all clauses that have no proposals for amendments be treated in one vote; it is completely another to say that this committee, whether it's done its due diligence or not, will actually have a deadline set, at the end of the day—and it's hard to tell when that is. Is that 11 o'clock or 5 o'clock or midnight? There's no idea. but the committee as a whole will just throw what's left of Bill C-24, regardless of how bad the drafting is and regardless of the issues we've seen....

We've certainly seen an extensive number of issues that have come up in the course of that one hearing we held with Mr. Pearson and Mr. Feldman. They raised a wide variety of issues that were extremely important, extremely relevant to the bill as a whole. To say that this committee has to finish the clause-by-clause consideration, no matter how poorly the work is done, no matter how poor the actual result is, would be, I think, a serious mistake, a serious error. It would be irresponsible to do that. We're talking about companies that are on the ropes. We've seen the job loss over the last couple of weeks since this deal was imposed.

Now we have Bill C-24. We have the time to consider it. The government has already made payments—\$263 million to Tembec, for example—

Mr. Ted Menzies: I have a point of order, Mr. Chairman. A repetition-

Mr. Peter Julian: No, I didn't mention Tembec before. I'm mentioning different payments at different times.

Mr. Ted Menzies: On a point of order, Mr. Chair, I would ask you to rule on, number one, relevance, and, number two, needless repetition. I would like to call this vote.

The Chair: I will be watching for that, Mr. Menzies.

We'll let Mr. Julian go on for now. I'll certainly be watching for that.

Mr. Peter Julian: So we have a wide variety of clauses that have an important impact on the softwood community and what we have is a motion that says you have to finish clause-by-clause consideration—

The Chair: A point of order, Mr. Cardin.

[Translation]

Mr. Serge Cardin: Mr. Chairman, I would like to draw your attention to page 569 of Marleau and Montpetit. I would also like to know if everything that applies to the House automatically applies to the Committee.

With regards to time allocation motions, it says they cannot be subject to debate or amendment. Is this possible?

[English]

The Chair: Monsieur Cardin, I've been given the advice that this only does apply in the House. This is one of those rules that doesn't apply to committees. So Mr. Julian has the right to debate.

Mr. Ted Menzies: I have a point of order. I moved this motion and I believe it would be appropriate that I actually be able to discuss this motion, so I—

The Chair: I apologize, Mr. Menzies.

That is correct, Mr. Julian. Mr. Menzies moved the motion and he has the right to speak on it first.

Mr. Peter Julian: Well, he can certainly have his opportunity, but I do have the floor, Mr. Chair.

Mr. Ted Menzies: I believe the mover of the motion has the opportunity first, Mr. Chair.

Mr. Peter Julian: You can't simultaneously change the recognition of speakers, Mr. Chair. Certainly, I'd be more than happy to hear Mr. Menzies' comments on the motion when I finish speaking. It would be a pleasure for me to hear, in detail, what he has to say.

Mr. Chair, the other element that's extremely important, I think, to note—one of many—is that what we have here is a direct

contradiction to what was moved at the beginning of this particular-

The Chair: Mr. Menzies is on a point of order.

Mr. Julian, you're really not supposed to be speaking here, and you shouldn't have the mike. You shouldn't have the floor.

Mr. Menzies has made a point of order, and I'm discussing that point of order with the clerks to determine whether it's in order or not. He's made a point.

Mr. Julian, Mr. Menzies will speak to his motion. You had the floor, Mr. Julian, on a point of order, and you're not allowed to move an amendment or a motion on a point of order.

• (1230)

Mr. Peter Julian: I actually raised a point of order, Mr. Chair. You dispensed with it and then you recognized me to speak on the motion, and that is when I offered my amendments. Yes, I was recognized twice. I appreciate that, but you did recognize and deal with my point of order. Then you recognized me on the substantive debate, so I do have the floor now.

The Chair: That's not the way I see it, Mr. Julian.

Mr. Peter Julian: Could you please check the blues?

The Chair: You can check that out, but Mr. Menzies is going to speak to the motion.

Mr. Peter Julian: I have a point of order, of course.

I was speaking on the substance of the motion. You recognized me to do that. Now, if Mr. Menzies wants to add comments, that's certainly welcome, but that would be after I have finished speaking. So I would like to finish my presentation of the subamendments that were recognized by you.

If Mr. Menzies didn't choose to speak after he moved his motion, that's fine, that's his choice. If he wants to speak—

The Chair: You've made your point, Mr. Julian. I'm now going to Mr. Menzies to speak on his motion, and we'll take it from there.

Mr. Peter Julian: Mr. Chair, you can't arbitrarily decide that you're going to cut somebody else's speaking time.

Mr. Ted Menzies: Thank you, Mr. Chair. I do appreciate how difficult this has become for you.

The Chair: Have you a point of order?

[Translation]

Mr. Serge Cardin: I would like to refer you to page 804 of Marleau and Montpetit, where it says:

In relationship to standing, special or legislative committees, the Standing Orders shall apply so far as may be applicable [...]

In what way does what you said earlier make this non applicable?

[English]

The Chair: Monsieur Cardin, this is a standing committee, not a special committee, and it is my understanding, on the advice I've been given, that this doesn't in fact apply to this committee.

[Translation]

Mr. Serge Cardin: Mr. Chairman, I quoted this passage:

In relationship to standing, special or legislative committees, the Standing Orders shall apply so far as may be applicable [...]

Why would this not be applicable in this case?

[English]

The Chair: Okay. I will ask for advice again.

The advice I was given was that it doesn't apply to this committee, but we will have a discussion on that, Mr. Cardin. Thanks for bringing that up.

Mr. Peter Julian: I have a further point of order, Mr. Chair.

The Chair: No, Mr. Julian, you don't have the floor. We're dealing with this point of order first.

Monsieur Cardin, the ruling I made earlier, I believe, was correct because on page 646 of Marleau and Montpetit, under "Length of Speeches", it says:

Frequently, a committee will pass motions to govern its proceedings, such as motions to regulate the length of time that members of the committee may speak, to establish....

-and so on. And that's what this committee is choosing to do.

If I understand what you were saying, there should be no contradiction. The committee can choose to behave differently from what the rules of the House would determine.

• (1235)

[Translation]

Mr. Serge Cardin: What I said in my first intervention did not imply that we are not entitled to make our own rules, but simply that there was no amendment to this motion. Therefore, it cannot be debated. Once the motion is made, it must be put to a vote. If there is no amendment, there can be no debate.

[English]

The Chair: Mr. Menzies, on the point of order.

Mr. Ted Menzies: I thank my honourable colleague for that observation, and I appreciate his diligence in reading from the book, Marleau and Montpetit, that what we are doing is absolutely within the jurisdiction of this committee. I assume we can now...I will not spend any more time. We've wasted enough time filibustering. I think it's time we got on with this, and I would like to ask you, Mr. Chair, to call the question.

The Chair: Mr. Menzies, on what Monsieur Cardin was saying, this is a motion on the business proceedings of the meeting and it is debatable. So we have to go ahead with it on that basis, but you do have the floor, Mr. Menzies.

Except Mr. Julian has a point of order.

Mr. Peter Julian: My point of order, Mr. Chair, is very simple. The committee adopted regulations at the beginning of the session that required 48 hours' notice for substantial motions. This is substantial, and it is a clear violation of the procedures that we set up as a committee, so—

The Chair: You know, Mr. Julian, that the committee can at any time set the rules to govern the procedure.

Mr. Peter Julian: No. We set up guidelines, and you as chair should rule it out of order. It is very clear that you need a 48-hour pre-notice to actually provide a substantial motion of this nature. I'd

be very happy to consider it next Tuesday, but it cannot be submitted simply like that.

The Chair: Mr. Julian, this is a routine business motion; it is not a substantive motion. The notice is required for substantive motions. Your first two motions, for example, from today would not have required notice because they're dealing with the issue that is before the committee today. You gave notice, but there was no requirement for it.

Even what we did pass, Mr. Julian, makes it clear that you can bring motions at any time dealing with business that is before the committee.

Mr. Peter Julian: This is substantive, Mr. Chair.

• (1240)

The Chair: No. Let's just go to Mr. Menzies to speak to his motion, please.

Mr. Ted Menzies: Thank you, Mr. Chair. This has turned out to be a most frustrating way to represent our constituents. I must get that on the record. We've heard many people around this table talk about how important it is that we get this completed and get some solid support behind these industries so that they know how they can move forward. The longer this is filibustered.... And I would argue that I'm certainly glad this isn't televised, because no one should have to see what has gone on here today.

We're trying to complete a piece of legislation that enables a very good and a very solid bill. I listened to our ambassador to the United States last night talk about the challenges that he and other individuals went through to get this softwood lumber agreement in place. We all recognize that. We also recognize how important it is that we get it completed.

We also recognize that there should be some healthy debate—not filibustering, Mr. Chair, but some healthy debate. That is why we've suggested three minutes per member, to get our points out in succinct fashion, and I would like to offer that this will provide enough time for all of us.

Now, if it is appropriate, I would like to ask you to call the question.

The Chair: That, of course, Mr. Menzies, isn't in order.

Mr. Julian.

Mr. Peter Julian: Mr. Chair, since you're recognizing me—I believe for the first time on the substantive debate, as I understood how you were interpreting it—I would like to move two amendments to Mr. Menzies' motion.

The first clause reads:

That the total number of minutes of debate per amendment, per member, be limited up to a maximum of three minutes, and that three minutes per member also be allotted to the clause, amended or not.

I'd like to propose a first amendment of "thirty minutes" for that first clause.

The second clause reads:

That the committee finish clause-by-clause consideration for Bill C-24 by the end of the day on Tuesday, November 7, 2006.

I move an amendment that deletes that clause of his motion.

That all clauses that have no proposals for amendment be voted on together in one vote at the start of the meeting on Tuesday, November 7, 2006

I'd like to propose an amendment to change that date to later in November when we are meeting, to "Tuesday, November 28, 2006".

Finally, in the fourth clause—it's a very lengthy motion, so I appreciate your indulgence as I work through amendments or subamendments, and there may be subamendments coming forward as well—which reads "That Bill C-24 be reported back to the House on Thursday...or as soon as possible", I would like to move to delete the words "on Thursday...or"—those three words—so that it would read "That Bill C-24 be reported back to the House as soon as possible".

I would like to delete the fifth clause:

That the clause-by-clause consideration of Bill C-24 be completed before considering any other committee business.

And I would change the sixth clause:

That any debate on motions related to Bill C-24 be limited to three minutes per person per motion.

That's what it says now. I would change that, Mr. Chair, to amend it to read "thirty minutes".

Before I speak to those amendments, I'd like to review them for you.

In the first clause, we would be changing the two clauses that say specifically "three minutes"; we would change them to "thirty minutes", so that with the amendment it would read: "That the total number of minutes of debate per amendment, per member, be limited up to a maximum"—

The Chair: You have a point of order, Mr. Menzies.

Mr. Ted Menzies: I appreciate how you're trying to help this process along, but that completely changes the intent of this motion.

The Chair: And I am considering that. We are considering that right now, Mr. Menzies. I want to hear what he says on it, or at least enough to be able to do it.

Mr. Ted Menzies: Mr. Chair, once again, I plead with you, would you call the question on this motion?

The Chair: I can't do that, Mr. Menzies.

Mr. Julian.

Mr. Peter Julian: Thank you, Mr. Chair.

The first clause is perfectly within our rights as a committee. Mr. Menzies is proposing to limit time per member; I'm proposing to limit time per member too. I would assume he'd be in agreement, and it certainly would be a compromise between his very radical position and something that I think would allow us to go in depth into each of these amendments.

The first clause would read:

That the total number of minutes of debate per amendment, per member, be limited up to a maximum of thirty minutes, and that thirty minutes per member also be allotted to the clause, amended or not.

The second clause, currently reads:

That the committee finish clause-by-clause consideration for Bill C-24 by the end of the day on Tuesday, November 7, 2006.

That would be deleted from the motion.

The third clause, which is "That all clauses that have no proposals for amendment be voted on together in one vote at the start of the meeting", currently reads, "on Tuesday, November 7". With the amendment, it would read "on Tuesday, November 28". So there's a fixed date, certainly, that the government can look to for finishing the clauses that don't have amendments.

The fourth clause reads, "That Bill C-24 be reported back to the House as soon as possible." We would be deleting the words "on Thursday...", so it would read, "That Bill C-24 be reported back to the House as soon as possible."

The fifth clause, "That the clause-by-clause consideration for Bill C-24 be completed before considering any other committee business", would be deleted.

And then the final clause of his rather extensive motion—it's a little more streamlined with these amendments—reads, "That any debate on motions related to Bill C-24 be limited to thirty minutes per person per motion."

Hopefully, the clerk has those amendments.

Great. Thank you very much.

Now I'd like to speak to the actual amendments themselves.

Essentially, what Mr. Menzies has been proposing is closure. There's no other way of saying that. It's closure. It's limiting members to a scant three minutes of debate. It's saying that by the end of the day Tuesday, November 7, clause-by-clause consideration just happens, regardless of whether we've gone into the due diligence or not. What we are essentially doing is saying that on Tuesday, clause-by-clause consideration is done, no matter how serious, how irresponsible the impact would be on softwood companies across the country.

The various clauses that we've already gone through to a certain extent indicate that this bill has serious difficulties. So essentially, what we'd have to do, Mr. Chair—and I'm sure you'd agree with me—is go through the clause-by-clause consideration and ensure that we've done our due diligence.

• (1245)

Ms. Helena Guergis: I have a point of order, Mr. Chair.

The Chair: Mr. Julian, we have a point of order.

Ms. Guergis.

Ms. Helena Guergis: Can we please call the vote, Mr. Chair? This is getting repetitive. We've already heard this from the honourable member.

Mr. Peter Julian: Actually, Mr. Chair, you haven't, because you ruled me out of order on that first substantive intervention. So this is the first time—

Ms. Helena Guergis: Yes, we have, in fact, heard this already.

Mr. Peter Julian: —I've had substantive intervention on the amendments.

Ms. Helena Guergis: When you were suggesting your amend-ments-

Mr. Peter Julian: You can't have it both ways.

Ms. Helena Guergis: -you said the exact same thing.

Mr. Peter Julian: No, I was ruled out of order, so I had to present them again.

Ms. Helena Guergis: You just did your amendments, Mr. Julian. **Mr. Peter Julian:** I had to re-present them.

The Chair: Okay, are you ready for the question then?

Ms. Helena Guergis: Yes.

Mr. Peter Julian: Mr. Chair, I am in the process of explaining the amendments, so I would like to continue.

The Chair: Then there is debate. I have to allow the debate.

Mr. Peter Julian: Thank you very much.

So I believe very strongly that we as a committee have to take the due diligence that is required to do the clause-by-clause consideration in a responsible and in-depth way, going into each of those particular clauses that raise serious concerns across the country.

This deletion would essentially allow us to do our deliberations in an effective way and provide the clause-by-clause consideration that I think Canadians, particularly Canadians involved in the softwood industry, would require, rather than saying we're going to, at the end of day, have closure, that no matter how many problems there are on this bill, no matter how many things need to be fixed, we're going to bring this back to the House.

What an embarrassment that would be for members of the committee to bring something in that people outside this House have already flagged as major concerns, though we're not allowing those folks to testify, and other parliamentarians are aware of those concerns as well. So to come back with a half-baked, half-done job because the government wants to impose clause-by-clause consideration being done by the end of the day on Tuesday makes absolutely no sense.

We're talking about decisions that will make the difference in millions and millions of dollars between softwood companies and how this bill is currently configured and what softwood companies can actually expect back, and the kinds of penalties and the kinds of interest charges that softwood companies will have to endure. So for us to simply throw our hands up and say we're not going to deal with this, we're going to throw out the bill no matter how badly botched it is at the end of the day on Tuesday, November 7, certainly signals to me the highest irresponsibility.

Let's look at the third clause of Mr. Menzies' motions and I think what is a helpful amendment that I've offered to make the change, make the improvement to what he has actually said. He says in his motion that all clauses that have no proposals for amendment be voted on together in one vote at the start of the meeting on Tuesday, November 7—that's next Tuesday—that we simply vote them all together.

We've already had concerns that have been raised. We know in Marleau and Montpetit, very clearly—and I'll stipulate the clause we have the right to raise amendments. Certainly even though we've responded as a courtesy to the government with dozens of amendments to help improve the bill in good faith last Tuesday, it is very clear that we didn't have to have that obligation.

Marleau and Montpetit, in chapter 20, which deals extensively with the committee structure in the House of Commons and how committees need to act—I don't need to signal that to you, Mr. Chair, as I know you're aware of all of those elements—says very clearly in the second paragraph that motions to amend a clause of a bill do not require notice. So we do not require notice to provide these amendments; we can simply provide them.

Well, we have had eight days to consider the clause-by-clause, and it is by no means certain I think for any of us that we have exhaustively gone through the various improvements that need to be made to this bill.

• (1250)

The Chair: Mr. Julian, your relevance is an issue here. You're not speaking to this motion now, and if you have—

Mr. Peter Julian: Mr. Chair, if we look at the third clause-

The Chair: If you have no more debate on the motion, Mr. Julian, I'm going to go to the question.

Mr. Peter Julian: Mr. Chair, I'm raising new information.

I have not raised the concern that essentially other amendments we may identify would not be able to be brought forward because of Mr. Menzies' particular motion. It's November 7. After that, even if we discover an egregious short sight in terms of how this bill is structured, we will have already voted on all of those clauses. Very clearly, Marleau and Montpetit says we have the right, indeed the responsibility, to bring those motions forward.

What I am proposing is shifting Mr. Menzies' date to a much more reasonable date. The much more reasonable date is November 28. It is in three and a half weeks' time, Mr. Chair. In three and a half weeks' time, I believe we will have done the due diligence on the bill to actually go clause by clause and improve those clauses that desperately need to be improved.

As a member of the opposition, I would submit that by November 28 we would be willing to vote on all the proposals that do not have amendments. It could be done in one vote. We could also do it clause by clause. It can be done with cooperation, not with a date imposed of next Tuesday, but with a date that is reasonable.

Let me move to the fourth clause, Mr. Chair. We talk about Bill C-24 being reported to the House on Thursday, or as soon as possible. Very clearly, here is another issue. In previous clauses, clauses that are a precedent to this main fourth clause, which really is the heart of this.... We're going to vote en masse for all of these unamended motions. Regardless of whether we've done our job, we're going to put the bill out and report to the House on Thursday, or as soon as possible. On Thursday we will bring back a bill that is distinctively flawed. We are bringing it to parliamentarians who will actually know that it is distinctively flawed and that we as a committee have not done our due diligence. So fourth clause is really the heart of this motion. It is one that I think as parliamentarians we can all see is irresponsible.

• (1255)

The Chair: It is approaching one o'clock, Mr. Julian.

Mr. Peter Julian: I now come to the fifth clause, Mr. Chair, which I have not spoken on.

On the fifth clause, Mr. Chair-

The Chair: Order, Mr. Julian.

Mr. Peter Julian: You're coaxing me along, Mr. Chair, and I understand that.

The Chair: My watch indicates that we are approaching one o'clock. The meeting will adjourn at one o'clock.

Mr. Peter Julian: Yes, and I am on the fifth clause, Mr. Chair.

The Chair: As a courtesy to the officials, Mr. Julian, if you plan on continuing this at the next meeting, we won't have them come until such time as you're ready to actually deal with the bill.

Mr. Peter Julian: I can certainly discuss that with you, Mr. Chair, after this hearing.

The Chair: If you could offer that courtesy, it would be much appreciated. They're very busy people and they have a lot to do.

Mr. Peter Julian: I'd be very pleased to speak to you, Mr. Chair, and I'd be pleased to speak to the clerk about that.

The Chair: A point of order, Mr. LeBlanc.

Hon. Dominic LeBlanc: Mr. Chairman, we have listened carefully and attentively to Mr. Julian's comments. We have heard other members,

[Translation]

including those of the Bloc québécois and the government,

[English]

suggest ways we can proceed to a substantive discussion on clause-by-clause.

Many members at this table-

Mr. Peter Julian: That's not a point of order.

The Chair: Please continue, Mr. LeBlanc.

Hon. Dominic LeBlanc: Mr. Chairman, I'm asking you to explain what options you have as chair to bring this discussion to a democratic conclusion. Can we, for example—and I'm asking you, Mr. Chair—extend until question period and perhaps we can vote on Mr. Julian's amendments and Mr. Menzies' amendment?

On this side of the table, my colleagues in the Liberal Party are anxious to discuss substantive improvements to the bill. We don't find the current path is a particularly constructive way to do so. We're asking you, Mr. Chairman, to use what authority you have to try to bring this to a democratic conclusion, where members can express themselves on these motions, including the motions for amendments, and then we can proceed to a discussion in the House at third reading.

The Chair: Mr. Julian, order.

Mr. LeBlanc, on that, the chair's hands are somewhat tied. There could be a motion from a member of the committee to extend the time.

Mr. Peter Julian: I have a point of order, Mr. Chair. We do have a motion, and I am speaking to the substance.

The Chair: So we could. If someone were to bring a motion like that we could vote on that motion and decide to continue the meeting beyond one o'clock.

Mr. Peter Julian: Mr. Chair, I do have the floor.

The Chair: No, Mr. Julian, you don't have the floor. We have a point of order and I'm dealing with that now, Mr. Julian.

Mr. Menzies, on this point of order.

Mr. Ted Menzies: I would like to make a motion that we extend this meeting today until we get through this motion.

Can we do it as a point of order?

The Chair: You can't do it as a point of order, but if someone were to move that motion....

Mr. Cannan.

Mr. Ron Cannan: I'd like to move that we extend this meeting for one hour, until 2 p.m.

The Chair: We have a motion before the committee to extend the time until question period.

Mr. Peter Julian: We have a substantive motion on the table.

The Chair: Or until we vote on this motion...this was part of that motion as well, I guess.

Mr. Peter Julian: Mr. Chair, we have a substantive motion. We are debating that motion. These are not points of order, with respect.

The Chair: Well, we can now deal with this motion, Mr. Julian.

Mr. Peter Julian: No, not when there's a substantive motion....

The Chair: Mr. Julian, if you want to question my ruling, you go ahead and do that.

Mr. Peter Julian: I'm asking you to consult with the head of the table.

The Chair: I've done that.

It is up to the chair to make these decisions, Mr. Julian. If you question a decision of the chair, you can do that. There's a process for that. And you haven't done that. So we're going to this motion, which has been brought forward.

Perhaps you could repeat the motion.

Mr. Peter Julian: I challenge-

The Chair: Mr. Julian is challenging the chair. I have to consult on how we deal with this.

Mr. Peter Julian: I can see two real reasons.

The Chair: That's non-debatable. We'll go to a vote on that, Mr. Julian.

Mr. Julian has challenged the chair, so we're voting on sustaining the decision, which means a positive vote upholds the ruling of the chair.

• (1300)

[Translation]

Mr. Serge Cardin: You made a lot of rulings today. Could you clarify what ruling you are talking about?

[English]

The Chair: We'll have to start over again.

Do you want clarification on what we're voting on?

I apologize. What we're voting on is a motion to sustain the ruling of the chair. A positive vote would mean that the ruling of the chair is upheld and that Mr. Julian's challenge is defeated. Then we can move to the motion brought by Mr. Cannan.

Is that clear now?

Okay, perhaps we could start the vote again.

(Motion agreed to)

The Chair: Okay, we'll go to a vote on the motion then.

Mr. Peter Julian: Which motion is it now? It's very confusing.

The Chair: If you could listen carefully, Mr. Julian, we'll get the interpretation.

Mr. Ron Cannan: The motion is to continue this meeting until Mr. Menzies' motion is voted on.

Yes, Mr. Julian.

Mr. Peter Julian: Thank you, Mr. Chair. It's now after one o'clock, so this committee is adjourned.

The Chair: We're going to the question on the motion, Mr. Julian.

Perhaps we could go ahead. A recorded division....

Mr. Ted Menzies: If you want to go, that's fine.

(Motion agreed to [See Minutes of Proceedings])

The Chair: Okay. The meeting is extended until we have a vote on the motion that was before the committee before.

Mr. Julian has the floor.

A point of order, Mr. Temelkovski.

Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.): I think it's unreasonable for us to continue past one o'clock without having some time for lunch.

Ms. Helena Guergis: Can we call in some food?

The Chair: Can we have food brought in? Okay, we will have food brought in. It might take awhile, but that's a very good point, Mr. Temelkovski, a very important issue.

Mr. Julian, you are debating your proposed amendment-

Mr. Peter Julian: I'll assume, Mr. Chair, I'm excluded from the offer of food.

The Chair: Mr. Julian, how could you think anything like that?

Mr. Peter Julian: When we recessed to Mr. Cannan's motion, which I do not believe was in order, we were discussing the

amendments to Mr. Menzies' sledgehammer motion with the six clauses that basically stamp all over the type of committee consideration that we should have as committee members, to have that free and open debate, that in-depth debate, on every aspect of bills that are brought before us. We have that important responsibility—

The Chair: Mr. Julian, I'm sorry to interrupt you here. I want to simply let the officials know that they can leave, because this meeting ends as soon as the debate on this motion ends. We don't need their presence for that.

Thank you very much for your patience, all of you. If you'd like to stay for lunch, of course, you're welcome.

Mr. Julian, please continue.

• (1305)

Mr. Peter Julian: You get food, but I don't.

The Chair: I think he's finished, so let's go to the vote.

Mr. Peter Julian: No, Mr. Chair. I did take a breath and I'm going to actually take some water.

I would like then to come back to the fifth clause of his very extensive, rather mean-spirited motion, I would say—mean-spirited to the principle of having committees actually do their due diligence and do their work; that is, that clause-by-clause consideration of Bill C-24 be completed before considering any other committee business.

Well, Mr. Chair, this is perhaps the most important element. We have other committee business that has already been submitted, and as you are well aware, the committee business that I gave adequate notice of motion on...in fact, in one case we've had adequate notice of motion that goes back exactly two weeks. So we've had more than adequate notice of motion on these, yet if we look at his fifth clause that I'm proposing we delete, essentially what we are doing is eliminating any possibility of hitting these important bits of committee business that are already effectively on the agenda, because notice of motion has already been sent out.

First off, there is the issue of the motion that calls on the Government of Canada to stem the current market disruption, in specific categories, in the Canadian apparel industry, by immediately invoking article 242 of China's accession protocol to the WTO and putting in place restrictions or safeguards on the growth of specific categories of apparel imports from China.

This is a motion that I submitted on Tuesday, in good form, and the impact of the fifth clause—

The Chair: Mr. Julian, relevance. We've had a member call for relevance, but the chair was doing that anyway. Mr. Julian, if you stray from the content of your proposed amendment to this motion, I will go to the vote.

Mr. Peter Julian: Mr. Chair, this is completely, distinctly relevant, and I would certainly say you're keeping a much tighter rein on me than we had at the environment committee, when the Conservative member was filibustering there. I'm certainly not filibustering; I'm adding content.

Some hon. members: Oh, oh!

by the committee.

The textile industry is in crisis. There have been thousands of jobs lost.

[Translation]

By the way, I took part in Montreal two weeks ago ...

[English]

Mr. Ted Menzies: On a point of order, can I ask where in this motion the word "textiles" is? Why are we dealing with textiles?

The Chair: You're calling relevance, Mr. Menzies?

Mr. Ted Menzies: I'm calling relevance.

The Chair: Mr. Julian, I'll be listening carefully. Please continue. [Translation]

Mr. Peter Julian: Thank you very much, Mr. Chairman. This is totally relevant to the discussion. He wants to prevent us from discussing the motion I brought forward on Tuesday. It is very relevant. His motion wants to foreclose any discussion of the apparel and textile industry and we cannot countenance such a motion.

It is not only the motion that is at issue. Mr. Cardin wants to amend it. It is very important, because it will improve the motion, but this action, this motion would exclude any possibility to consider this resolution, however important, before concluding clause by clause. If more amendments come in, this could last until the end of November.

Therefore this clause makes no sense.

The second motion that would fall by the wayside if we passed his motion without amendment ...

[English]

The Chair: Mr. Julian, we have a point of order.

Ms. Guergis.

Ms. Helena Guergis: I would like to introduce a motion that perhaps we go public, so that we're not in camera and Canadians can see what's actually going on here.

The Chair: Ms. Guergis, this isn't an in camera meeting.

• (1310)

Ms. Helena Guergis: I'd like it to be public.

The Chair: It is a public meeting.

Ms. Helena Guergis: So it's being televised right now?

The Chair: It's not televised. We can't make it televised that quickly. Certainly the meeting on Tuesday could be.

Ms. Helena Guergis: I'd like to put forward a motion for Tuesday's meeting to be televised publicly.

The Chair: You don't need a motion for that. I will ensure that it is televised.

Ms. Helena Guergis: Excellent. Thank you very much.

Mr. Peter Julian: Mr. Chair, can I continue the important discussion of Mr. Menzies' motion?

The Chair: Please continue, Mr. Julian. Just do stick to the debate on your proposed amendments to the motion. If you stray, I will go to the question.

[Translation]

Mr. Peter Julian: Mr. Chairman, this is directly relevant to the motions which would be excluded by Mr. Menzies' motion. We cannot say there would be no repercussions if we passed this motion. There are direct consequences for the textile and apparel industries, as well as for the motion already before the Committee.

Mr. Chairman, it is very clear that these motions are important and that they must be considered.

[English]

The Chair: Mr. Julian, we are going to the question. You no longer have the floor.

The question on the motion will have a recorded division on Mr. Julian's amendments.

An hon. member: I have a point of order.

The Chair: We have called the question. We can't have a point of order once the vote has been called, so we are going to the vote.

These are the amendments to the motion that we have before us, as proposed by Mr. Julian.

Mr. Peter Julian: Mr. Chair, I challenge your decision.

The Chair: Mr. Julian has challenged my decision on this, so we will now have a motion that the committee sustain the ruling of the chair.

(Motion agreed to [See *Minutes of Proceedings*])

The Chair: Now we will go to the vote on the amendments, with a recorded division on those amendments.

Mr. Peter Julian: Mr. Chair, I have a point of order.

The Chair: Okay, Mr. Julian, but we're voting on your proposed amendments to the motion, just to clarify that for you.

Mr. Peter Julian: I am asking, Mr. Chair, that the amendments to each of the clauses be considered independently, so that we have an individual vote on each of the clauses. There are six clauses. They're very extensive, so what I would like to propose is that we have consideration on each of the amendments that are separate, and a recorded vote on each of those amendments as well.

The Chair: We are going to the vote, Mr. Julian. You debated these as though they were one. You moved them. We're going to the vote.

We will have a recorded division on the amendments to the motion.

(Amendments negatived [See Minutes of Proceedings])

The Chair: Now, on the motion itself, a recorded division.

Let's vote.

(Motion agreed to-[See Minutes of Proceedings])

Mr. Peter Julian: You are being extremely severe. The reality is that doing clause-by-clause consideration before considering any other committee business destroys the possibility of having this particular motion, which was brought forward on Tuesday, discussed **The Chair:** The meeting is now adjourned. The next meeting, of course, is on Tuesday. We will go until we are finished with the clause-by-clause, or until the end of the day, which is midnight, arrives.

We'll have lunch and dinner.

Yes, Monsieur Cardin.

• (1315)

[Translation]

Mr. Serge Cardin: With regard to the motion we just passed to conclude our consideration by November 7, I would just like

members to realize that if Mr. Julian is of the same mind as today, we must expect to sit for at least 20 hours, according to my calculations. I just want to warn you. Thank you.

[English]

The Chair: In the motion, of course, certain clauses have been moved to the start of the discussion and those I think are the clauses that will obviously be in need of the most debate, according to what the members of the committee believe.

We'll adjourn the meeting.

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