



CANADA

House of Commons Debates

VOLUME 137 • NUMBER 184 • 1st SESSION • 37th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, May 7, 2002
(Part A)

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, May 7, 2002

The House met at 10 a.m.

[*Translation*]

Prayers

CANADA POST

ROUTINE PROCEEDINGS

•(1000)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to three petitions.

* * *

•(1005)

CANADIAN SAFE DRINKING WATER ACT

Mr. John Herron (Fundy—Royal, PC) moved for leave to introduce Bill C-462, an act to ensure safe drinking water throughout Canada.

He said: Mr. Speaker, it is my pleasure to table, in my name and on behalf of the Progressive Conservative Party of Canada, an act that provides for the establishment of national standards for safe drinking water in Canada and for the proper reporting and public disclosure of incidents of non-compliance with those standards.

The House may recall there was a motion similar to this initiative presented on May 8, 2001. Given that the government was unwilling to fill that legislative void it is incumbent upon the Progressive Conservative Party of Canada to do just that.

(Motions deemed adopted, bill read the first time and printed)

* * *

PETITIONS

MEDICAL RESEARCH

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Speaker, I am pleased to present a petition on behalf of a number of people in Alberta. The petitioners request that parliament ban human embryo research and direct the Canadian Institutes of Health Research to support and fund only promising ethical research that does not involve the destruction of human life.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I would like to present a petition signed by citizens of my riding.

The petitioners are asking the government to repeal subsection 13 (5) of the Canada Post Corporation Act, which prohibits rural mail couriers from bargaining collectively to improve their working conditions.

Ms. Galarneau, a constituent from my riding who worked as rural mail courier for ten years, arbitrarily lost her contract and has no recourse.

If subsection 13(5) were repealed, as requested in the petition, Ms. Galarneau could have participated in a class action. I therefore submit this petition.

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, pursuant to Standing Order 36, I submit a petition signed by rural mail couriers from all over the country.

These Canadians are asking parliament to repeal subsection 13(5) of the Canada Post Corporation Act, which denies them the right to collective bargaining.

While they perform the same task as their city counterparts, the petitioners feel their most basic rights to decent wages and fair and equitable working conditions are being violated.

[*English*]

NATIONAL DAY OF PRAYER

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, I wish to present two petitions today. The first petition is signed by Canadians who support a national day of prayer. The petitioners propose March 8 as a day to unite all Canadians to pray for our nation, its people and its leaders.

Supply

●(1010)

NATIONAL TEACHERS DAY

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, the second petition is signed by Canadians who support a national teachers day on the first Tuesday during education week in May. It is a day to honour and thank all of our teachers and to recognize their invaluable contribution to the lives of our children and to show our appreciation and respect for the teaching profession.

JUSTICE

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, I am pleased to rise again to present a petition on behalf of the people of Lakeland constituency and elsewhere.

The petitioners ask the House that bail not be granted for all accused murderers caught in the act of committing their crimes and to give only maximum sentences for those convicted. This petition results from the death of Dana Fair in Lloydminster who was beaten to death by three men with boards. There were many witnesses to this crime. One of the people involved in this crime had a long history of violent crime before and yet he is out on \$2,000 bail. The petitioners think that is completely wrong and out of line. They are petitioning the House to change that.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

[Translation]

VACANCY

LAC-SAINT-JEAN—SAGUENAY

The Speaker: It is my duty to inform the House that a vacancy has occurred in the representation, namely Mr. Stéphan Tremblay, member for the electoral district of Lac-Saint-Jean—Saguenay, by resignation effective May 7, 2002.

Pursuant to subsection 25(1)(b) of the Parliament of Canada Act, today, I have addressed my warrant to the Chief Electoral Officer for the issue of a writ for the election of a member to fill this vacancy.

GOVERNMENT ORDERS

[Translation]

SUPPLY

ALLOTTED DAY—SOFTWOOD LUMBER

Mr. Pierre Paquette (Joliette, BQ) moved:

That, in the opinion of this House, the government should set up an assistance program for the softwood lumber industry and its workers, to support them in the face of the unjust decision by the American government to impose a 27.2% tariff on Canadian softwood lumber exports to the United States, the program to continue in effect until such time as this conflict has been resolved.

He said: Mr. Speaker, please take note that I will be sharing my time with my colleague, the hon. member for Jonquière.

As you just mentioned, we are tabling a motion asking the government to set up, as soon as possible, an assistance program for the softwood lumber industry and its workers, to support them in the face of the unjust decision by the American government to impose a 27.2% tariff on Canadian softwood lumber exports to the United States, the program to continue in effect until such time as this conflict has been resolved.

This debate was made necessary by the May 2 decision of the United States International Trade Commission to impose, effective May 23, 2002, anti-dumping and countervailing duties totalling 27.2%.

It is important to remind the House that this decision made on May 2 this year is the result of a long administrative process on the part of the American authorities and of an extremely fierce fight between the Canadian industry and the American industry, which started on April 2, 2001, that is more than a year ago, because the Americans questioned the forest management procedures of the federal and provincial governments, and their support of the softwood lumber industry in Canada and Quebec.

Obviously, it was evident right from the start to all provinces, the industry and the parties here in the House that these allegations were false. Moreover, in previous instances—for this conflict has been going on for 20 years now—Canada has always won out, except when it has got down on its knees and accepted the Americans' orders.

A year later, here we are faced with an outcome that will have disastrous impacts on the industry, the workers and the communities. It is extremely important to keep in mind that, in Quebec alone, there are 250 municipalities whose living is connected with the lumber and forest industries, and which will be affected. If the sawmill were to end up closing, this would be more than just the closure of one company. A whole community would be at risk of disappearing.

In this situation that is so difficult for the communities, it strikes me as totally normal for a responsible government to act promptly to put in place programs to support the industry.

On the government side, the Minister for International Trade tells us that industry was not affected. All the statistics are available. He has only to consult the Statistics Canada bulletins. Production has dropped, deliveries have dropped over the course of 2001, particularly at the end of that year, when the countervailing and anti-dumping duties were imposed temporarily.

These duties will amount to in excess of \$2 billion annually for the Canadian industry as a whole, and in excess of \$500 million for Quebec alone. These are duties imposed by the Americans.

According to the industry, 10,000 jobs would be affected, and close to 2,000 have already disappeared. All stakeholders in the industry, both labour and management, agree that this is an extremely serious situation.

I will quote, as an example, a press release from the Association des fabricants de bois de sciage du Québec, which states the following:

Since September, Quebec's softwood lumber manufacturers have had to slow down activities, either through temporary shutdowns or by cutting shifts. The North Shore has not been spared. It is estimated that 6,800 jobs have been affected in the entire province. The figure for the North Shore is about 1,100 jobs affected, or 17% of the Quebec total.

The situation is dramatic, even from the employers' point of view. As for the labour point of view, here is one example, a statement by the president of the CSN's Federation of Paper and Forest Workers:

Thousands of people are at risk of losing their jobs. Temporary solutions must be made available to them, and to the affected communities and regions, if we are to get through this crisis.

Turning now to the FTQ Syndicat des communications, de l'énergie et du papier, we can quote this from the executive vice-president, Clément L'Heureux:

A strategy must be found to help workers. One way is to pay the surtax, another is to increase domestic demand for lumber by building social housing, for example.

So, the stakeholders are obviously unanimous in pointing out the need for an assistance program.

●(1015)

In the May 3, 2002 issue of *La Presse*, the Minister of International Trade is quoted as saying:

Something must be understood. Jobs are lost because of normal market restructuring. The government cannot necessarily step in every time there is natural restructuring of the market market in some industry. This distinction has to be made.

According to the minister, what is at issue here is not the softwood lumber crisis, not the trade dispute, but restructuring.

That is what appeared in *La Presse*. Of course, the minister may tell us that he was misquoted. Furthermore, that same evening, I took part along with him in a debate on this topic on TQS. He backed down, saying that this was not what he had meant. He meant that some jobs had been lost because of restructuring, and the others because of the softwood lumber crisis.

Unfortunately for him, I have the transcript of the briefing that he held on that same day. He said it clearly, as shown in this excerpt:

As of yet, there have been no job losses directly related to the situation with the United States. Exports to the United States are currently on the increase. Jobs were lost because of normal market restructuring. The government cannot step in whenever natural restructuring takes place in the market or in an industry.

This is extremely worrisome for sawmill workers, communities that live off that industry, and businesses. At a time when the Americans are telling us that, as of May 23, they will impose countervailing and anti-dumping duties of 27.2%, how can one be so irresponsible as to clear the Americans and downplay the impact of their sanctions? This is extremely disrespectful to the industry and to workers.

For the Bloc Québécois, the situation is clear: we must strongly condemn U.S. protectionism. It is clear that the measures taken by the Americans are in violation of the North American Free Trade

Supply

Agreement, or of the agreements that they signed with the World Trade Organization. We will win our case before the panels of these organizations. We must condemn American unilateralism regarding this issue and others. However, this does not excuse the government's irresponsibility in this issue.

This was to be expected, and this is what should have happened on May 2: the government should have reacted energetically to this American action by announcing a program to help the industry make it through this crisis, to help workers, so that they do not become the victims of the U.S. sanctions.

Instead, as I just read, the minister cleared the Americans. He had time to prepare for this. On May 2, the International Trade Commission merely confirmed the decision made by the U.S. department of commerce on March 22. So, the minister had over one month to prepare a response to this American action and develop a plan.

This is May 7, and he is still telling us that he is consulting, that things are going very well with the provinces, the industry and the unions. What I see is unions taking to the streets, be it in Chicoutimi or Montreal. All the press releases from the Quebec Lumber Manufacturers' Association or the Free Trade Lumber Council, the FTLC, are asking the federal government to set up an assistance program. As for provincial governments, they are all condemning the federal government's inaction one after the other, be it in Quebec or in British Columbia. So, it is time to act.

On reflection, I think the attitude of the Minister for International Trade, like that of the federal government, is entirely in keeping with the whole strategy they have had in place since the start of this crisis. What they have failed to understand is that this is not about traditional negotiations. This is, above all, a political problem. All of the commentators and analysts are saying that the upcoming elections in the United States will considerably hinder Canada's chances of a negotiated solution to this dispute.

So there has to be a plan right now. We cannot wait until more jobs are lost and more bankruptcies occur. There has to be a plan to help the industry. We have proposed a number of measures. There was one for big business, one for small and medium business, one for forestry companies, one for secondary and tertiary processing and a whole series of measures to change some of the employment insurance rules, which everyone has long been calling for, to help the workers in this industry and the communities involved get through this crisis.

I hope the Liberal members, like all the members of this House, will support our motion in the context of this debate.

●(1020)

If the federal government really had the concerns of Canadians and Quebecers at heart, it would respond immediately by setting up this assistance program. We are prepared to support it. But no, this government prefers propaganda and to spend \$600,000 on a people's almanac to commemorate the glorious life of Pierre Elliott Trudeau, who divided the country in two.

Supply

I call on this House in its entirety to support this motion. I call on the Minister for International Trade and the government to wake up and announce right now an assistance program to get through this crisis so that, in the end, when all proceedings are done, we will win at the WTO and under NAFTA.

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Madam Speaker, I thank the hon. member for Joliette for sharing his time with me during this debate on softwood lumber. I congratulate him on his hard work and fine performance ever since this issue has been with us. This has been a clear message for workers and businesses in Quebec that the Bloc Québécois is standing up for them. Once again, I congratulate the hon. member for Joliette.

As my colleague just mentioned, the softwood lumber dispute with the Americans has been simmering for a long time. In 1996, the Canadian government accepted voluntary penalties just to prevent any trade dispute with them. But the Bloc Québécois has always held that these stop-gap measures were not a real solution. We have always stood for the principle of total free trade in softwood lumber with the United States.

Unfortunately, the U.S. International Trade Commission ruled last Thursday to uphold a 27.22% tariff on Canadian lumber. Clearly, this will have a serious impact on jobs in the forest industry throughout Canada and more particularly in Quebec. In Quebec alone, it could cost the industry as much as \$550 million a year and result in the layoff of 10,000 workers.

I take the floor today also as the Bloc Québécois critic for regional development. My region, Saguenay-Lac-Saint-Jean, will be devastated by this situation. It has 30 lumber plants with a capacity of at least 10,000 cubic meters each. Some 2,452 plant workers and 2,435 forest workers work for them. Therefore, of all the regions in Quebec, mine is by far the one that will be the most severely hit by American sanctions.

This fear is unfortunately justified since, as soon as the temporary sanctions took effect several weeks ago, between 12,000 and 20,000 workers lost their jobs according to Canadian lumber industry estimates. This number could rise to 50,000 if U.S. sanctions become permanent, and there is every reason to believe that they will.

I was extremely sad to hear the international trade minister say that those job losses may not be the result of U.S. sanctions but rather due to a natural restructuring in that sector of our economy. You have to be completely disconnected from reality to say such things. The minister should come to my region.

I remind hon. members that during oral question periods, my colleague from Joliette and other members of my party invited the minister to visit their respective regions to talk with workers in the lumber sector. However, the minister did not even answer nor did he accept the invitation.

The government will wake up to a brutal reality if it tells workers such nonsense. People protested last week. I remind the House that in my region, in the Chicoutimi area, hundreds of workers protested and asked the government to take its responsibilities and help workers and businesses face what the Americans are doing. They protested in the streets and they know full well that if they lose their

jobs during the weeks to come it will be solely because of the U.S. surtax if nothing is done.

This is why the Bloc Québécois is asking, on this opposition day, the government to rapidly implement a program to support, until the end of the conflict, the lumber industry and its workers against the unjustified decision of the Americans to impose a 27.2% tariff on Canadian lumber exports to the United States.

• (1025)

These measures are necessary because, with the inhumane restrictions of the EI system, these people are unable to qualify. The measures are necessary in order to ensure the vitality and economic health of Quebec's regions. Many of these regions depend on this industry alone, which is a source of job creation. In Quebec, 135 towns and villages depend directly on these processing plants.

By doing nothing, the Minister for International Trade is telling us that he could care less about these communities in the remote regions of Quebec, as he so disdainfully referred to them during the last election campaign.

Where I live, in the Lac-Saint-Jean area, there is a ghost town, Val-Jalbert, which shut down its sawmill and is now a tourist attraction. We do not want to see all the towns and villages directly affected by the softwood lumber dispute going the way of Val-Jalbert.

There is no doubt that we must continue to press for a return to free trade. But as Frank Dottori, co-chair of the Free Trade Lumber Council and CEO of Tembec said in October:

We've been told by Canadian government officials for the last two months that there is a new will on the part of the U.S. government to settle this dispute more reasonably than in the past. A reasonable observer would surely say that the Americans continue to play the only game they know in trade negotiations: hardball.

Given that the Americans are behaving like cowboys, a negotiated or legal solution is clearly not imminent. The odds are that a settlement is still months or years away.

Softwood lumber workers are in no way responsible for the situation in which they find themselves. So why is the government leaving them to fend for themselves without jobs and without coming to their assistance in what is, after all, an exceptional situation?

What is this government actually doing? The federal government, with the help of the very generous Minister of Human Resources Development, is plundering the EI fund, which belongs to workers and employers.

This year alone, \$4 billion will be used for purposes other than helping the country's unemployed. It is time to render unto Caesar the things which are Caesar's. This EI fund surplus must go to softwood lumber workers who have lost their job.

Supply

Knowing that we must help these workers and the regions of Quebec that have been affected by the softwood lumber crisis, the Bloc Québécois has proposed immediate measures to support them. Why does the Minister of Human Resources Development not use the \$700 million available for support measures to provide special incentives for employers to hire workers who have been laid off because of the softwood trade war?

The program proposed by the Bloc Québécois calls for a six month grant to cover the full salary, which would be given in conjunction with six months of half of the salary and a conditional commitment by the employer to keep the employee for at least another year. These are good suggestions.

Why does the Minister of Human Resources Development not increase by one year the duration of benefits for older workers who cannot be retrained, and are affected by the crisis and awaiting a real support program for older workers?

Why does she not extend the EI benefits by five weeks? If the government does not want to go ahead with our suggestions, then all it has to do is say that they are the product of the fertile imagination of the Minister of Human Resources Development or the Minister for International Trade.

What is most important is that we help the regions of Quebec, because I and all of my colleagues from the Bloc Québécois believe in regional development for Quebec. It is neither the workers nor of the regions that are to blame for the softwood lumber conflict. It is up to the Government of Canada to propose solutions to help businesses and workers.

• (1030)

[*English*]

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Madam Speaker, the member referred in her speech to the Americans as acting like cowboys. Cowboys are really not that bad. I found that a rather strange comparison. In this instance we are sitting back watching bullies guide us around by the nose and our response is not strong enough to drive home a point.

I do not blame some people for trying to protect their interests when it comes to delivering and receiving valuable natural resources. However we expect the government in charge to watch out for the best interests of our people and our industry, which supplies the livelihood for thousands of families. However it has neglected to do so.

I know both the Bloc Party and the Reform Party in the past reminded the government over and over again that the deadline was approaching and that the agreement was coming to an end. We asked what preparation was in place to ensure that the interests of Canada were guarded.

All these months and years have gone by and we still see total inaction. There has been no plan or proposal other than the government saying that it would see that fair and free trade existed. What specific action is the government taking? In my view government members are doing absolutely nothing and they should hang their heads in shame for protecting the interests of Canadians so poorly.

Does the member agree with that?

• (1035)

[*Translation*]

Ms. Jocelyne Girard-Bujold: Madam Speaker, I would like to reassure the hon. member from the Canadian Alliance by telling him that there are little cowboys, big cowboys, as well as good and bad cowboys, known as good guys and bad guys. The Americans are behaving like the bad guys.

It is true that the government has not been as proactive on the issue of soft wood lumber as it should have been. What happened was predictable. When answering questions in the House, the Minister for International Trade said, "They will abide by their decision, we almost sure of it". The government should have sought alternatives.

As my colleague of the Canadian Alliance said, the government waited too much. Instead of being proactive, it chose the wait and see approach. How do you expect us to negotiate with a country such as the United States when we have nothing on the table to convince them that if they do this, we will do that?

The federal government representatives are not good guys. They are little cowboys who do not care about the workers' interests, and act only in their own interests.

[*English*]

Hon. David Kilgour (Secretary of State (Asia-Pacific), Lib.): Madam Speaker, I quite agree with my colleague from Alberta. This is very unfair to cowboys. I worked as a cowboy many years ago and I know cowboys. They would be horrified to think that they were being compared to what is happening here this morning. It is very unfair to cowboys of both genders, no matter where they work in Canada.

[*Translation*]

I will be sharing my time with the Secretary of State for the Economic Development Agency of Canada for the Regions of Quebec. Unfortunately, I will be speaking only in English. However, I believe my colleague will speak only in French, so that will even things out.

[*English*]

I am very pleased to rise on the motion of my friend opposite on the softwood lumber dispute with the United States. All of us in the House, everyone in the lumber industry and Canadians across the country, cowboys included, are extremely frustrated by the American attitude on this issue.

The Prime Minister and the Minister for International Trade has spared no effort to find a solution. My colleague, the Minister for International Trade, has worked with all stakeholders, provincial governments, the industry, the unions and the communities involved to develop a unanimous position to take into the negotiations. The Prime Minister spoke with President Bush about it on several occasions, as colleagues know. Our government has been solidly behind the industry, the communities and the stakeholders in the fight for free and fair trade with the United States, but as yet to no avail.

Supply

The Americans have rejected all fair and reasonable offers for a settlement and have imposed this outrageous tariff. It is a pure and simple case of protectionism on behalf of the American lumber industry. Our government has taken its case to the World Trade Organization and we will also be taking it before a NAFTA panel. We are pursuing all legal remedies in support of the communities and the industry. There continues to be a good team effort by the government ministers, ministers in provincial governments, union representatives, industry representatives and community representatives. What we all want is for Canadians who are in the business of shipping lumber to stay in business.

It seems that every few years the American industry feels the pinch of competition and runs to its government for protection. What is truly outrageous to many of us is not that the industry would do that but that the government of the United States would follow its wishes every time, even though it has lost the case so many times before. Some of our government to government negotiators have even commented that they have felt that they are negotiating with the U.S. industry instead of its government.

We have won the case before and I have no doubt that we will win it again. We are not without allies in Washington. Members of congress are also urging the administration to support free and fair trade. We all hope that the administration will start to listen. I also believe that Canada's case will have a great deal of support at the WTO which after all has been set up to ensure that there is fair and free trade among all the nations of the world.

In the meantime there are several different programs in place to support individuals, businesses, families and communities which are most affected. The Minister of Industry has pointed out that for those who face unemployment as a result of this unfair U.S. decision, the employment insurance program will be available, as it is for all Canadian employees. Human Resources Development Canada also offers worker adjustment programs to, among other things, help individuals make the transition to other industries when the ones they are in face limited opportunities. The Department of Indian Affairs and Northern Development supports development among our first nations communities where this decision is having a particularly negative impact as well.

In addition, the government has been working with provincial governments, the industry and communities across the country to provide support and assistance. For example, the Western Diversification Office, as members will know, is working with local partners to help smaller businesses with such things as value added wood processing. The idea is to help those companies develop other products for markets in Canada and around the world, including many in Asia-Pacific such as China.

There is the WoodTEK Business Development Centre in Prince George which serves as a local incubator for entrepreneurs. It provides access to things like kiln drying, subdimensional cutting and fibre mixtures as well as technical and business training, management and marketing assistance.

Another value added wood manufacturing facility has been set up in Quesnel, B.C. where entrepreneurs can use leading edge wood manufacturing equipment. It also offers help with developing the commercial potential of new products. Western Diversification also

works with the Western Canada Business Service Network to provide a wide range of financial and other services to forest related businesses.

There are also projects to help diversify the economies of several communities in the area through initiatives to create greater tourism as well as to encourage national and international filmmakers, for example, to develop their projects in the area as well as a host of other initiatives.

● (1040)

As some members will know, we have established community futures development corporations which are locally run, independent, non-profit societies that deliver programs and services on behalf of many levels of government and several different private and public sector agencies.

Western diversification continues to work with local forest communities to help develop and commercialize different products, to encourage entrepreneurship as a viable alternative to working for someone else, providing seed funding for local diversification within forest dependent communities and investing in forest product research and development.

The federal government intends to use all existing programs to help these communities and, if need be, shall do what is required to make sure that they are protected from this unreasonable American action.

I would point out that there are different initiatives now in place to support the employees in the industry. All levels of government are working together to address the fallout.

Discussions are underway at the present time with provincial governments to develop further ways to ensure that the communities are protected as best we can.

As has been said many times in the Chamber, the problem is not here, it is in the United States. It has rejected negotiations. It has rejected binding dispute resolution which is a bedrock of a rules based trading system. It continues to take "a my way or the highway" approach to the matter.

I believe all 30 million Canadians are rallying around our industry because we know this is yet another patently unfair attack by the Americans on an industry that is consistently better run and more competitive than their own.

The Government of Canada is fully focused on the problems that this is creating in many communities and is taking action and will take further action.

At the same time, I think all of us in the House should continue to speak out at every chance we get to tell the American industry, congressmen, senators and the American government that what they are doing is not only unjust and unwarranted but that it is greatly tarnishing their reputation as one of the world's leading proponents of free and fair trade.

Supply

•(1045)

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Madam Speaker, I listened intently to the speech of the government member. I agree that the U.S. government took an unfair decision on softwood lumber and used its huge power to impose protectionist measures. It did so because it felt strong and supported by the softwood lumber people in the United States.

However, what has this government done? The member gave the background of the dispute, saying that the government understood, that it was going to do this and that. He mentioned economic development corporations and the fact that the government is aware of all this.

However, what has the Canadian government got on the table today? What is it proposing to help our businesses and our workers? I would like to hear the minister on this issue.

Hon. David Kilgour: Madam Speaker, this is a totally fair question and I respect my colleague.

Indeed, I described some assistance projects and programs, but it is quite obvious and expected that we will be taking other action.

I ask the question very sincerely. For example, does my colleague want us to also impose an export tax on this product? Could this help people working in the industry in Quebec and the other provinces? Are her party, the other parties and herself in favour of a tax on softwood lumber exports? Would this allow us to recover enough money?

I am asking her very sincerely. I know that she has is not entitled to answer my question, but I see that three other people also want to ask questions.

[*English*]

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance): Madam Speaker, it is always a pleasure to hear a presentation by the Secretary of State for Asia-Pacific, although it is a little surprising that the government's lead speaker would be someone who is responsible for Asia-Pacific, when we would have expected that the Minister for International Trade, who is the one responsible for dealing with the softwood issue, would have been the lead speaker.

Perhaps it is not surprising given that the Minister for International Trade has stated publicly that he does not believe any jobs were affected by the dispute in the lumber industry, that this was simply an industry adjustment that presumably would have taken place anyway.

Does the Secretary of State for Asia-Pacific agree with that statement? Is he prepared to stand in the House and say that he does not believe there have been any job losses? If he does, I would sure like him to come to my riding where there has been a tremendous amount of job loss or, alternatively, if he disagrees with the Minister for International Trade and recognizes there have been job losses and that there will be a lot more, what would he suggest his government should do about dealing with the impact on individuals, companies and communities that have been affected by the job losses that his colleague does not think have occurred?

Hon. David Kilgour: Madam Speaker, the Minister for International Trade is in Spain today otherwise he would have led the debate on our side.

There undoubtedly will be jobs losses, and the Minister for International Trade knows that as well as my hon. colleague.

As my colleague knows, one of our problems in terms of Asia—Pacific is that we should have developed markets in that area long ago. Somebody told me the other day that Shanghai needed a million board feet of softwood lumber for its exploding housing industry. We should be developing that market. We have put in money into developing that market and I hope we put a lot more into that market and other markets in Asia—Pacific.

As the member knows very well, once we get to 30% of the American market this happens repeatedly. I would request that when those on the other side stand up to speak they should tell us whether they want us to impose an export tax to recoup some money so we can help communities, or do they not want us to go that route.

•(1050)

Miss Deborah Grey (Edmonton North, Canadian Alliance): Madam Speaker, how in the world is it that we think we can justify this by just ranting against the Americans and saying how dreadful those big, bad bullies are? What are we going to do to fight against this 27% tariff?

Hon. David Kilgour: Madam Speaker, we are going to the WTO and to NAFTA. Unfortunately, as my colleague knows, that takes a long time and the export tax—

An hon. member: Right now.

The Acting Speaker (Ms. Bakopanos): Order, please. Resuming debate.

[*Translation*]

Hon. Claude Drouin (Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Madam Speaker, I wish to thank you for giving me this opportunity to discuss the impact on Canadian workers of the tariffs being put on lumber by the United States.

These tariffs will definitely have serious effects on the lumber industry workers throughout Canada. With layoffs and uncertain economic times looming, these workers wonder how the tariffs will affect their daily lives and those of their families.

Again, workers affected by this difficult situation can rest assured that measures are in place to help them. These measures include the employment insurance system, a major program assisting members of the workforce.

From the very first day of its mandate, this government endeavoured to help Canadian workers adapt to a demanding and rapidly changing labour market.

These past few years, the Government of Canada helped workers increase their skills and their employability so they could get good jobs and keep them.

Supply

We have provided employment counselling and information to help them learn where to find jobs and how to land them. We have provided unemployed workers with temporary income support to meet the essential needs that they and their families have while they are looking for a new job.

On many occasions, the employment insurance program has helped Canadian workers and their families at a time when they needed it. They may need it when they lose a job because the economy has suffered, or because one particular sector has lagged, or when they are too ill to work, or when they leave work to provide care for a newborn child, or when they re-enter the workforce after having looked after their family.

All of this reassures Canadians greatly during uncertain times. This program is designed to respond quickly and automatically to local job market needs.

For example, the eligibility requirements and the length of the benefit period are adjusted in every region of Canada every four weeks, based on the most recent figures on regional unemployment.

A change as small as 1% or less in the unemployment rate can trigger a review to lower the eligibility requirements for workers and an increase in the number of weeks of benefits.

And yet, while the employment insurance program is flexible enough to respond to unemployment fluctuations, it has also evolved to take into consideration the needs of Canadian workers and their families.

For example, based on changes in the job market, we have adopted adjustments based on the small weeks projects to encourage workers to accept any work without being penalized. We have reviewed the program to make it better help Canadians who collect benefits more frequently, such as seasonal workers.

We have improved the program's ability to help clients balance their professional and family responsibilities by extending maternity and parental leave, by changing the rules that apply to parents returning to the workforce, and by exempting Canadians who stay at home to look after their newborn children.

We have strengthened the program's ability to respond quickly and effectively to the particular situations with which workers in some industries are confronted.

For example, following the massive layoffs in the airline industry, HRDC worked closely with unions and employers to provide career counselling services, help process applications and find ways to keep people in the labour market. Every chance it could, Human Resources Development Canada also concluded work sharing agreements with employers and unions thus ensuring that many jobs would be kept.

We met the challenge with strong action. It included consulting the Council of Forestry Industries and helping it to support its members throughout the country. We went to the employers' sites to help employees complete their claims for employment insurance and ensure that they were then processed as quickly as possible. We used automated programs enabling employers to send pay data electronically and helping local offices to deal with the massive layoffs.

● (1055)

Our aim continues to be to help workers return to work as quickly as possible. The Electronic Labour Exchange, the National Job Bank and the documentation centres located in the Human Resources Canada centres help workers across the country find a job that suits their needs, their skills and their training.

We also support other programs and services through labour market development agreements with our partners in the provincial and territorial governments. Accordingly, under the program with British Columbia, Human Resources Development Canada provides nearly \$290 million to help people there find and keep work.

It involves, for example, helping clients find new jobs through job search clubs, helping them draft a resume, helping with job search skills, career guidance and job interview preparation, helping clients without jobs find work through career assessments, providing guidance services and directing people to other programs and services, providing financial help to individuals to cover some of the cost of their skills training and related expenses and, finally, providing workshops and advice to clients starting their own business.

Following a transfer agreement signed in 1997, the province of Quebec is now responsible for developing and implementing its own active employment measures.

The Government of Canada has increased its funding to Quebec from \$450 million in 1997 to close to \$600 million for the current year. These concrete measures were taken to provide assistance to workers throughout Canada.

Let me also point out that employment insurance is only one of the many programs helping the unemployed adapt to economic change. To meet the special needs of older workers, we have launched pilot projects to find new ways to help them make the transition to the new economy.

Besides employment insurance, the Government of Canada spends over \$3.5 billion every year to prepare our young people for the labour force. Many other programs focus on the special employment and upgrading needs of first nations and handicapped Canadians.

In conclusion I would like to thank the hon. member for his concern about the well-being of the softwood lumber industry workers, a concern our government and I share. I would also urge my colleague and all the members to cooperate with the government so that workers in the softwood lumber industry and throughout Canada can get the help they need to adapt to economic change.

Supply

Only through cooperation will we be able to provide Canadians with the services they expect.

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Madam Speaker, I listened carefully to the remarks made by the Secretary of State responsible for the Economic Development Agency of Canada for the Regions of Quebec. He thinks that everything has been done, that there is nothing left to do. That is an extremely dangerous conclusion to draw on the part of a minister who is responsible for regional development.

Funny but workers are saying that employment insurance is not helping them. The member's speech dealt exclusively with employment insurance. Employment insurance is a good thing, but it does not meet the exceptional needs created by the softwood lumber issue.

I want the member to tell us what he is going to put on the table. I also want to know if he agrees with a dedicated fund. The Bloc Québécois proposed a dedicated fund that would bring transparent solutions to help small and medium size businesses face the situation.

The government tells us that everything has been done and that we live in the best country in the world. It tells us to find shelter and wait for the storm to blow over. That is the solution proposed by the secretary of State. This is a serious problem.

• (1100)

Hon. Claude Drouin: Madam Speaker, I can see that the member listened to my speech but she did not understand what I said. It is unfortunate because I mentioned the measures that we have taken. We said that, as the Canadian government, we are sensitive to the situation facing workers in the softwood lumber industry. There are measures already in place and, as time goes on, we will see if adjustments are needed. As the Canadian government and as the Liberal Party, we have always been very open and we will continue to help people.

[*English*]

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Madam Speaker, it seems that time and time again when a member of the Liberal Party rises in the House to give a speech on this topic we get that warm, touchy-feely, feel good message about all the wonderful things we are doing to help these families. I heard the member talk about maternal leaves and all that, but dagummit, there are thousands and thousands of people across the country in this industry who are really hurting. The Liberal Party is not taking it seriously enough.

I have news for the member. There could be cattlemen suffering the same kind of thing just around the corner because of the trade breakdowns that could occur in our cattle industry, not to mention many agrifood and other natural resources where this is beginning to happen. It is happening because the government does not have the will or the fire in the belly that it takes to stand up to a bully and let him know we have had enough of this.

What do we have to do? How about loading up a busload of those cowboys and sending them down there to do the negotiating?

The Liberals should start acting like they mean business instead of this touchy-feely, feel good message about how they are going to make it wonderful for all our poor families out there by giving them

a couple of hundred bucks here and there. They do not seem to understand the seriousness of it. They get up and do their fancy little dance around the issue with speeches in the House, a touchy-feely, warm, feel good thing, and then they leave here and go and drink their fine wine and eat their fat cheese.

When will they start thinking about the interests of the individuals out there who are truly suffering instead of all this warm, touchy-feely, feel good stuff that nobody is interested in? People want solutions. They do not want those kinds of speeches.

[*Translation*]

Hon. Claude Drouin: Madam Speaker, unlike the official opposition, we might not get all in an uproar, but we are very aware of what the workers are living. It is not because we publicize part of what the Canadian government intends to do on behalf of workers that we should not be believed.

I would remind the member that apart from saying that we are insensitive, he does not have many solutions to propose. We are doing things. The Canadian government has been working at it for weeks. We are listening to the needs of the people and we will find solutions in due course, as we have always done as government on this side of the House.

Mr. Marcel Gagnon (Champlain, BQ): Madam Speaker, I have listened to the minister and to my colleague from Jonquière and I am appalled to hear that he has done everything he could and that, for example, EI is there to help those who will lose their job.

We all know that this is not true. Nowadays, with what has been happening in the employment insurance sector, no seasonal worker is covered. At the most 42% of workers are eligible for employment insurance. This is complete nonsense.

I ask him to withdraw what he said and to tell the truth.

Hon. Claude Drouin: Madam Speaker, the hon. member, like his colleague from Jonquière, says that he is listening, but he does not understand.

The employment insurance program responds to 80% of the people making a claim. My riding is hit by the softwood lumber situation and people are entitled to employment insurance benefits.

However that is not what we wish. We do not necessarily want them to get employment insurance; we would rather have them working. That is why the Government of Canada is negotiating in good faith and is getting processes under way in order to defend the rights of all Canadian workers.

[*English*]

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Madam Speaker, I will be sharing my time with the member for Vancouver Island North.

Supply

The first item on our agenda should be an apology. The Prime Minister should stand in his place and apologize to Canadians for making jokes about the softwood lumber industry crisis and heartlessly ignoring the despair of thousands of families suffering as a result of that crisis. He said that the Americans are doing this to Canada because we beat them at hockey and that we have lots of 2x4s to use when the time is right. That remark shows just how heartless the government has become and also how indifferent those members on the other side have become.

What is disturbing—

Some hon. members: Oh, oh.

• (1105)

The Acting Speaker (Ms. Bakopanos): Order, please. The hon. member may now continue.

Mr. John Reynolds: Madam Speaker, I know they get excited when we on this side speak, but I appreciate your help.

What is disturbing is that the Prime Minister does not yet accept that the American administration might be in a more accommodating mood if he had not said he wanted President Bush's opponent to win the last election in the United States. Instead, the Prime Minister makes a joke that has enraged British Columbians and all of us who are proud to represent British Columbia in this parliament. The few who were not enraged by that insensitive remark were Liberal members of parliament. We promise that in those few ridings the voters will remember the Prime Minister's joke.

British Columbian members of parliament are welcome in this party and we will make sure that we bring even more with us in the next election. Judging by all the phone calls, British Columbians are already rubbing their hands in gleeful anticipation of helping us do that.

Then there is the Minister for International Trade, the minister who bungled international trade, especially the softwood lumber file. He dropped it like it was greased. He fumbled it like it was a hot rock. He said that job losses were due to restructuring. Due to restructuring? Was he all three of the monkeys that saw no evil, heard no evil and spoke no evil? Did he not hear from mayors, from workers and from management that the industry would be in crisis if the Americans were to do what they have done? Was he not there that Monday or did he send his perfect twin?

Restructuring is just not even in the cards on this issue. Where did he come up with that word? What brilliant bureaucrat in his department offered him that gem to pass along to Canadians? Or was it the ethics counsellor, with his talent for turning pigs' ears into silk purses?

Then there is that other obscure backbencher over there who said that British Columbians were "nervous nellies". I can assure everyone that British Columbians are not nervous nellies, but the few Liberals who hold seats in our great province certainly are. If anyone wants to see an endangered species they can look at the Liberal members of parliament from British Columbia. Premier Gordon Campbell of British Columbia, at the softwood summit last Monday with the international trade minister sitting at his side, confirmed a potential 50,000 layoffs. So much for the minister's listening skills.

The announcement last week by the U.S. trade commission is a major blow for the national economy. Those softwood workers pay hundreds of millions of dollars into the treasury through income taxes. They are consumers, borrowers, families and school board supporters. We in the opposition saw this train wreck coming two years ago and warned the government, but once again the government was not listening just as the trade minister was not listening last Monday at the softwood summit when he was sitting next to the premier who said that 50,000 jobs were at stake. He calls that restructuring? There is something wrong with that.

Two and a half years ago, the hon. member for Vancouver Island North undertook on his own to contact and establish relations on behalf of our softwood industry with the group called American Consumers for Affordable Homes. His relationship with that group made the Alliance the first party to embrace its free trade position, long before the government had even heard of that group.

I know this simple fact is hard for members on the other side to grasp, but more than softwood workers' jobs are at stake here. People employed by trucking companies, aviation service companies, marine service companies and catering service companies, just to name a few, will all suffer, and not just in British Columbia. We are talking about that because the minister was there last Monday and there are 50,000 job losses in that province. This is going to happen right across Canada.

There are not only workers to worry about. There are spouses and children. They are all suffering because the government neglected the file and abandoned the softwood industry, those workers and their families.

Before I conclude, I want to tell the softwood lumber industry and all those workers that while the government was ignoring them, members of the Canadian Alliance were not. We were working hard both here in parliament and in the United States to find solutions. The member for Vancouver Island North deserves most of that credit. He has done a phenomenal job. That is what this government in waiting does and I hope the industry and the workers will remember that when they get their time for revenge at the next federal election.

• (1110)

The last thing the government needs is another Liberal member of parliament. I hope Canadians remember that in the byelections next Monday. I hope they send the Prime Minister a message that the government has done a poor job on softwood lumber, agriculture and other problems. It does not deserve to elect any members next Monday.

Supply

Hon. David Kilgour (Secretary of State (Asia-Pacific), Lib.): Madam Speaker, the Leader of the Opposition has made a speech saying the government is not doing enough. In my speech I mentioned things that are already happening such as employment insurance and a number of other things. What does the opposition party advocate should be done in addition? Does the Leader of the Opposition favour an export tax while our actions are proceeding to the WTO? What other things does he advocate we do? We on this side of the House would be happy to hear his party's proposals.

Mr. John Reynolds: Madam Speaker, it is a pleasure to get up and talk about the issues. The minister talks about EI and what the government is doing in those areas. A few weeks ago my constituency assistant wrote the minister in charge of the file. He told me there is now a minimum 13 week wait in British Columbia to process EI claims. That is over three months. I am sure all members of the House have the same problem.

What government can say it has a program to help unemployed workers when it takes three months plus a week before they can find out what they will get? Does the government not understand? How cruel can members be on that side of the House? The issue affects 50,000 people plus their families and children. Those people need a government with compassion.

The government should bring in people from other parts of the country where unemployment is not as high, move them out to British Columbia and solve the issue for the people there. It is not doing that. All the rhetoric is fine, but the government should check with its own members from British Columbia. I am sure they all get it just as I do. It does not matter whether one is Leader of the Opposition or an independent member. Members from British Columbia will have EI problems in their offices. A minimum wait of 13 weeks is unacceptable.

That is the first thing we would do. We would send people there to make sure the system worked. People could walk in today and know they would be looked after. They would not need to worry. We would work with them. If it took two years to get to the WTO we would help them through it. We have done it in eastern and central Canada but it seems British Columbia is a long way away. We have a crisis and the government pays lip service to it.

With regard to everything else we have a tariff coming up. The one thing we and the government agree on is that we will beat the Americans at the WTO. In the meantime the government should assist companies in making sure they can cover the duty so they can stay in business and get people working again.

It is a pretty simple program. The government says we will win. I agree. What then is the problem with putting up the money to make sure people can stay in business? We are talking about a couple of simple programs. If that is what the government did we would be happy. However we have not gotten an answer from the other side. Everything is hot air. Everything is a crisis. Government members tell us to sit down. They say that in the next speech we will hear a bit more about it.

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Madam Speaker, I listened carefully to the leader of the opposition. He is right. During the whole negotiation process, the government had the support of all

the provinces as well as all the companies. They were saying: "Yes, we will go to the United States with you to see that this issue gets settled".

Unfortunately, as the leader of the opposition said, I think the international trade minister had a hot potato in his hands and he did not know what to do with it. Therefore I ask the leader of the opposition to tell us whether he agrees with the solutions put forward by the Bloc Québécois with regard to companies and workers.

[*English*]

Mr. John Reynolds: Madam Speaker, I thank my hon. colleague from the Bloc for her comments. It is an issue on which all sides of the House agree. There needs to be support. We agree with their position as they agree with ours.

We both agree the government is in a crisis and a free fall. We agree that is not supporting workers. I talked a lot today about British Columbia because I have a passion for it. However as the hon. member knows, I also grew up in Quebec and have a passion for Quebec. I was born in Ontario. I feel sorry for workers across Canada who are going through this.

I emphasized British Columbia because the minister was there on Monday with our premier, mayors, MLAs and MPs from across the province. He started a good program by having consultations with all elected officials. That is why this is so important. When the minister comes back and says softwood lumber is not the problem and that it is only a readjustment of the industry, that is wrong. It is damaging.

All members on this side of the House need action from the government. That is why we have been asking questions about the issue every day. That is why we have an opposition day today. We get hot air. We are not getting answers. It is time we got serious and real answers on the issue.

•(1115)

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Madam Speaker, last Monday I was in Vancouver, British Columbia at the premiers' softwood lumber summit. There were 35 people there including mayors, company representatives, first nations representatives and representatives of the West Coast Environmental Law Association. Federal and provincial legislators from government and opposition were there. The senior federal minister for British Columbia, the Minister of Natural Resources, was also there along with the federal Minister for International Trade.

Supply

A major focus was the presentation of the B.C. Ministry of Management Services which is the equivalent of Statistics Canada for the province. It said 15,000 forestry workers in the province were out of work. It anticipated 50,000 would be out of work when the full impact of the tariff came into effect sometime after May 23. That is about a quarter of British Columbia's 200,000 forest industry workers. The official opposition recognizes that B.C. is not alone in facing these layoffs.

One can imagine the outrage in British Columbia when three days after hearing all the data, participating in the meeting and expressing not a shred of doubt we witnessed the Minister for International Trade say not one job had been lost due to the softwood lumber dispute. He said the losses were due to restructuring. The minister then went to Spain and the arrogant Liberal government has not explained itself or the minister's behaviour. The Minister of Natural Resources, the senior federal minister from British Columbia who was also at the meeting, has said nothing to explain his colleague's behaviour. Forest workers, families and communities have been insulted, brushed off and ignored by the government.

I was in Port Alberni on central Vancouver Island this weekend. It has four sawmills, three of which are closed. The mayor is rightly concerned. I was on a softwood lumber panel and chaired a coastal parliamentarians meeting. A member of the panel was Darrel Wong, president of I.W.A. Canada, Local 2171. Some 2,100 of his members have been laid off. Some 30 companies have been closed, 21 are inactive and 32 are at reduced capacity. One might ask what the minister has been smoking. Shutdowns have been happening since last August when the preliminary duty was announced. The Coast Forest and Lumber Association provided me with a list of 20 sawmills on the coast. The mills are either down, partially down or have been down four to five months.

The Minister for International Trade should apologize for his remarks. It has been five days. Perhaps the senior minister from British Columbia, the Minister of Natural Resources who was also at the premiers' summit, would like to distance himself from his cabinet colleague's statements with more than silence. We now have an insight into why the government has no sense of urgency to tackle the dispute head on. It is easier to deny the problem than to fix it. All the opposition parties are willing to recognize there is a problem. We are of one mind.

The trade minister likes to say he has the provinces, industry and labour onside. However at times they are afraid to say anything negative because they do not want to break with Canadian solidarity. Privately there are major concerns.

I had the opportunity last night to talk to a trade lawyer. The discussion we had went to the heart of what needs to be done. It is common knowledge in trade circles that the Canadian government is too soft and rolls over too easily, particularly in disputes with the U.S. This goes to the heart of the motion we are debating today.

• (1120)

To succeed in securing free trade in lumber, forest workers must be supported. Industry must not be forced to fold because of cash flow problems resulting from penalties for which we can and will obtain repayment in the future. There is no shortage of suggestions

for achieving this except from the government which is once again playing for time and pretending no problem exists.

For example, HRDC has come up with \$13 million in additional benefits for workers in British Columbia. This works out to \$260 for each of the province's 50,000 unemployed forest workers. That is not what is required. An extended creative EI benefit is clearly needed. There are administrative problems as the Leader of the Opposition explained. However it does not happen to be true in some areas of the province including my area.

In terms of tariff management schemes we have suggested two possibilities which go to the heart of the question asked of the Leader of the Opposition. First, we should look at dealing with Export Development Canada. Currently qualified exporters of Canadian goods can insure up to 90% of their accounts receivable exposure with Export Development Canada. The definition of accounts receivable must be expanded to include deposits made on contested tariffs. The Government of Canada would have to assume much of the underwriting risk. The approach is simple. It has been out there quite a while. However as far as we can determine the minister has not asked Export Development Canada to look at the possibility of accomplishing it.

Second, we could go through Canadian Commercial Corporation. Currently Canadian Commercial Corporation acts as a middleman for many cross border contracts between Canadian and U.S. industries, especially in the defence sector. Certain members of the softwood lumber industry could sell their lumber to CCC. Canadian Commercial Corporation could then sell it to the U.S. and become liable for the duties.

Why can we not engage the government on these issues? I have been trying for months. It would rather pretend the problem did not exist. As I said previously, the government has done no apparent homework on tariff management plans. It can always find trade lawyers who agree or disagree with the suggested approaches.

The upside to urgent government action in supporting workers and tariff payment schemes is that Canadian solidarity could be maintained. The longer the government continues to let things drift the more likely there will once again be a rush to a deal that will have long term negative consequences for our competitiveness not only in the U.S. market but all other markets into which we ship forestry products.

The situation has reached a serious juncture. It is absolutely necessary that the federal government intervene immediately. It has a responsibility, an obligation and an opportunity to display leadership. It is critical that the government announce a comprehensive plan for workers on the tariff issue. Otherwise industry, the workforce, the municipalities and the provinces will divide. The solidarity necessary to win the battle will be lost due to the government's lack of leadership.

This crisis was avoidable. The Liberals knew it was coming but ignored it. They saw no political opportunity in it. The Canadian government has not acquitted itself well. Could members imagine it doing the same thing for turbot off the east coast?

• (1125)

Canadians deserve better leadership from the federal government. A plan containing worker relief and tariff payment measures is required now. The people on the Canadian side who are most keen on pursuing free and unfettered trade are the very people who are saying the Canadian government has to put a tariff scheme and worker support scheme in place.

[Translation]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Madam Speaker, I have listened attentively to the Canadian Alliance member. His speech is on the right track and I share his opinion that this government is deaf, dumb and blind.

I would like to know from the Canadian Alliance, who always tells us what is going on out west and in B.C., what is happening in the western companies, in their plants and with their workers. What do these workers expect from this government?

[English]

Mr. John Duncan: Madam Speaker, I thank the member from the Bloc for her question.

I cannot speak for western Canada as well as I can for British Columbia and especially coastal British Columbia which I would say in general is probably the one part of the country that looks to the federal government the least for anything. However there are special circumstances when indeed it does look to the federal government. This is a litmus test for the federal government in every way.

People are running out of benefits. Employment insurance and the entitlement to further benefits are essential right now. There was a huge expectation that on May 2 or at least on May 3 there would be an announcement. It was our opinion that the government could not let it go past the weekend. We are past the weekend and into the following week. It increasingly appears that the government has no agenda to do anything which is of huge concern.

For example, in my riding I am looking at one job in four being at risk. That is above and beyond the forest sector. That is talking of one job in four in total, everyone.

On the tariff end of things we want the government to do the right thing in terms of our negotiations with the U.S., however the approach that people are witnessing is an academic one. The government is displaying a lack of interest in investing political capital in rural British Columbia, rural western Canada and for that matter any other rural part of Canada.

Supply

The same equations hold true for Quebec, northern Ontario and other parts of the country. When one looks at the political landscape it is clear that the priority of the government is not in those places. That is the political reality. It is unfortunate for Canada and for Canadians that it is the mindset of the government and is a good reason why we should all feel slighted and insulted by its behaviour.

• (1130)

Hon. Stephen Owen (Secretary of State (Western Economic Diversification) (Indian Affairs and Northern Development), Lib.): Madam Speaker, this is the single most important file that has had the most attention from the Minister for International Trade for the last year. Members opposite did not raise this issue and a whole range of issues until we worked on this specifically and energetically with the provinces and industry.

It is fine to say that we want a solution but not look at the delicate package being brought together. Specifically, does the member for Vancouver Island North agree with an export tax? If he does, could he explain how we could continue with litigation in the WTO and the NAFTA if we had an export tax? Some members of industry want it and some do not. We are trying to have a common position in the country. I would like to know the member's specific answer to the export tax question.

Mr. John Duncan: Madam Speaker, the senior minister from British Columbia is not even here. He is muzzled and the trade minister is somewhere else. That is displaying a sense of lack of priority. That is clear to me.

I have noticed that the government has been busy revising history on the softwood file for the last two or three months. The whole thing about a border tax is an attempt to obscure the real issue. A border tax would be very negative for Canada. It would not make us competitive in terms of our entry into the U.S. market. In order to meet the qualifications of a border tax we would have to increase our costs on the Canadian side in order to eventually get rid of the border tax. That would make us uncompetitive in all those other markets as well.

I am taking a clear position unlike the government that obscures everything so that nobody can figure out where it is coming from until two weeks after the event.

[Translation]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Madam Speaker, I am pleased to have this opportunity to speak to the motion introduced by the Bloc Québécois, concerning the matter of an assistance plan for Canadian lumber industry workers.

We are all aware now of the outcome of the negotiations between the Liberal government and the United States. Basically the Liberal government was unable to defend the interests of Canadians. So here we are this morning forced to debate a motion that is totally justified by the U.S. decision to impose a 27.2% tax on lumber sales to our friends whom we have supported and helped out during difficult times.

Supply

On May 2, the NDP leader called upon the government to do something for the forest industry workers whose jobs were threatened. Moreover, all opposition parties had called upon the government to provide emergency financial support, but it preferred to turn a deaf ear and leave them and their families to their own devices.

It is obvious that the 27.2% tax is going to result in enormous job losses. According to a quick evaluation, just in order to sell their Canadian lumber on the U.S. market, forest companies will have to pay out \$2.2 billion annually. This is a lot of money.

The NDP leader asked the minister a question in the House, which I would like to quote:

Mr. Speaker, we do not want the government to stand by. We want the government to stand up and do something.

Forestry workers and their families are becoming more and more desperate by the hour. If the government refuses to help with loans, will it at least crank up a national housing program, long overdue?

This was for the purpose of trying to generate employment in the regions.

This would provide relief to the troubled softwood industry and it would also generate desperately needed housing.

With an investment equivalent to a single month's surplus, the government could create 36,000 housing units and at the same time create 46,000 desperately needed jobs. Will the government do that?

The leader also asked one other question:

Mr. Speaker, let us call with one voice for the return of that money, but how many more forestry workers must lose their jobs before the government finally takes steps to protect their families, their communities and their industry? People want to work.

The fear of generating more complaints about subsidies is the government's lame excuse for inaction, but we know that the government has an American study that debunks that myth.

Will the trade minister move on that study's conclusion and make available to threatened companies loans at commercial rates?

Here is the minister's reply:

Mr. Speaker, let me be very clear. I have always been clear on this very subject.

This is the minister's answer. If he was so clear, I wonder why we are debating this motion in the House of Commons today.

I think it is important that we stand by our workers and the government intends to stand by the workers. We will stand by the communities, we will stand by our industry, and the Americans need to know that.

This is a nice speech in the House of Commons. The minister goes on to say:

I have always said that loan guarantees or any other means of action were on the table, that there were a number of options that were on the table. We are consulting with the industry because the industry itself is giving us advice at this very moment about what would be the most helpful tool to help them.

We will stand with them and of course whatever we would do we would design in a way that would not be countervailable.

The minister made this statement in the House of Commons on May 2 of this year. Today, May 7, the following comments made by the Tembec company can be found on CBC's Newsworld:

[English]

● (1135)

Tembec will use the North American Free Trade Agreement to file a \$200 million damage claim against the United States over that government's plans to impose duties against Canadian softwood lumber producers. The company's president and CEO,

Frank Dottori, said he was disappointed in the United States' decision to go ahead with the duties.

Where was the government on May 2? Where is the government today that said on May 2 that it would consult the industry? Where was the government when our colleague across the floor a few minutes ago said it was on the file from the beginning and the opposition was not there? Where was the government when the opposition brought this to the House of Commons many times?

[Translation]

Where was the government? How can the government say today in the House that it is defending Canadian workers? What is the government doing? What is wrong with it for it to drop an industry where thousands and thousands of good jobs will be lost because the Americans are telling us how to run our own country? Where was the government when the minister himself said that he would not abandon Canadians, since Quebec has already lost 1,800 jobs and more than 10,000 more jobs will be lost across Canada?

But the government is sitting, and we know on what. Today, it is sad to see what free trade has brought us, that is one way free trade. How many times have the Americans felt the need to impose countervailing duties to Canada? They did it on numerous occasions. How many times have Canadians been forced to impose such duties to the Americans? Never, because they consider that the United States is an untouchable power. We are caught under the American umbrella.

In the meantime, we are losing jobs here in Canada. The current government is not the only one to in this situation. We can go back to the previous government, which promoted free trade. Instead of free trade, we should have had a faire trade accord, where Canadians would have taken their rightful place.

If we look at softwood lumber and agriculture, we see that Canadians are losing everywhere. In the case of big primary industries, the Americans take over our companies and then decide what they will do with them. A company like Tembec has been forced to go to court to defend itself against the Americans because of free trade. Why is it not the Canadian government that is defending Canadians, as the minister said on May 2 in the House of Commons?

It is sad to see this and to see people who have worked in the softwood lumber industry across the country being affected by this situation. In the Atlantic region, we were not supposed to be affected by this problem. However, even we, the Atlantic people, have been affected by the rate of countervailing duties, as are all other Canadians.

We thought that free trade was supposed to apply to everything, without countervailing duties imposed by the Americans. The federal Liberal government was not even able to negotiate having these duties stopped so that we would not have to pay this money. Now, some companies have been forced to go before the courts to defend themselves, while it should be the government itself and our leaders who should be doing so to defend our people.

Supply

How can the federal government boast that it stood up for Canadian workers when they now have an employment insurance scheme that is no longer adequate, and an insurance fund from which the Liberal government has taken \$8 billion this year alone? The benefits for workers who lost their jobs only amounted to \$7.2 billion. It is shameful that the federal government should get more out of the employment insurance program than the industry and workers do.

It is shameful that this government dares to boast in the House of Commons and to Canadians. It should assume its responsibilities instead.

When Canadians voted for the Liberals in the last election, it is certainly because most of them, myself excluded, agreed with them.

Let me remind the House that, during the last campaign, the Liberals were saying throughout the country, "Keep us in power, and we will protect you and create jobs. We will stand behind you. We are the only government in Canada that can look after you".

It is disappointing to realize today that on a issue like softwood lumber, the federal government is not assuming its responsibilities and is content with spewing empty rhetoric in the House. This government is sitting on its hands. We have a minister who travelled to Vancouver to tell workers they did not lose their jobs because of the U.S. tax on softwood lumber.

● (1140)

It was because of modernization that all these jobs were lost. If that is so, we have a problem, because things will never go back to what they were. This means that the government has lost confidence. The government has lost the power to protect Canadian workers. The only defence the minister can think of is to say that our troubles are due to modernization.

It is true that modernization has hurt us, but not to the point of eliminating tens of thousands of jobs. It is not modernization that did that. We must now admit that free trade has hurt Canadians. Every time we turn around, the Americans are there with their rules. This is the source of the problem.

The federal Liberal government should assume its responsibilities. I cannot say often enough that it should be able to come up with assistance for these workers. It should be able to say to the Americans, "We will defend our free trade".

It should not be up to Tembec to take the U.S. government to court. The government should assume its responsibilities. It was the government which signed the free trade agreement; it is for the government to assume this responsibility.

Be it softwood lumber or farming, we have problems with our primary industries. People have worked in these industries all their life. It was supposed to be heaven on earth when we signed the free trade agreement. The other countries were supposed to have better working conditions. In Mexico today, there are still people working for \$2 or \$4 an hour, and in the United States, working conditions have taken a step backwards.

Even here in Canada, working conditions have gotten worse instead of better, despite the new technologies and job moderniza-

tion. It is worse than ever. People are forced to work an unacceptable number of hours, to work on weekends, up to 70 hours a week.

We saw this in Ontario. The Ontario government changed the law to say that overtime would now be paid after 50 hours. In 2002, we are moving backwards; this is not good for workers, not at all. Whether governments are Liberal or Progressive Conservative, things are not looking good in the provinces.

I am not trying to say that the softwood lumber dispute is the cause of all of Canada's problems, but I can tell you that we have had problems since the free trade agreement was signed.

Let us take, for instance, the privatization of our health care system. Some day, the Americans will get their hands on our health care system and we will no longer have a say in the matter. Beware of what the future holds for us. Canada is losing its sovereignty and the Liberals on the other side are to blame, because they are not doing their job.

This is why the New Democratic Party supports the motion brought forward by the Bloc Quebecois. We do not have any other choice. The opposition blames the government for not having taken its responsibilities and for not having been tough enough during the softwood lumber negotiations with the U.S. We cannot simply say, "You are the parents, we are the children and we will listen to you". But that is what is happening.

We are going through the same thing in Afghanistan. We always have to listen to the Americans and do what they tell us to do. We are down on our knees before them. It is time to stand up, to speak for ourselves and to act like a country, as we did in the past.

I urge the government members to consider the motion and not to rise, one at a time, to defend the minister. Let them speak the truth, let them say that they disagree with the way the softwood lumber issues are dealt with and that the government will assume its responsibilities and help Canadians in two ways, first, by negotiating with the U.S. and, second, by helping out our workers and businesses who are hurting and who stand to lose millions and millions of dollars.

● (1145)

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Madam Speaker, I wish to congratulate the New Democratic Party member and to answer his questions. He wondered why the Canadian government did not act upon my party leader's request to build social housing. I do not think it will do so, simply because the request comes from this side of the House. This government does not appreciate suggestions from the opposition.

Second, the member asked why we are having an opposition day on the subject. It is because of the inaction of this government. It is doing nothing. There is a pressing need to act. We want it to table plans, which it has not done.

The member also blamed free trade. This is not because of free trade, but because of this government, which is unable to stand up and discuss as an equal with the United States.

Supply

I would like to hear his comments on the solutions proposed by the Bloc Québécois regarding the lumber industry workers. The Bloc Québécois proposed that assistance measures for workers be improved, that a special status be given seasonal workers, that benefits be extended by five weeks and that older workers that cannot be reclassified be given assistance.

I know that workers are very important for the hon. member and I would like to hear him on that.

• (1150)

Mr. Yvon Godin: Madam Speaker, I have to answer that there is a \$42 billion surplus in the employment insurance fund. The money is there to help the workers. At the same time, though, I cannot agree with my colleague when she says that it is not a free trade problem.

Free trade has been hell in Canada since day one, because it is not really what had originally been proposed to the House of Commons and to all Canadians.

What was proposed by the Mulroney government was some sort of free trade that was supposed to help people to trade. And the term are quite clear, it is supposed to be free. In 1992, the Liberals said they were against free trade. They were still against free trade in 1993. However, once elected, they supported it.

With regard to housing, I have just spent a couple of days in my riding. Some seniors do not even have a place to live. These are older people who would like to live in an apartment or a home where they would feel secure. We could build units for them all across the country; we could use our wood and our 2X4s and 2X6s to build housing and to help our construction people here in Canada. There are solutions and I am sure that if we work hard, we will manage to find something. I agree with the workers. The cuts in the employment insurance programs are totally unacceptable. With the billions of dollars at our disposal, we could set up special programs.

I see my colleague opposite nodding. If the Liberal member from Halifax is fed up with what I have to say, he should not be here. We are here to talk about our problems and we should not be ashamed to do so. Those who cannot listen to what is being said should leave the chamber.

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Madam Speaker, I want to thank the member for Acadie—Bathurst for his excellent speech. I also want to thank the member for Joliette for bringing forward the motion before us today, which says that we should set up an assistance program for the softwood lumber industry and its workers. I will support this motion. It is an excellent motion. A month ago, I proposed a motion that said that the House should set up a new program to build houses for aboriginal and Inuit communities in Canada. We heard comments on that subject, but today we are dealing with another issue.

We are going to war against the Americans. What President George W. Bush is doing is trade terrorism. He is killing forestry jobs in Canada and in Quebec, and it is important to say so.

I have a question for the member. Following his excellent speech, does the member agree that we need social housing, housing for the homeless, as well as for aboriginals and Inuit? It will cost us \$2 billion. If we do nothing, people are going to go back home.

I must say that I was once a forestry worker. Does the member agree that we need a program as soon as possible, in the next few weeks and not a year from now, to keep softwood lumber in Canada for a year or two? As the FTQ was saying at a meeting I attended last week along with the BQ member for Témiscamingue, we must find a solution quickly. We, the government, with the co-operation of members opposite, must get this new program. Does the member agree that we need a new program to keep softwood lumber in Canada without retaliation from the WTO and NAFTA?

Mr. Yvon Godin: Madam Speaker, I think I was clear on that point. I spoke about the number of dwelling units missing in Canada, either for aboriginal people, for the elderly or for those who cannot afford a house and would like to find an apartment. There are some 25 or 30 year-old young adults who have to live with their parents when in fact they would prefer to live in an apartment.

We cannot wait a year. The situation is urgent. We must act now. If the federal government wanted to, it could declare an emergency situation right now. It takes very little time to implement a program. They only have to tell the public servants “Today, we are implementing a program. It will be effective immediately and apply countrywide”. I can assure you that it would create jobs and that we could succeed.

• (1155)

Mr. Pierre Paquette (Joliette, BQ): Madam Speaker, first of all, let me thank the hon. member for his excellent speech.

Minutes ago, I was with some representatives from the CSN and the FTQ. They showed me, and the press, the problems they have with employment in Abitibi, in the Gaspé, on the North Shore and in the Saguenay—Lac-Saint-Jean region. In the latter, at Abitibi-Consolidated alone, some 1,600 jobs are threatened.

Given that reality, how can the member explain what the Minister for International Trade said last week—and he did not withdraw his words—when he stated that the job losses in the softwood lumber industry were due to normal restructuring?

Mr. Yvon Godin: Madam Speaker, when I arrived in Ottawa this morning, there were clouds in the sky. I saw the minister on those clouds and he has still not come down. This is why he cannot see what is really going on in Canada. He does not see it. This is unacceptable.

If I were the Prime Minister, I would soon summon the minister to my office and reprimand him. I would tell him, “Go tell Canadians that we have a problem and that we will fight for them”. He will realize that jobs have been lost. If he does not realize that, this is because he spends too much time in the United States and does not come back to Canada to see the negative effects this has. Furthermore, there is something lacking in the consultations with companies.

Hopefully, the minister will come to the House this afternoon to explain his mistake. Somebody is not briefing him properly. Either he is badly briefed or he does not listen to the radio, watch television or read newspapers. It is well known throughout the country that jobs are being lost. How can the minister tell us that this is because of modernization?

Where has he been this last year? It is a shame to have in this House such a minister who does not even know what is going on in our country, where people are losing their jobs.

I take my hat off to the member for Abitibi—Baie-James—Nunavik. No doubt he will have his knuckles rapped this afternoon. Someone will rap his knuckles and it is going to be painful.

Mr. Guy St-Julien: Hopefully not with a 2x4.

Mr. Yvon Godin: He is aware that there is a problem in Abitibi. I hope that the minister, who is from the same party, will say to the member for Abitibi—Baie-James—Nunavik, “Are there people losing their jobs in Abitibi? You should have told me”. Perhaps the member for Abitibi forgot to tell him, but I do not think so.

The minister should wake up and tell the House what he really intends to do for workers as quickly as possible.

[English]

Ms. Wendy Lill (Dartmouth, NDP): Madam Speaker, I am interested in the issues related to housing strategies and the idea that while we wait to challenge this U.S. duty decision at the WTO, which could take a year or two, we can in fact do something right now to encourage the domestic housing market at a time when we need it so desperately. We have so many people who are homeless or underhoused. The member spoke eloquently about that.

I am wondering about other methods in terms of the employment insurance fund and loan programs. What other methods does the member have in mind to help the workers in the forest industry as well as the owners of this crisis ridden industry right now?

Mr. Yvon Godin: Madam Speaker, there is a surplus of over \$42 billion in the employment insurance fund. The federal government this year has only taken \$8 billion to pay its debt and balance its budget on the backs of the working people. The working people have only taken \$7.2 billion. The government could make a ruling to prolong benefits by an extra five weeks.

At the same time the government could turn around and have a plan to build houses and create jobs not only for people working in softwood lumber but in construction too. We can put people back to work in our own country if we want to.

Mr. Gerald Keddy (South Shore, PC): Madam Speaker, I appreciated the comments and the passion that the member for Acadie—Bathurst brought to the debate. I would caution him that as good as the idea may sound we simply could not begin to take the surplus lumber that Canada would have because of the countervailing duties and anti-dumping duties. It would help but it would never make up for our trade loss to the United States.

● (1200)

I would also like to thank the member for Joliette for raising this issue today on behalf of the Bloc. As we will take all day to debate

Supply

the motion, I would have hoped that it would have been a votable motion. It is extremely disappointing that it is not.

Certainly there is a greater issue here which is the unprofessional and amateurish way the government has handled this file. It has known this was coming for a long period of time and chose to sit on its hands and do nothing about it. Unfortunately since May 2 there will be a 27% duty made up of anti-dumping and countervail duties to be imposed on May 23 which will directly impact the four provinces under the old softwood lumber agreement. The anti-dumping duties will affect the other six provinces in Canada.

It is a Canada wide issue that the government has had a lot of time to deal with and has failed to deal with in any concrete way. It is an issue that especially speaks to the performance of the Prime Minister of Canada and the Minister for International Trade. These two individuals have carriage of the file. They have discussed the file face to face with the president of the United States and the American lumber lobby. They have completely and utterly failed in their duties to the softwood lumber industry and to the workers in the sawmills and the softwood lumber industry in Canada.

I would like to point out for the Liberal benches that we are dealing with people's lives and with communities. There are 350 communities across Canada that are dependent upon the forest industry to provide them with sustenance and livelihoods. There are 373,326 direct jobs in Canada: 101,417 in British Columbia, 24,499 in Alberta, 88,473 in Ontario, and 108,916 in Quebec. The rest of the jobs are in the other six provinces across the country. In Nova Scotia, the province I hail from, softwood lumber is a billion dollar industry, not something to be ignored at all.

We have a \$47.4 billion export market for softwood. A large percentage of it is in the pulp and paper industry. There is \$11.4 billion directly attributable to softwood lumber. If we think about the scale and the amount of dollars involved in trade, a significant part of Canada's trade surplus is made up of softwood lumber. We have a government that has totally failed its commitment to Canadians on this file.

The motion presented by the member for Joliette reads:

That, in the opinion of this House, the government should set up an assistance program for the softwood lumber industry and its workers, to support them in the face of the unjust decision made by the American government to impose a 27.2% tariff on Canadian softwood lumber exports to the United States, the program to continue in effect until such time as this conflict has been resolved.

Whether one agrees with the Bloc motion or not, it raises a good question and one that has not yet been asked in the House today. Again I will speak directly to the government benches.

● (1205)

The NAFTA hearings scheduled for this important issue will not take place until February 2003. When we are talking about until such time as this conflict may be resolved we are almost a year away. After that the process could continue for another one to two years. Let us go to 2004-05. Now we are talking about supporting communities for an extended period of time. That type of support asks and begs for a plan, a plan the government has not shared with anyone else. If it has one it is keeping it close to its chest. It certainly is not allowing someone else to have a peek at it.

Supply

I have looked at the chronology of events. It is interesting to look at them and go backwards. The government has gone backwards on this file. In February 2003 there will be an initial hearing under chapter 19. We hope that Canada will win that hearing, but when we go to court anyone can win the final decision. That is the problem with going to court. That is the problem with not having the savvy, the intelligence, and the ability to deal with this before it ever gets to court.

The next most important date moving backwards from 2003 is May 23. That is the day the U.S. department of commerce will publish anti-dumping and countervailing duty orders. The ruling has been there since May 2, however that is the day the enforcement begins.

The spin that the government has put out is interesting. Somehow we have won a little with the May 2 decision because the commission found a threat of injury from Canada to American lumber producers rather than actual injury. That is like saying we have pneumonia but we are probably not going to die from it. We are not quite sure.

There are a number of important dates in the softwood lumber file. We have to backup and look at the U.S. department of commerce revising its final determinations on countervailing duties and anti-dumping from 27.2%. We can go all the way back to March 31, 2001 when the Canada-U.S. softwood lumber agreement file expired. The government at the time was saying it was not a problem. We would have free trade in softwood lumber.

Well, we need free trade in softwood lumber but we do not have free trade in softwood lumber. What we have is a country that is taking its largest trading partner to a higher authority called the WTO. There we hope we will get a favourable decision for the softwood lumber industry, its workers, the families who are affected, and certainly Canada's trade relationship with the United States.

If we look at the issue and break it down into segments, then perhaps the government will more easily understand it. The duties collected by the U.S. under the agreement will exceed \$1 billion per annum, coming from the softwood lumber industry in Canada. Somehow we are supposed to exist under an agreement like that and our industry is not supposed to suffer.

I find it totally amazing when I look at the response of the government to the direct requests from members from all the opposition parties on this side of the House for some form of assistance to the industry through HRDC or some other government agency to industry workers. We have to be careful about the type of assistance we give to the industry whether we give direct assistance or not.

When we look at the impact on direct jobs across the country and the number of interventions that have been made, there has been a total lack of response from the government. It is nothing short of a shameless response by the Minister for International Trade and an inability of the Prime Minister to even grasp the significance of the file.

• (1210)

There have been a lot of requests for assistance. I would like to read a letter from the leader of the Progressive Conservative Party

which spells out the measures to help victims of the softwood lumber dispute. The leader wrote to the Prime Minister on March 22 more than a month ago. The letter reads:

Dear Prime Minister:

I was surprised by the refusal today in Parliament of the Minister for International Trade to spell out measures the Government of Canada is taking to assist people and communities who will be hit so hard by the failure of the softwood negotiations. For hundreds of Canadians, that failure means their jobs ended when their shift ended today. Thousands more people, in communities across Canada, will be in a similar situation soon. They need to know, urgently, what help will be available to them, as they try to pull their lives back together.

The government says it was pursuing a two-track negotiation.

In this case, I think both trains are on the same track and it is not a pretty sight.

It goes on to say:

It was always evident that the first track could fail, and a prudent government would have set up contingency plans to help the victims. Apparently that has not yet been done.

It is one month later and it has still not been done.

The leader of the Progressive Conservatives went on to say that he understood that not even a committee of cabinet was considering the issue. There is still no response.

The letter goes on:

—considering that issue, or pulling together the resources that can help the individuals, industries and communities whose livelihoods are threatened.

I am writing to request that you spell out immediately a package to help the victims of the softwood failure. I hope you would also identify the Committee, or other mechanism, in your government that will co-ordinate a program to sustain forest workers and communities through this crisis.

We are still waiting and I suspect in a month's time we will still be waiting.

Let us take a look at what the government is doing today. We have already know that the Prime Minister has been completely unable to recognize the importance of the file and has been totally inept in his handling of it.

The largest file that we have on the table with our trading partners around the world is the softwood lumber file. Where is the Minister for International Trade? He is in Spain, and I do not know what he is doing there. I hope it is something important. Where should he be? He should be negotiating with the Americans and trying to end this completely devastating attack on the softwood lumber industry in Canada.

• (1215)

The only good thing is that he is in Spain with the Prime Minister because the Prime Minister will certainly not handle this file. If he is out of the country, maybe we can get something done. Maybe somebody else on that side knows the phone number for the president of the United States or the international trade arbitrators and could call them. In the meantime we hope they do not totally ruin the file.

Supply

What has the government done? The Prime Minister was at a hockey game the other night and said that part of the problem with the Canadian softwood lumber file was that we beat the Americans in Olympic hockey. That is an absolutely scandalous statement to make. Obviously the Prime Minister does not recognize the importance of this issue.

We have not negotiated with the U.S. and every overture we have made has been rejected on behalf of the United States. Is that the way to negotiate difficult issues? The government loves to sit back and benefit from the dollars that come in from free trade, but it would have been completely unable to negotiate that agreement. It actually voted against it. That agreement took some vision and understanding of how to deal with our trading partners.

That is not the only issue on the board which the government is not dealing with in forestry. I brought up the softwood lumber agreement issue at committee in 1999, two years before the agreement was set to expire. I said at that time that our natural resource committee should be travelling through the United States, looking at its sawmill industry and listening to the power of the lumber lobby, especially in the southern U.S.

However this was not important. It did not matter. The government had other things to do. There were a million and one reasons why that did not happen but the real reason was there was no will on behalf of the government which controlled the committee.

I brought up a number of other things at a meeting on May 6, 1999. One was the number of links to forestry sustainability in Canada and certification. I wanted to know what had been done about this because it affected our exports to the EU and would affect our exports to all our major trading partners. Right now it affects a number of our exports into the U.S. I wanted to know how this would affect our cross-border trade with the United States and why companies were getting around the countervail by increasing their exports of round logs into the U.S. so they would have some cashflow and make a few dollars.

The one thing the government finally did move on was the \$500,000 capital gains exemption. However we have compliance checks at the border. We have a number of things that threaten our industry.

As my time is up, I will wrap up by making one statement, which has been made by other members when they have spoken to the issue. What absolutely epitomizes the government's understanding of this file was May 2, the day the decision came down four to zero in favour of the Americans.

Our government is under intense pressure to react. Outside the House of Commons the Minister for International Trade rejected calls from the opposition for government aid. He said "there were no direct job losses linked to the situation with the U.S." That is amazing.

• (1220)

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Mr. Speaker, I appreciate the sentiments of the member for South Shore. Today he is on side with us and the sentiments he has expressed are in the correct direction. It was interesting how he outlined the letter from the member for Calgary

Centre. Of course it is a little late after the fact in that the Canadian Alliance has been on this issue since away back before the last deal was made and when quotas were being put together. We were questioning the wisdom of that then. It is interesting to see the late arrival of Conservative members on this matter but we really appreciate their support.

Does the member have some very specific solutions that he could suggest at this time? We all agree that the Liberal government has dropped the ball. It may be reflective of political priorities that in some respects it really does not need the west. It may be that it is making a very crude, calculated decision concerning resources and that it will just tough it out and hope it goes by because politically we really do not count in its basket. Could the member expand on what he wanted to say and give us some specific solutions rather than just decry the bad situation in which the government has left us?

Mr. Gerald Keddy: Mr. Speaker, that was an interesting comment, and it amazes me. When we are trying to organize something in the House and all parties are speaking basically on the same issue, why would someone would come up with that type of condescending attitudinal question. However I will answer the question.

First, the member for Calgary Centre spoke before and not after the fact. The hon. member should look up past records of the House and he will see which party first brought up softwood lumber. There is a complete record of all committee meetings and everything that takes places in the House of Commons. I challenge the hon. member to do that.

This is not about one party or one person's file. This is about finding a solution. One of the most outstanding issues that the government has failed to address is the whole argument about American and Canadian stumpage rates. Canadian Alliance members failed to address that when they were speaking earlier today and since Canadian Alliance members had the opportunity to go first as the official opposition, we would have thought they would have put all of their arguments on the table at that time.

We were beaten up on the issue of American and Canadian stumpage rates which should never have happened. The stumpage rates in the U.S. refer to the selling price of the timber in the U.S. market. In some instances, because it differs from state to state, the buyer is not necessarily responsible for logging roads, environmental remediation or the planting of trees; the U.S. forestry service is responsible. That gives the U.S. a huge advantage on this file.

Supply

Canadian stumpage rates, which Americans like to say are too low, refer to the average price paid for timber to the government and any province. There is no difference between Nova Scotia and British Columbia when the stumpage is being sold on crown land. The buyer of the timber is responsible for putting in logging roads and any remediation of the roads when they move. In many instances where there is not sufficient regeneration, the buyer is also responsible for the planting of trees after the land has been logged. That is one concrete point where we have failed on the file. We have been unable to convince the Americans that we have a fair rate for stumpage and they have an unfair rate which tends to distort the price of timber south of the border.

• (1225)

Mr. Paul Forseth: Mr. Speaker, the member mentioned communication with the Americans. I have been on Capitol Hill. I have been in those white stone buildings in Washington, D.C. I have debated this issue with congressmen. I learned to appreciate that they really only received one side of the story. A lot of this has nothing to do with the technical points of who is really accurate on the ground. It has to do with politics and money raised for congressmen, and pressure groups. Part of the issue is a political dimension which the government has totally failed to appreciate.

Does the member have any ideas about ways of communicating the truth to the electorate who support the congressmen who are pushing forward a very narrow interest?

Mr. Gerald Keddy: Mr. Speaker, I am sure that the member, having been down to Capitol Hill in Washington, realizes that pushing trade positions is a difficult sell to the American public.

I cannot speak directly for the softwood lumber industry in B.C. However, I know that under the Webster-Ashburton treaty between Maine and New Brunswick and the association between the maritime lumber bureau, which is made up of all of the maritime provinces, and the New England area of the U.S., we can make very good headway, not necessarily sawmill to sawmill but industry to industry. The government has failed miserably in that respect.

If we push our ideas and our claim to free trade to the right people in industry, we can be fairly successful. We were very successful in eliminating tariffs in the Christmas tree industry with the United States. We went to the producers and suppliers. It was very successful.

We need to have head to head meetings. The way to start is by having meetings between congressmen and parliamentarians so that everyone gets both sides of the story. The power lies in the sawmill industry, especially in the southern states of Georgia, Mississippi, Louisiana and Alabama. The power is not in the Pacific northwest but rather in the mid-southern timber lobby.

There is an opportunity to put smaller players together so they understand the issue. Four or five huge conglomerates in the U.S. are very much in control of the American timber policy. People on TV talk about 150 American mills being shut down. They are not being shut down because of a cheap supply of Canadian lumber; they are being shut down because of productivity. They did not change with the times and are not competing with us on an even footing. That is the problem. That is what has led to their own demise. They want Canada to be the bogeyman, but that just is not true.

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, my friend from South Shore suggested that the Government of Canada failed to make the right arguments in Washington and failed to get the support of American legislators. I wonder whether he really believes that is the case.

Members on all sides of the House have been working on the issue and making arguments. The minister and his officials have been to Washington. For the past year or more they have been working on this issue. The softwood lumber industry is the minister's top priority. We know how much political weight the industry has in the U.S.

Does the member think there was an openness to hear our arguments? Does he think the Americans were determined to have the tariffs come in during the period between the tariff initiation and the WTO decisions?

Mr. Gerald Keddy: Mr. Speaker, without question, whenever we are dealing with the U.S. especially on trade, it is a tough sell. The Americans are ferocious negotiators and are totally protectionist, which should not have come as a surprise to us.

When I say that the government dropped the ball on the file, I mean that it dropped the ball on the file. In the middle of an American election the Prime Minister made comments on the outcome of the election. That was a huge mistake regardless of who was going to win. The Prime Minister was linking trade. That was a big mistake. We cannot link trade. We cannot link softwood lumber to oil. We cannot link fish to softwood lumber. That was a huge mistake. That is what I meant when I said the file was not handled properly.

• (1230)

[Translation]

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, I cannot say that I am pleased to rise today to address this motion. Rather, I am doing so with some sadness, because the softwood lumber and forestry industry is so important to Quebec, and particularly to my riding of Champlain. We were hoping that all the work undertaken in the past year would have yielded some results and that today we would not have to debate an issue that is at the core of our economy and that could pose problems to a large number of companies and workers who depend on the forestry industry.

I want to congratulate the hon. member for Joliette for presenting this motion and for working on this issue for over a year, that is since we first saw all this coming. My colleague worked with his usual skill in providing assistance to the Minister for International Trade, so that this issue could be settled without having to go through what we are now experiencing.

Supply

As I read the motion introduced by the hon. member for Joliette on behalf of the Bloc Québécois, I realize that it does not even condemn the government. Once again, the hon. member for Joliette, along with his Bloc Québécois colleagues, did a thoughtful job. We are suggesting that the government take the necessary measures, so that the unfair and, in my opinion, immoral U.S. decision impacts as little as possible on workers and industries in Quebec.

Earlier, I was surprised to hear the minister responsible for regional development boast about the government's actions and react as if we were condemning his government. He said that everything had been done to help the workers and the industry get through this trial.

Let me first say that if the term "lie" was allowed in the House, I would use it. But since it is not, I will refrain from using it.

What should be unparliamentary is not using that word, but doing what it refers to. If one did not lie, there would be no need to use unparliamentary language.

The motion by the hon. member for Joliette reads as follows: That, in the opinion of this House, the government should set up an assistance program for the softwood lumber industry and its workers, to support them in the face of the unjust decision by the American government to impose a 27.2% tariff on Canadian softwood lumber exports to the United States, the program to continue in effect until such time as this conflict has been resolved.

As hon. members can see, we are calling for assistance, not just empty words. I know that the hon. member for Joliette and the members of the Bloc Québécois, after touring Quebec, have given some thought to a program to help the industry get through this. We are offering this program to the government. We are offering as well as the necessary cooperation to get this program accepted.

I think it would be important for the government to seize the opportunity to announce that it will do everything in its power to help the industry to get through this trial and to help the workers.

For over a year, if not longer, questions have been raised in this House on what was coming for the softwood lumber industry, and the American threat. I remember what the minister has said already "We are going to win out, anyway. The Americans are not right". He reminded us of a previous decision where the U.S. government had to reimburse the industry, if I recall correctly, \$1.2 billion for having taxed it unjustly.

• (1235)

I asked another question about where the money had gone. The problem in this is that, after being faced with this unfair American tax and after watching their plants close, workers in Quebec and in the riding of Champlain will not find another job, even if Canada wins before the WTO in a few months or a few years.

They need help today. It is not their fault the Americans made a bad decision. It is also not their fault that the government badly managed the matter, and this has to be recognized, as things have failed.

Workers in my riding and in Quebec are not responsible for this failure. This is why the member for Joliette is proposing measures to

the government to come to their assistance, so that the doors of the industry will again be open, once the problem with the Americans is settled.

Do we have the means to do what is being proposed. The employment Insurance fund has a surplus of some \$47 billion. With a fund that is so rich—that would be so rich, had the government not emptied it into its coffers in order to pay its debts with money that belongs to workers—with a fund that has this much in it, do we have the means to support business? Can we afford to help the workers? I think so.

Before concluding, I will share my time with the member for Sherbrooke.

The government must give some thought to the measures we are proposing. It could provide some help to the industry by offering loans or guarantees, perhaps, so it could continue its work and show the Americans as well that we will not always let ourselves be had.

It makes no sense to decide to close our plants with the remark, "If we do not make our case at the WTO, you will win". But when we do win, perhaps 50% of our plants will have disappeared. Perhaps many of our workers will be gone, having decided to do something else or struggled to manage to do something else. Many of these people will be older workers, who will have trouble retraining.

In my riding, there are older workers aged 55, 57 or 60, who have worked in forestry. It is just about the only work they have done and they are extremely good at it. Can we expect a worker such as this to pick up other job skills easily if the industry in which he works closes down?

This is the time to show our solidarity. We must remember that it is workers and the industry who are contributing to the EI fund, not the government. This money is to help them through hard times. That is what people in the riding of Champlain and in the Mauricie region and elsewhere in Quebec are now going through. Over \$300 million in revenues and salaries are paid by this industry to workers in my riding and in the region.

We are looking at some difficult times. The government should have the courage, the compassion and the honesty to take a portion of the EI surplus, which is there to help workers, and set up the assistance program being suggested by the member for Joliette to help the industry and workers throughout Quebec.

• (1240)

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, first I want to congratulate the member for Champlain on his excellent speech.

Does he not think that, at this time, an assistance program is essential to keep the consensus that has developed in Canada and in Quebec in favour of a complete return to free trade?

Without such an assistance program, it seems to me that, in a few weeks or a few months, when people are laid off and many plants are forced to shut down in British Columbia, Quebec, Alberta or elsewhere, industrial entrepreneurs and perhaps even labour unions will start asking the Canadian government to go back on its knees to negotiate an export tax and quotas with the Americans or even to simply accept the decisions made by the United States.

Supply

Does the member think that, at this time, an assistance program for the industry and its workers is essential to keep this consensus in favour of a complete return to free trade in the softwood lumber industry?

Mr. Marcel Gagnon: Mr. Speaker, it is obviously essential. One of these days, there will have to be true free trade. We cannot keep on going back to the negotiating table.

These agreements were negotiated, and we want people to believe in free trade because I think that it is the way of the future. If we do not want people to back away from it and to start believing that free trade hurts them instead of helping them, then we must be able to support the industry and its workers and make the Americans understand that we really want true free trade, without restrictions as is the case now with softwood lumber.

[*English*]

Mr. Grant McNally (Dewdney—Alouette, Canadian Alliance): Mr. Speaker, I want to congratulate my Bloc colleague for his comments on this very important topic.

I have several mills in my riding. The softwood lumber dispute is causing a lot of damage and a lot of harm. Since 1996, when the agreement was first put in place, the government absolutely and completely failed to have any forethought in seeing that this deal would expire. It did absolutely nothing in that five year period and now we do have workers losing jobs, in my colleague's riding, in my riding and in ridings across this country.

I ask my friend how the government can possibly defend its do nothing approach to this major trade crisis that is causing so much harm and hardship for people across the nation. Could my colleague comment on the government's do nothing approach to solving such an important issue?

[*Translation*]

Mr. Marcel Gagnon: Mr. Speaker, indeed, no matter where we live in this country, we see how this tax and the government's inaction are putting us in a dead end.

I know the member's region a little. If 25% of the softwood lumber is processed in Quebec, there would be 75% for the rest of Canada; I know that his region is badly affected. The government keeps telling us: "But wait". Last week, it told us: "Let us wait and see if job losses are caused by the tax". Come on!

Everyone now thinks that we have already started losing jobs. It even began a year ago, because there were talks about what was going to happen to us. There is no need to wait any longer to take action.

I totally agree with my colleague on this issue. Unfortunately, we do not have a government that likes to take quick action. It prefers to find excuses to justify what is happening to us.

The minister said that everything had been done and that unemployment insurance was there to help workers. Come on, seasonal workers are no longer being helped through employment insurance; there is almost no one left who manages to get help. It is time to act.

We are proposing, among other things, a program that would solve the problem temporarily before we can solve it definitely.

● (1245)

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, first I congratulate my illustrious colleague for the work he has been doing for several months on the softwood lumber issue.

It is obvious that the federal government must take action as quickly as possible. May 23 is the fateful date where very high duties will take effect against the lumber industry in Canada and in Quebec.

Of course, the Canadian government intends to challenge this decision. But how long will it take to settle the issue? At least several months, but it could take as long as two years. Meanwhile, what will become of the lumber industry as a whole, namely companies but most of all the employees whose livelihood depends on the industry?

The lumber industry in Quebec comprises 250 plants and 35,000 jobs. The governments simply cannot leave these people to fend for themselves while the lawyers are arguing with each other.

For the benefit of those following the debate on the prestigious parliamentary channel—and as we know millions of people do so every day during their lunch break—I remind the House that the United States is blaming the Canadian government for charging lumber producers stumpage fees that are too low.

However, we must not forget that the American forest industry is comprised of several large landowners who for years have been charging high prices for their wood in order to protect their own interests. These prices are high and may even ultimately be too high.

Therefore, when we analyze the situation, we compare our prices based on our natural resources, which are abundant, to the high prices charged in the United States. Also, if we take into consideration the efficiency of our employees and our lumber plants, our costs appear to decision makers to be much lower than those in the United States.

However, we know that in the United States the forests belong almost exclusively to large businesses. Here, in Quebec, 90% of the forests are public lands and, of course, the government determines stumpage fees on the basis of the wood market. At first glance, this creates no problem. Fees are determined on a market basis. However, because prices in the United States are high, too high actually, it is difficult to compare the two situations.

One has to wonder what was, exactly, the role of the negotiators for the Government of Canada in these negotiations. Could it be that they were not aggressive enough? I do not mean this badly. Could it be that they were not forceful enough? Were they not able to prove that, obviously, the lumber industry in Canada is not subsidized, or is not overly-subsidized compared to the United States, and that everything was fine? The decision is, to say the least, unfair to Canada and Quebec.

There is another problem that exists. May 23 is fast approaching. Currently, the softwood lumber industry is experiencing something pretty unusual. Indeed, softwood lumber exports from Canada and Quebec are booming. Really booming.

What will be the impact of this in terms of short term problems? Not only are softwood lumber exports booming, but it is not just any old lumber being exported. It is the grade A select lumber. It is quality lumber at a price that benefits the U.S., but in the end, also benefits the industry here.

• (1250)

What will be the overall impact of this? Two things may happen. Obviously, a shortage. It is now the month of May, construction work is beginning. There is a great deal of construction and the prices have already been guaranteed.

Of course the shortage may have the effect of pushing prices up both in Quebec and in Canada. Around \$15,000 worth of lumber is used on a \$125,000 house. This may rise to \$20,000 in the near future. This may have considerable consequences on the construction market too.

Second, there will be more second and third grade lumber. We know that poor quality lumber is more difficult to work with than a Liberal member of parliament, we can be sure of that, with the exception of a few colleagues. Incidentally, I wish to thank the member for Abitibi—Baie-James—Nunavik, who supports the Bloc Quebecois motion, unless I am mistaken. Is that not what I heard earlier? Yes, there are a few members who do bear their full load. Therefore, I congratulate the member.

Nevertheless, the problem affects the entire construction industry. In the short term, we know there are major problems.

I admit that what I have done recently is just a quick analysis. Things in the Eastern Townships are a little better, but certain regions in Quebec and Canada are going to be considerably affected. At this time, of course, there must be assistance for the softwood lumber industry workers. There is no doubt that times are going to be hard. If things drag out for two years more, 24 months, there is a risk of a shortage, after this period of heavy exports to the States, and soon there will be a drop in demand here as well.

I have analyzed one of the solutions and recommendations by the Bloc Quebecois. There have been investments in affordable housing and in construction. However, the government could, in addition to direct assistance to workers and industry, also commit to major social housing construction projects, ones even bigger than initially planned.

According to a rapid calculation, the price range on these could be, depending on whether there were four or six units, from \$13,000, to \$15,000 or \$16,000 in lumber per unit. At the moment, there is a need in Quebec for approximately 8,000 social housing units. This is in addition to any promotion of new residential construction for potential first time homeowners.

An action plan could be drawn up, therefore, to assist in development and construction per se, in order to compensate for part of the shortfall. We realize that this will not cover all the costs of exporting to the States, which would come to some \$500 million.

A multitude of measures should be initiated in order to remedy the problem in the short term, and the medium term of course. I trust that, in the meantime, the government will not stop its efforts to demonstrate to the Americans that the price of Quebec and Canadian

Supply

lumber is a fair one, considering our natural resources, the efficiency of our industry and the work done here.

It is high time that the government stopped twisting like a 2x4 made of fir. I always had problems with the French expressions “se faire passer un sapin” and “se faire passer une épinette”. I have always used the first one, while others use the second one. I have solved the problem and I know why.

At Christmas time, when we go and get a fir tree, we might get a spruce tree instead. However, when we build a house, we want spruce. If we get fir, the house will be all crooked and twisted.

I hope that the Liberal government will not try to “nous passer un sapin”, but that it will ensure that softwood lumber and the softwood lumber industry in Quebec and in Canada will be adequately defended.

• (1255)

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the truth is that the government has followed a strategy that has the support of all the provinces and the industry throughout Canada. Even Quebec supported our government's strategy of negotiating and taking legal action.

The government is taking all possible legal action both at the WTO and under NAFTA. Apart from the protests made by the Canadian industry before NAFTA authorities about the United States' final decision confirming the existence of these subsidies, there is a lot more more being done.

Does the member not recognize the action taken by the government?

Mr. Serge Cardin: Mr. Speaker, let me ask a hypothetical question. If the Liberal government has done everything it can in terms of negotiating over lumber, if it is taking every legal measure possible to try and resolve the immediate conflicts over lumber, what is it willing to do to help workers, the industry and businesses and to maintain its financial assistance through various major housing programs, like social housing or home buyers programs? It really begs the question.

Let us suppose that the work was well done. Now, we need concrete measures to ensure that the industry and laid-off workers can continue to earn a reasonable living. To do so, we need new housing programs, where we would be using our lumber here, and other programs to help those who will be temporarily unemployed find their way through the labyrinth of government programs and not hit a wall.

We hope the government will take into consideration the Bloc's recommendations.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I would first like to qualify what has been said about Quebec's support to the Canadian strategy. It is clear that like the Bloc Quebecois, Quebec has always supported the federal government's will to return to free trade.

Supply

I think that one of the achievements of the present round of negotiations is that, so far, we have managed to maintain this consensus in Canada. There is no question of export taxes, quotas or agreements, as was the case in the 1996 agreement. It is something that has been settled already, and the Minister for International Trade is to be congratulated on that.

This is now phase two. Despite all of our efforts—and the Quebec government proposed important changes to its forestry development plan—the Americans rejected our proposals.

Does the hon. member agree that, to ensure the consensus on a return to full free trade is maintained, we need an assistance plan to help the industry, the workers and the regions get through this crisis? In this regard, Quebec has called on the federal government to take its responsibilities.

Is this assistance plan necessary for the consensus on a return to full free trade to be maintained?

Mr. Serge Cardin: Mr. Speaker, I think that the exceptional situation we are facing requires action from the government.

The U.S. is said to be a free trade country. It is all very well when the flow is going one way, but when it starts flowing the other way, protectionism takes over. Imports alone account for 11% of the GDP in the United States. This clearly shows that when the Americans do business with other countries, it is not to buy their stuff but to sell them theirs.

If the softwood lumber industry is going relatively well in the United States because prices are high and the industry has some degree of control, I would not say that there is collusion, but they keep prices high. The American government just imposes counter-vailing duties to protect its own market.

It is obvious that we should return to full free trade.

• (1300)

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Vancouver Quadra.

Today, we are debating a motion tabled by the Bloc Québécois member for Joliette and asking that the government set up an assistance program for the softwood lumber industry and its workers, to support them in the face of an unjust decision by the American government.

The hon. member for Joliette is cautious in his use of terms. He is using the word “unjust”, but I would go further. He is right when he says that it is unjust, because this decision attacks the credibility of our forestry workers.

I would go further. I would say that, with this decision, President George W. Bush is engaging in trade terrorism. As we know, Bill Clinton make speeches in Quebec, where he attracts many people, and he will also travel to Toronto and elsewhere in Canada. We know that the former U.S. president is opposed to Canadian softwood lumber. It is the same with his wife, Hillary Clinton, and with Edward Kennedy. They are all opposed to Canadian softwood lumber.

On April 10, I tabled a motion similar to that of the Bloc Québécois, which read: “That, in the opinion of this House, the government should establish a new housing construction program in Canada for aboriginal and Inuit communities, with a view to keeping Canadian softwood lumber in the country”.

As we know, members of this House, both from the opposition and the government, have been making representations for a number of months now. The minister responsible for this issue has defended the government's position very well so far, but today is today. Cabinet has done a good job for Canada, but today we are faced with a decision, and in two weeks it will be too late. What are we doing to prepare for this?

Today's debate comes at a most appropriate time. Some may claim that our plants were not affected by the situation last year, but it is not true. We know that they were seriously affected, even though there were quotas. We also know that the hon. Jean Charest, the Liberal leader at the Quebec National Assembly, is also asking for help for softwood lumber workers. Recently, the Quebec government, through its premier, asked the same thing from the federal government.

Today, we are in this dilemma. We will be speaking on behalf of forest workers. We have forest workers in the Abitibi area, and throughout Quebec and Canada. I am speaking now for the benefit of those who live in major urban centres. People in the cities, on Wellington Street in Ottawa, St. Catherine Street in Montreal, or Yonge Street in Toronto do not have the same viewpoint as the members of parliament representing resource regions. Forest workers work seven days a week, while their wives look after the accounting at home. The logging equipment very often runs 24 hours a day.

Why do we not take the Bloc Québécois advice and set up a program to build social housing, housing for the homeless and the aboriginals? We know that we need 20,000 units a year ten years in a row for aboriginal Canadians. The FTQ recently held a meeting in Val-d'Or, and I was a participant, along with the hon. member for Témiscamingue, the unions and the regional council of the FTQ. The provincial members should have been there, but were not, unfortunately. We are now debating this motion, and we are working for forest workers.

It will be too late in two weeks from now and during the summer. Our government should find a way to help the industry while avoiding penalties under the WTO and NAFTA. Maybe we should provide loans, or set up some kind of social program to keep our lumber in Canada. This resource is ours. We do not keep forest companies from selling lumber in the United States. Frank Dottori, of Tembec, is taking the administration of George W. Bush, this trade terrorist, to court for \$200 million.

It is quite something that the president of a company with an excellent credibility should resort to that. A story by André Pratte in *La Presse* this morning tells it all. He talks about a lumber hangover of sorts and comments that the Government of Canada has no choice but to help the lumber industry, which could be hit by a serious downturn as soon as this spring.

Supply

•(1305)

We cannot wait. We know that the Prime Minister and the ministers responsible in cabinet are looking for a solution. We know that. Let us not lie about that. They are doing their job.

In the present case, we are facing an emergency. In two weeks from now, the sanctions will be imposed on a firm basis. At this moment, Domtar and other forest products companies are exporting wood at full capacity to the United States, because there are no taxes.

I read a comment dated May 3, 2002 from the former Liberal minister, Sergio Marchi. We know where he is now. He has been appointed for one year as chairman of the General Council of the WTO, responsible for monitoring negotiations on the liberalization of global trade. He declared, "The solution is a political one".

As a matter of fact, the solution is political. If they can decide in one day to spend \$100 million to buy Challengers, they should be able to find in one day a solution for forest workers. That is the truth of the matter. Let us not hide behind our benches, even if we are backbenchers. I am no longer a backbencher, I am a frontbencher. I am going to have to turn around so that the people across the way can call me a backbencher.

What matters is that we find solutions together. I understand that the Prime Minister and the ministers responsible will find solutions with other cabinet ministers. Whatever people may say, this is what matters at this time.

If members read the newspapers of the last year for statistical purposes, this is what they will find, "Taxes on lumber cause more victims", "Domtar closes three plants until January 7". This is what is going on. Some people are doing what is necessary.

This is what the Quebec Lumber Manufacturers' Association had to say:

The lumber industry in Quebec represents about 40,000 direct jobs in forests and in plants. The development of more than 250 municipalities in Quebec is based on the wood processing sector. That industry represents 100% of manufacturing jobs in 135 towns and villages.

In the case of Abitibi—Témiscamingue, 68% of our forestry resources are processed in the greater Montreal area. We should not forget that.

We have to look today at the effects, even if the tax is not imposed. The May 4 issue of the *Journal des affaires* contained the heading "Difficult Quarter for Forestry Industry". It is not only the tax and sales quotas. The drop in the price of softwood lumber has eaten into profits. Even Tembec has had to make provisions for countervail duties and anti-dumping charges. They have to prepare even now.

What really counts today is that the unions and forestry workers, men and women, and the forestry companies are holding a big meeting here in Ottawa on the sixth floor, not only for lobbying purposes. They want to discuss matters with all the political parties and all the MPs from resource regions.

I call on members from the major urban centres to lend a hand. I want to send a message to the ministers who come from these centres. They must come to the aid of the resource regions. It is not

on St. Catherine Street that we are going to cut down three or four trees, but in the resource regions. Forestry workers are worried, really worried. They have been worried for the past two years.

We meet these workers on site. The Bloc, Alliance, NDP, PC and Liberal members meet people in the resource regions. Families talk to us. Women ask us questions. Today, even, children are asking us questions, because they will be taking over.

We need to know exactly what the situation is. The Government of Canada has to find a solution within the next two weeks. I trust the Prime Minister will tell George W. Bush: "Move over. It is our lumber and we will keep it in Canada".

•(1310)

[*English*]

Mr. Brian Fitzpatrick (Prince Albert, Canadian Alliance): Mr. Speaker, one of the main goals of foreign policy is to aggressively defend vital national interests. When it comes to the aerospace sector of the economy, the government has been very aggressive and diligent in advancing and protecting the interests of the aerospace industry. It literally goes over Niagara Falls to protect that industry.

However, when it comes to agricultural trade and international trade issues pertaining to agriculture and softwood lumber, to use one of Harold Ballard's phrases, I think the government has been rather wimpish. I think Harold used the analogy that a certain player could go into the corner with eggs in his pocket and come out of the corner and the eggs would not be broken. I would say that in these two areas the government has totally failed those sectors. It has not been aggressive. It has been a wimp. It is clear to everyone who stands back and objectively looks at this. The government consistently gets top marks for hot air and zero marks for action.

I have a question for the member. Why is the government so weak and ineffective in negotiating and protecting the agriculture and softwood lumber sectors when it seems to be so effective in protecting and advancing the interests of the aerospace sector?

[*Translation*]

Mr. Guy St-Julien: Mr. Speaker, I listened carefully to the comments from my colleague. I was not talking about agriculture, but about lumber. The member said the government was wimpish. Wimpish as in soft, I guess, because, in the lumber industry, we do have soft wood and hard wood, 2x4s and 4x4s.

The member of the Canadian Alliance said that public money has only been spent on other industries. Let me point out to him that the Department of Natural Resources got \$720 million this year compared to \$638 million last year. New ministers have just been appointed. The minister responsible is from Vancouver. Forestry is one of his main priorities. He works hard on developing forest policies. The Minister for International Trade does a good job too.

We are talking today on behalf of forest workers. That is what is important. We need to work together to come up with a new program so that Canada is not rapped on the knuckles and told it is subsidizing softwood lumber. We need a social program to help the softwood lumber industry.

Supply

Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ): Mr. Speaker, to begin with, I was expecting a much more virulent outburst from my friend, the member for Abitibi—Baie-James—Nunavik.

Unfortunately, he merely read newspaper articles. He barely mentioned the problem and the solutions required, if at all. He barely touched on the problem. I am very disappointed with his attitude.

He did mention workers briefly. Yes, we agree that we must save workers' jobs. First and foremost, we must also agree to save the industries that are in a precarious situation.

We know that in Quebec alone, the industry has contracted \$550 million in loans.

Does the member for Abitibi—Baie-James—Nunavik agree with the Bloc Québécois' position that the government should be guaranteeing these loans by existing companies?

Mr. Guy St-Julien: Mr. Speaker, I listened to the comments made by the member for Rivière-des-Mille-Îles. It is true that he is disappointed. He said that he was disappointed by my comments, but he did not mention any percentage. I thought that he was only disappointed by 1% of my comments. It would not be so bad if it is only 1% of my comments. I would still be doing pretty well.

In the end, the softwood lumber issue is one that is complex. It is easy to get lost in figures. I referred to newspaper articles and that is to be expected. It is in the news these days. The media are watching us.

In any case, with respect to the motion that I moved in the House of Commons, I had said that we needed to come up with a new program. We need to work together.

I appreciate his speech. Whatever happens, we need to be there for forestry workers in Quebec and Canada to find a new solution together with the present government.

• (1315)

[*English*]

Hon. Stephen Owen (Secretary of State (Western Economic Diversification) (Indian Affairs and Northern Development), Lib.): Mr. Speaker, let me first address the issue by reminding everyone in House and beyond what the dispute is about.

The dispute is not about subsidies to Canadian industry. It is not about dumping softwood lumber into the United States. It is not about improper or inadequate environmental sustainable logging practices.

The dispute is about protectionism. It is about protectionism in the U.S and about congressional pressure on behalf of a small number of constituencies that support the softwood lumber industry in the United States.

The dispute is not about Canada. It is about the attitude of the United States.

Let us relate that to the end of managed trade just over a year ago. We heard from members opposite that the government was not acting in a planned way to deal with the end of that managed trade. Nothing could be further from the truth. We were unified by province, by the federal government and by industry to say that we

did not want to renegotiate managed trade. We wanted free trade. That was our right. The Americans were protectionists and we wanted it to end. We were together.

We did not even have a president with whom to negotiate. Until last January we did not know who it would be, nor was there a U.S. trade representative until well into March. The main point is that we were not going to negotiate a new deal. We were going to demand free trade. We went into that together.

Let us look at some of the complexities and some of the issues that have been raised in order to counter the unfair protectionist subsidies and penalties or countervails and penalties by the United States. Some say that we should link it to energy. We would lose more public and private revenues, at least an equal amount, by linking it to trade as with softwood lumber. We just lose one to gain the other. We must have the two together with free trade.

Some say that we should link it to all trade. Eighty-seven per cent of our trade is dependent on the United States. Who will be hurt? We have huge trade surpluses with the United States. Who will be hurt by trying to have an overall trade war?

Others say that we should link it to Afghanistan. We are not about to deal away our sovereignty and our issues of decisions on our own security for linking to other trade issues.

Some say that we should put in an export tax. That would be fine perhaps in a negotiated settlement where it would be an interim tax and not an admission of just replacing countervails and penalties with a permanent export tax.

Some say that we should give subsidies to industry. We hear it today and we see it in the motion. If the U.S. is willing and anxious to put on 27.2% countervails and penalties without any justification, if we gave direct subsidies to industry without being immensely cautious about how we do it, does anyone think that they would not immediately add those on to the non-subsidies? This is a very complex issue and we need to pull these threads together.

What the government has done over the last year, with provincial, industrial and everyone else's support, although not with the opposition's support, was to go on three fronts. We have been litigating for our rights to free trade, and we will continue to do that. We are expecting, although these are long processes, to get interim rulings even within the next several months around a trade policy that is in our estimation illegal in terms of handing countervails to U. S. industry.

We are also continuing to negotiate, if we can, but we have made it very clear, and industries and provinces were with us, that we would not negotiate a bad deal. We would rather walk away from a negotiated deal than get a bad one.

We have had a policy in this country for the last several years of building a unified position. We need to hang together on that because it is immensely important. It is certainly important for my province of British Columbia, which many colleagues opposite also represent, because it carries the bulk of the impact of these unfair subsidies and penalties.

Supply

What else can we do? Two weeks ago we saw representative Gary Miller from California come out strongly in favour of the American consumer and decry these duties. We have seen editorials in Dallas, Chicago, Detroit and Minneapolis-St. Paul over the last few weeks arguing the Canadian position, the unfairness of the American position and advocating to the American consumer. We have Home Depot and other builders and suppliers asking for our assistance. We need to build that coalition through increased advocacy, and that is what is going on.

We are looking for new markets. Last fall the federal government added \$5 million to the \$5 million from the government of British Columbia to promote new markets in China. We must look beyond our current partners.

• (1320)

The Minister of Natural Resources was in Mumbai, India last week at a Canadian forest products show to promote our forest products abroad. We must diversify our markets.

Although it has been incredibly criticized by members opposite, the Minister for International Trade is in Spain this week meeting with the European Union, our second largest trading partner in the world, to discuss greater diversification in our trade markets. Forty-five per cent of our GDP in Canada is related to international trade and we need to keep diversifying it. These are all coming together.

Yesterday in question period the Minister of Industry said that communities and employees who have been affected will be looked after. We will come together. We are looking at a broad package and these will come forward over the next few weeks.

Community Futures Development Corporations in 90 rural communities in the four western provinces bring local business people together with initiatives and small revolving repayable loans for diversified industries in those small and medium sized enterprises for value added manufacturing and for broader employee supports.

The Minister of Human Resources Development, although often decried by the other side, is making sure that those services are ready for employees as they need them. We need to make them more efficient and we need to expand them. However those supports are part of this government's policy and we will be rolling out more comprehensive programs in the next few weeks.

We did gain at least some toehold of respect in last week's decision for our free trade position in our litigation policy and our arguments before American officials. The ITC, the International Trade Commission in the U.S., has found only the potential for injury and not actual injury, and \$760 million will be returned in bonds and cash deposits to Canadian industry.

This is not the end of the fight. It is only a clear indication that we have not been damaging the American industry to date. They were bogus arguments and we will take those forward to the litigation venues that we are already in. We are also in those venues at WTO and NAFTA. Panels are being established and we are making solid arguments for expedited hearings. If the U.S. has nothing to fear then let us have the decision sooner rather than later.

Mr. Grant McNally (Dewdney—Alouette, Canadian Alliance): Mr. Speaker, I want to begin my comments for the parliamentary

secretary by quoting back to him what he said. He said that it was not about Canada.

It is about Canada. It is about British Columbia and every province in the country. Maybe he does not want to stand up and support the workers in the industries that are being hampered by the government's lack of action.

He said that the government has been working since 1996 for some unified position on this. That is good but, in the meantime, if there were a unified position going back to 1996, we may have heard at least one possible solution to the bridging period of time that we are in now. He knows that it will be 18 months to 3 years before there is any kind of long term settlement on this issue. Surely, with all the resources of the government, it must have come up with some kind of interim measure rather than the ones that the parliamentary secretary offered.

He mentioned litigation, a unified position across the provinces and consumer advocacy but his government must be able to offer Canadians watching today more of a solution than just waiting for the trade resolutions to work themselves out. Workers who are losing their jobs across British Columbia and across the provinces need help in the interim. He must be able to give us more than what he has given us today.

• (1325)

Hon. Stephen Owen: Mr. Speaker, we do need a comprehensive package. As the trade minister said yesterday, the federal government will be there for communities and employees and packages are being put together. We have until May 23. We are not abandoning negotiations but we will not negotiate a bad deal.

We do have supports for employees through employment insurance programs. We have Community Futures Development Corporations that allow for and support diversification and value added industries in our rural communities. We have a program that was immensely effective for coastal communities where, through western diversification, \$25 million was tripled at the local level to help in those value added and diversification initiatives. Those are the type of programs we are looking at.

For goodness' sake, let us not suggest that nothing has been done. There has been more aggressive action on this file by the international trade minister than on any other issue over the last year. The Prime Minister has had engagements with the president on this perhaps more than any issue, including security, over the last year.

We are standing firm with the provinces, with industry and, we hope, with members opposite to make sure we have a unified position in favour of free trade. The problem is not in Canada, it is in the U.S. because of protectionism. The consequences are being visited on us and that is why we all have to pull together to deal with them.

Supply

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I have listened with interest to the secretary of state's speech. He has given us the agenda of the Minister of International Trade for the last few months. I know it because I have followed it closely and so have the workers of my region.

The workers have said, "This is strange because all the provinces and all the industries had co-operated with the Minister of International trade to solve the problem". They knew the Americans would use their power to impose protectionist measures. They also knew that the Americans had the upper hand and that, if the Minister of International Trade did not assume his responsibilities, did not act as a check and balance to the strength of the American protectionism, we would lose again in this matter. This is what has happened.

As a responsible party, the Bloc Québécois has suggested an action plan to help industries and workers. In return, you are telling us that the government will look at the situation as it develops and might act in a few weeks. No, today we have suggested a debate—

The Acting Speaker (Mr. Bélair): Order, please. The hon. member must address her comments to the chair. The hon. Secretary of State for Western Economic Development.

[*English*]

Hon. Stephen Owen: Mr. Speaker, I thank the member opposite for reinforcing exactly the range of initiatives the government is putting together. This is in addition to the strategy we have been pursuing for more than a year with the provinces and with industry. We have been negotiating with the U.S. not toward a bad deal, but walking away from a bad deal. We are continuing to look for opportunities. We are litigating in every possible forum as well as supporting the idea of industries going through chapter 11 under NAFTA. As well, we will make sure that our industry and the employees and communities are protected by effective litigation and the accomplishment of free trade over time.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I wish to inform you that I will share my time with the member for Lévis-et-Chutes-de-la-Chaudière.

It is an honour to speak to the motion moved by the Bloc Québécois inviting the government to set up an assistance program for the softwood lumber industry, considering the terrible crisis lumber plants and forest workers of our regions are going through at this time.

If I may go beyond partisan politics, I wish to say that the opposition has shown a sense of responsibility beyond reproach in the softwood lumber issue. First, we supported the government strategy. Never, throughout the debate, has the opposition been derelict in its duty to support the government's strategy, to advise the minister and bring an extremely positive contribution to negotiations as a whole, particularly with regard to the attitudes we should have in Canada and especially in Quebec, the region the Bloc Québécois is most interested in. We have always tried to create a solid block with the government and with the lumber industry, in order to bring the issue to a positive outcome.

This was not the case. Against our will, that of the government and of all Canadians, we have engaged in this legal saga that unfortunately will stretch out long enough to be harmful.

The opposition no longer agrees with the government in terms of the steps to be taken to support the lumber industry, and this where we have a problem. I represent a riding where this industry is the main component of our economy. In the riding of Roberval, there are small, medium and large size sawmills. The most efficient mill in eastern Canada, Barrette-Chapais, is located in the riding of Roberval.

As the member for Roberval, softwood lumber and logging are issues that I always hold near and dear because they involve hundreds of families whose daily lives depend on the logging industry, and logging depends of what we are able to sell to the United States.

When the government refuses to take responsibility for setting up an assistance program for businesses and workers, then we stop following. We stop following the Minister for International Trade when he has the gall to tell reporters and to repeat in the House that if the lumber industry is in trouble in certain regions, it is not due to the trade dispute with the United States but rather to management problems. He says that the government will certainly not use taxpayers' money to solve management problems that have nothing to do with the softwood lumber crisis.

Even Statistics Canada admits, in a recently released bulletin, that the lumber production in Quebec is at its lowest level in ten years. I am not making it up. This is not happening because management problems in sawmills have all surfaced this year. One does not have to be a psychic or an economist to understand that.

Lumber production is limited to a strict minimum, and logging is even more limited. I want to take this opportunity to set all partisanship aside and to tell the minister about the situation as the member for Roberval. I was in my riding last weekend and I was there last week too. I went to Démo Forêt 2000, in Dolbeau-Mistassini, in the riding of Roberval, and the whole forest industry from my riding was there.

One has to see the tragedy that hundreds of workers are going through, logging machine owners and truck owners with payments of \$3,000, \$4,000 or \$5,000 a month, people who normally earn their living honestly by transporting tree-length wood from the northern area of Lake St. John down to our sawmills. One has to see these people who, for the most part, have not worked at all since last spring.

• (1330)

It is not because the plant they transport lumber for is not operating anymore, but because it is working at a slower pace, since stocks are being depleted and the owners of big plants are saying "I cannot carry on forestry operations, I am dipping into my reserve. Because of the softwood lumber crisis, I will soon be running into a problem. I cannot pay the duties and produce in the same way".

Supply

The drama is underway in the riding of Roberval. I would like to tell the minister, an MP from an urban riding, who must still have the sensitivity, as Minister for International Trade, of an MP from a rural riding or a forestry region and understand that the human and economic dramas unfolding at the moment are directly linked to the conflict with the United States. The drama has been taking place in our families for several months already. Small logging companies in the riding of Roberval are just about all at a standstill, or nearly.

On Sunday afternoon in my riding, I met the owner of a small sawmill employing 50 people in a community where there is no other employment. She told me "I stopped activity, as I usually do in the winter, but I have started again, and I am going as slowly as possible. I expect to stop soon. I cannot imagine paying 27% in taxes. My profit margin is nowhere near that amount. I will not survive. I hope the government will give us some help".

Is it not the responsibility of the government, after waging the softwood lumber war, to help business? I give it credit for the softwood lumber war, and it must continue to fight it. What I am saying is not partisan, however, the government and its ministers also have to assume responsibility and realize that a serious drama is unfolding. The government has the means to help the industry.

As it is the victim of a trade war, the Bloc Québécois has shown its creative side. We have tabled a recovery plan. We decided that, if the government supported the big companies with loan guarantees enabling them to absorb the cost of the American surtax, we would succeed in helping the big companies.

There are two or three ways the government could provide assistance to small businesses. We are talking about diversification and an assistance fund for small businesses. The government must provide guarantees to support small plants, to give them hope in the future, to make the banks trust them, because banks have come to realize that there is a crisis in the softwood lumber industry due to our trade war with the U.S. The government must help the workers. I can only think of the families, the heads of the families who will have to rely on an EI program which does not provide benefits for all that long—nobody can argue with that—has very high eligibility criteria and ignores older workers.

The government must set up a massive, well-targeted program for each of its client groups. It is our duty to support regional economies. The government not only has the duty, but it has the means. What a great opportunity. We have the means. The government has the means to provide assistance to the regions, the small businesses, the big corporations, families and small businesspeople who are having trouble making ends meet. It is its responsibility.

Our responsibility is to suggest ways to go about it. We have done that, but, just like the industry and the workers, we will never agree with the minister when he has the gall to say "There is no crisis in the softwood lumber industry. There are only management problems, and our regular programs will be enough".

What we have here is an exceptional situation. I urge the government to take exceptional measures to support our regional economies; otherwise, things will turn ugly in the next few months in regions like Saguenay—Lac-Saint-Jean and the riding of Roberval. I will not be able to just stand there and watch.

● (1335)

Hon. David Kilgour (Secretary of State (Asia-Pacific), Lib.): Mr. Speaker, I really appreciated the speech made by the hon. member, but I wonder if he could be a little more specific.

It goes without saying that there is a crisis in the softwood lumber industry. Could the hon. member give us some figures that apply, for example, to his own riding? Could he give us figures for the province of Quebec? In his opinion, how many people are now out of work? What can he suggest in terms of specific programs? Finally, does he support a tax on softwood lumber exports?

Mr. Michel Gauthier: Mr. Speaker, I think that I can detect, through the questions of the secretary of state, a degree of openness and a desire to answer the pressing plea that I made.

I should point out to the hon. member that the figures that we have were provided to us by very reliable sources, namely the lumber manufacturers' association and Statistics Canada. There is also a number of other useful sources. All told, we are talking about 35,000 direct jobs in plants and in the forest, for Quebec alone.

My region is hit, but I do not know to what degree. According to the most recent figures available on unemployment in urban centres, Jonquière/Chicoutimi, or the Ville Saguenay area, is the urban centre where the unemployment rate is the highest in the country. This is related to the softwood lumber issue, because there are many workers in that sector in the whole Saguenay region.

I do not have official figures for the riding of Roberval. However, I have travelled around the riding over the past two weeks and there are almost no plants operating at full capacity, if we consider that those operating almost at capacity have, for the most part, cut back their logging operations. It has to be understood that a whole process is involved, and so when a crisis hits one end of it, the first thing to be cut is production, logging, harvesting and so on, and the plants try to gradually reduce their supplies of wood.

So, already at this point, there is not a single plant in Roberval that has not cut either logging operations or shifts or simply sent workers home or not resumed operations when it normally would.

So we have a terrible situation and I am going to give you an example. In my riding, we have a company that deals with logging trucks, and it has the highest sales in eastern Canada, in the riding of Roberval. I was told it had essentially stopped selling trucks, because logs are no longer being transported. So the market is flooded with logging trucks for sale, logging machinery, harvesters and all sorts of related equipment.

Supply

Even a layman can see that this is a terrible tragedy. When one meets with these workers, there is no need to provide them with statistics. When the cry comes from the heart and we are told that there are 15 of them who have not worked at all for six months because of the slowdown in operations, and that they do not expect to work again this year because the sawmills have been hit by the softwood lumber crisis, statistics are irrelevant. Clearly, this is a tragedy.

As for the specific measures, the Bloc Québécois has tabled a solid document, which I invite the secretary of state to examine.

We are prepared to co-operate, to sit down with them, to supply figures, to contribute. But first, the government must send a signal to the industry—a signal of hope—and say, “Yes, we admit that there is a problem, and we are going to do something to help the industry and workers”.

Once that is done, and party lines are set aside, we can work together and come up with something that will protect people. That is our objective on this side, and I am sure that, in the end, it could be the objective of the secretary of state or of some of the members across the way. All they have to do is get the government on board.

• (1340)

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, the hon. member for Roberval has just given an excellent speech concerning the regions in his riding in particular.

I shall complete the member for Roberval's response to the question from the secretary of state—whom I thank for asking it—as to what exactly the situation is in Quebec.

For Quebec, this means 250 plants that create work, 35,000 direct jobs in plants or in the forest, 250 municipalities affected, 100% of job creation in 135 towns or villages, and \$4 billion injected into the economy. Let us keep in mind that Quebec is the second ranking province affected by the problem, accounting nonetheless for 25% of Canadian production. The expanse of forest in Quebec is bigger than a number of countries, covering 646,000 square kilometers.

In the year 2000, Quebec's softwood lumber production totalled in excess of 17 million board feet. In 2000, Quebec's hardwood lumber production was 1,335,000 board feet. Out of Quebec's total softwood lumber exports, 54.5% goes to the United States, as does 41.9% of its hardwood lumber exports. Exports to the other provinces account for 42.9%. That is the situation.

I am from the Chaudière-Appalaches region, which is opposite Quebec City, across the river, and extends as far as Beauce. It includes Beauce, Lotbinière, Bellechasse, Montmagny and Lévis. This region has 2,000 forest workers and 6,000 plant workers, producing one billion dollars worth of exports to the United States annually. One billion is far from peanuts.

The Secretary of State wondered what exactly the Bloc was proposing. Of course, for the major companies—and there are some big businesses in this field—this would be an extension of what Canada Export and Development could do. It used to be EDC, the Export Development Corporation. It could provide loan guarantees to these major companies. In my region, however, it is mainly the

small companies that are affected. Most of them are not registered with this federal agency.

So what we want is to see the companies gain a little time. It could be up to six months. The Bloc is asking for six months of special assistance to the small and medium business sector, until the legal or intergovernmental squabble is over, the discussions that are going on with the United States.

What is needed is a program which could cover up to 50% of the salaries of affected employees. Without this, what will happen? People will have to receive EI benefits. Which would the government prefer? Keep people working, or let them go on EI? We know what will happen. People will go on EI, with all that this means in terms of loss of dignity for those workers affected.

These are the sorts of measures we are proposing. The Bloc Québécois has put forward a plan, which would take the form of special assistance for at least six months, until the situation becomes clearer. It would cost about \$500 or \$600 million for all of Canada. As the hon. member for Roberval just said, there is a surplus right now. The government can afford to do something about this crisis.

I would like to add a special note here. In my riding, there are two companies which are directly affected by the softwood lumber dispute. One of them went bankrupt on Friday. These people are going through this situation this week. I need hardly say that I will be trying to find a solution. However, how does one convince a banker to delay payment schedules?

I am going to mention a specific example. I called someone who had to extend a loan or extend his room to manoeuvre.

• (1345)

The person to whom I spoke, whom I will not name here, told me “Yes, Mr. Dubé, you say that you think that there will be a federal assistance program. I have just read the newspaper and the Minister for International Trade said 'Oh, but the difficulties are not just because of the problems of U.S. countervailing duties. It is a natural restructuring phenomenon”.

The previous day, I had tried to reach this person. Finally, on Thursday, I read in the newspapers what the minister said. “Do not get excited. There is no problem. It is a problem, but there is no real loss of jobs”. In contrast, the Canadian Manufacturers' Association said “Already, 1,800 jobs have been lost and, in the weeks to come, as the duties take effect—which will be May 23—this number will rise much higher”.

Yesterday, I was in my riding and I know that this situation is having an impact on those not directly affected, such as people who work in hardware stores, those who sell lumber, and those who sell it after it is processed, even if only to immediate clients. Even for these folks, it is traumatic.

We see this with banking institutions. I am not talking about large banking institutions, but about those in ridings. They are worried because if a particular *caisse populaire* makes a loan to a company and it is not paid back, shareholders will be affected.

Supply

I quoted figures earlier. There is more than just the 35,000 or 38,000 jobs in Quebec to be considered. The multiplier effect all this has on the economy must be considered. I consulted no economist this morning, but I know there is a multiplier effect of at least four. This is the way it has to be seen. It involves other jobs.

It can also lead to bankruptcies. The bankruptcy of one small business can result in four or five others. In the final month before declaring bankruptcy, the owner alone may be aware of the facts. He is afraid, so he does not pay his latest bills. When he does not pay these bills, others are affected.

In short, Mr. Speaker, I know that you understand the situation very well, because there are people in your riding working in this area. The crisis is much more serious than it first appears. Given the present figures, even though spring has arrived, this sort of thing snowballs and creates an even more serious psychological climate in the lumber sales sector.

Therefore, I congratulate my colleague from Joliette for introducing a motion on behalf of the Bloc Québécois on this opposition day in order to debate the situation. I thank the Secretary of State for Asia-Pacific for his concern over this matter; although international development is his focus, it does not prevent him from being very aware, according to his question, of the concerns of the people in his riding, his region and even people in Quebec or British Columbia.

We have a full blown crisis, a real catastrophe. We must all drop partisanship and appeal to everyone so that an assistance program may be set up quickly and as a priority to enable these people not only to save their companies but also to save jobs and prevent the very serious consequences this could have on regional economy.

In this regard, I wanted to join with the other Bloc members to speak to this debate. I note a sensitivity and a receptiveness, as in the case of the last speaker. I tell myself that on days like today, it is worth speaking in parliament, because people listen and want to act. If they do so, I encourage them to do it quickly.

• (1350)

Hon. David Kilgour (Secretary of State (Asia-Pacific), Lib.): Mr. Speaker, could the hon. member tell us whether or not he supports a tax on softwood lumber exports? Has he had time to think about this? Does he feel that there are other means that are more effective than a tax on softwood lumber exports?

Mr. Antoine Dubé: Mr. Speaker, I almost regret having said nice things about the hon. member, because now he is asking me a difficult question. I must admit that I did not look at the issue from this perspective.

The hon. member is talking about a tax. I hope he does not mean a corporate tax because, in addition to countervailing duties, these companies would indirectly have to add something themselves. I hope this is not what he means.

As for a tax, I would not go so far as to say what someone once told me. Not knowing what to reply, that person blurted out an answer, but the next day it turned out that the answer was completely false. Honestly, I would rather leave that question to the hon. member for Joliette. He is a well-known economist and a former economics teacher. I would not want to answer on his behalf. He will guide us.

However, something must be done quickly. Taxes are usually announced in a budget speech. We must not wait until April of next year for the Minister of Finance to announce some measure to help companies, because the government must provide that help now.

• (1355)

[*English*]

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Mr. Speaker, I was very interested in the member's comments about the situation in Quebec. Of course we have very much a mirror image in British Columbia.

I would like him to consider a proposition. I believe that this entire problem with respect to the U.S. getting away with bringing these unfair and uncalled for punitive penalties against the people in our respective constituencies is a direct result of the Liberals just completely ignoring this effort. There was a five year period of time when there was peace as far as this issue was concerned, because we were on a quota system. I contend that within this period of time, and in the last two years in particular, the government had a serious responsibility in regard to the million people in Canada who work in the forest industry, a responsibility to make American users of our excellent products aware of what their companies were attempting to do.

Let me repeat that a million people work in the forest industry. I put a tremendous amount of responsibility at the feet of this government for not doing what it should have been doing prior to the expiry of the softwood lumber agreement. Officials should have been in the United States making Home Depot, all its users and all the contractors aware of this situation so that we would not be faced with this. I wonder if the member agrees with me.

[*Translation*]

Mr. Antoine Dubé: Mr. Speaker, I certainly agree with the hon. member. However, he is asking us to blame the government. But, unless I am mistaken, what the hon. member for Joliette is looking for with his motion—and we can lay the blame on the culprit later on—is a quick solution. We need a solution to a problem that confronts us now.

The hon. member is absolutely right. Other measures should have been taken over the past five years. Instead of just waiting until the end of the five year agreement, the government should have begun sooner. Now that we are faced with the problem, I join my voice to that of the hon. member for Joliette and those of my Bloc Québécois colleagues in asking for a specific assistance program for that industry, and not some global program that would include other initiatives, with the result that we would never know if it will work or not.

We must make a decision on special measures now. We must do it quickly and make it a priority for this industry.

S. O. 31

STATEMENTS BY MEMBERS

[Translation]

NATIONAL NURSING WEEK

Mr. Jeannot Castonguay (Madawaska—Restigouche, Lib.): Mr. Speaker, every May, during National Nursing Week, we highlight and celebrate the contribution made by nurses throughout the year.

Registered nurses have a long tradition of caring for families as well as the knowledge and skills required to make a difference in the health care sector.

This year the theme of National Nursing Week is “Nurses Always There For You: Caring for Families”.

Every family is structured differently and has different roles. In all settings, there is a close relationship of trust between nursing professionals and individual family members, as well as with the family as a whole.

These relationships allow nurses to act as strong advocates in determining the best public policies for family health.

We have a responsibility to work with all citizens to promote health, prevent illness and provide health care treatments and rehabilitation. I encourage everyone to be inspired by professional pride and to participate actively in National Nursing Week.

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[English]

CORRECTIONAL SERVICE OF CANADA

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, investigative journalist Michael Harris has produced facts, figures and quotes in his rather scathing indictment of our correctional system.

The solicitor general and the commissioner of Correctional Service of Canada's only response to these alarming revelations is to malign the author of the powerful book *Con Game*. Dismissing the book as “full of half truths and outrageous statements”, the solicitor general is turning a blind eye to scary realities within Canada's prisons, realities that are resulting in death and serious harm to individuals both inside and outside prison walls.

I implore the solicitor general to immediately call for a royal commission to either dispel or prove the many disturbing allegations that convincingly demonstrate that our prisons are “awash with drugs and alcohol, violent and frighteningly unaccountable” behaviour because they are places “where the criminal is king.”

* * *

● (1400)

[Translation]

HEALTH RESEARCH

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, I am pleased to bring to the attention of the House the creation of three new research chairs in transplantation.

This joint announcement was made by the President of the Canadian Institutes of Health Research, Dr. Alan Bernstein, and the CEO of Wyeth-Ayers Canada Inc., Mr. Aldo Baumgartner.

Dr. Norma Kneteman, of the University of Alberta, will conduct research with the aim of reducing the toxicity of immunosuppressive therapies and develop prevention models for recurring hepatitis C, the leading indication for a liver transplant.

Dr. James Shapiro, also from the University of Alberta, and Director of the “Edmonton Protocol” Team, will conduct research in pancreatic islet transplantation that could ultimately reduce or eliminate the need for people with type 1 diabetes to take insulin.

The University of Toronto's Dr. Li Zhang will investigate the mechanisms involved in donor-specific transplant tolerance.

This demonstrates the importance of research at the national level, thanks to the constant co-operation between universities and the pharmaceutical industry.

* * *

[English]

TD CANADA TRUST SCHOLARSHIP

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, today Sean Doherty of Iqaluit, Nunavut received a 2002 TD Canada Trust Scholarship for Outstanding Community Leadership.

Sean organizes and teaches swimming for disadvantaged children in Iqaluit. These Loonie Lessons let the children have fun in a safe environment while teaching them listening and interpersonal skills. Sean is also president of the student council at Inuksuk High School, volunteers on a phone help line, sits on a youth court advisory panel, and represented his high school and Nunavut at the Canadian Youth Against Impaired Driving Conference. Sean plans to pursue a medical career, returning ultimately to Nunavut to practice medicine.

I proudly ask my colleagues to join me in congratulating Sean and wishing him success in his future plans. I want to thank Sean, Mutna.

* * *

YOUTH WEEK

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, I am delighted to announce before the House today that the week of May 5 to 11 is youth week in Markham.

Markham Youth Week, organized by the Markham mayor's youth task force and local area youth councils, is in conjunction with International Youth Week which originated in 1995 and has rapidly grown to its present international status.

Youth week encourages collaboration on many levels: between young people of various backgrounds, community groups, and between young and old. Youth week will promote the opportunity to become part of building stronger and more sustainable communities. Various events will take place throughout the community to bring the youth of Markham and the surrounding areas together. I take this opportunity to commend their efforts.

With initiatives such as this we will promote and develop a generation of aware, competent and responsible leaders prepared to address the social and environmental issues that challenge us today, toward a brighter and healthier future.

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NORWAY

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Mr. Speaker, the Canadian Alliance would like to welcome King Harald V and Queen Sonja of Norway for their first official visit to Canada.

Norwegians were the first western explorers to reach Canada. They were courageous fellow combatants during the war. As fellow northerners we share deep cultural roots with Norwegians and we face many of the same problems. We have much to learn from Norway about issues like aquaculture and offshore oil. Our relationship can only prosper from closer economic ties.

I wish in particular to thank Norwegians for their contribution to the growth and development of western Canada. Thousands of them moved west to find new opportunities in the early part of the last century. They suffered many hardships homesteading on the prairies, carving out the land for all Canadians to enjoy.

We hope the royals will be able to come again soon for a longer stay that will enable them to travel and meet people of Norwegian heritage in all parts of Canada including my assistant whose grandparents, named Moxness, came from Trondheim, Norway.

I say velkommen til Canada.

* * *

CYSTIC FIBROSIS MONTH

Ms. Bonnie Brown (Oakville, Lib.): Mr. Speaker, I am pleased to remind my colleagues and all Canadians that May has been declared Cystic Fibrosis Month.

Cystic fibrosis is a deadly genetic disease affecting primarily the respiratory and digestive systems, with the most devastating damage taking place in the lungs. Approximately 1 in every 2,500 children born in Canada has the disease and yet there is no known cure.

The cystic fibrosis foundation has made substantial progress over the past 40 years. In 1960 the median age of survival for a child with the disease was just four years. Today the median age of survival has increased to over 30 years. I congratulate the Canadian Cystic Fibrosis Foundation for its achievements.

I ask members to please join me in extending our best wishes for a successful Cystic Fibrosis Month to patients, their caregivers and those who are searching for a cure.

* * *

•(1405)

[Translation]

NATIONAL NURSING WEEK

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, every year, National Nursing Week offers us an opportunity to

S. O. 31

draw attention to the essential contribution made by nurses to health care and to the wellbeing of the population.

Nurses have a long tradition of caring for families, and they have the necessary knowledge and skill to make a difference. Their theme this year, moreover, is, "Always There for You: Caring for Families".

Nurses constantly promote better public policies for family health, in order to promote health, prevent illness and provide the entire population with quality treatment, care and rehabilitation services.

Let us all take an active part, with pride, in National Nursing Week.

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[English]

WORLD ASTHMA DAY

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, today, May 7, is World Asthma Day.

Asthma is a chronic lung disease that causes shortness of breath, tightness in the chest, wheezing and coughing. It is one of the most common and costly illnesses in North America and mortality rates have risen 58% since 1980. Every day 14 Americans die from this disease. Today 17 million Americans, 3 million Canadians and 1 in every 20 children suffer from asthma.

Asthma can start at any age and at any time, and there are strong links to heredity and the environment. Triggers can be dust, pollen, animals, exercise, certain foods, chemicals and air pollution.

I have asthma. The good news is that asthma does not have to control one's life. One can live fully and actively by avoiding the triggers, developing a personalized action plan and taking medications as directed.

While there is a need for more research, awareness and education about asthma, decreasing environmental pollution is an imperative before the very air that we need to sustain human life becomes a cause of its destruction.

* * *

AGRICULTURE

Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance): Mr. Speaker, the all talk and no action federal and provincial agriculture ministers have announced that there will not be any immediate financial help for grain and oilseed farmers and pulse crop growers. There will be no trade injury compensation program. Country of origin labelling will hurt our livestock producers.

S. O. 31

These farmers and ranchers are being crushed by a \$180 billion U. S. farm bill. Even with full knowledge of the devastation to Canadian farmers caused by subsidies the federal minister refuses to commit to the program.

The minister responsible for the Canadian Wheat Board has also turned his back on wheat and barley farmers in the designated provinces of Alberta, Manitoba and Saskatchewan. Manitoba and Saskatchewan agriculture ministers stated after the conference that in essence there is no federal financial commitment, there are no details, and much more work needs to be done.

The agriculture minister, the Canadian Wheat Board minister and all the Liberals have turned their backs on farmers, and they are either incompetent or simply cold hearted.

* * *

MULTIPLE SCLEROSIS CARNATION CAMPAIGN

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, an estimated 50,000 Canadians have multiple sclerosis, a disease affecting the central nervous system. The Multiple Sclerosis Society of Canada is making a difference for individuals and their families living with this disease.

Tomorrow, May 8, is the official start of the 2002 Multiple Sclerosis Carnation Campaign, and I am honoured once again to participate. A team of Ottawa MS chapter volunteers will join me just outside the Chamber tomorrow to help kick-start the campaign and present carnations to all members of the House.

Since 1976 the MS carnation campaign has raised over \$30 million to help support MS research and provide services for people with MS and their families. On Mother's Day weekend thousands of volunteers in over 280 communities across Canada will be selling carnations to help find a cure for MS.

I encourage all members of the House to join me in supporting this wonderful campaign, and I ask all Canadians to wear a carnation tomorrow, buy carnations in their communities and support MS research. Together we will find a cure.

* * *

AGRICULTURE

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, the new U.S. farm bill that has just been handed out means further subsidy payments that would drive down international prices of grains and oilseeds even further, and to that would be added pulse crops.

That could deal a fatal blow to many Canadian farm families. Saskatchewan's agriculture minister says the cost to farmers in his province alone would be \$500 million to \$600 million, money the province does not have. The federal government has an abysmal record when it comes to helping our farmers, but let us concentrate on solutions.

Canada's agriculture ministers have just wrapped up a two day meeting in Ottawa. They are asking the federal government for a minimum of \$1.3 billion to offset the trade injury Canadian farmers would suffer from this newest subsidy program. The federal agriculture and finance ministers say they cannot help, but

Canadians know there is at least \$10 billion of unexpected surplus in our revenues this year.

The government can help and it must before thousands of Canadian farm families are forced off the land.

* * *

• (1410)

[Translation]

EMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, a year ago, the Standing Committee on Human Resources Development and the Status of Persons with Disabilities tabled a unanimous report containing 17 recommendations for humanizing the EI program.

Before long, however, the Liberal majority was forced to recant, because the Minister of Human Resources Development, setting herself up as the spokesperson for her bureaucracy, rejected the report out of hand, preferring to continue to pocket the funds of the jobless for the Minister of Finance's coffers.

Tomorrow, the Bloc Québécois is going to hold a horror show. We will demonstrate that pregnant workers, older workers, young workers, seasonal worker and those employed in family businesses are the victims of the federal government's inaction.

All MPs and senators are invited to visit our Chamber of Horrors. They will have a chance to view a film starring the Minister of Finance, "The Great EI Robbery".

This may be a sad anniversary to be celebrating, but it is a golden opportunity to give the government a shock that may goad it into action. The workers, employers and unemployed richly deserve it.

* * *

LAVAL WEST LIBERAL ASSOCIATION

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, it is my great pleasure to draw attention to the visit to Ottawa by the members of the Laval West Liberal Association, who have come to visit this House and see it in operation.

Thanks to the ceaseless work of its members, the Laval West Liberal Association is a driving force behind the continued success of Liberal ideology among the people of Laval and Canada. It is thanks to the work of these people that so many Liberal members were elected in the last election right across the country.

The devotion of these people represents what is truly good in Canadians.

A big thank you goes to them.

Oral Questions

[English]

SAFE DRINKING WATER

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, today I tabled a bill in the House on behalf of the Progressive Conservative Party of Canada and our leader the right hon. member for Calgary Centre, an act to ensure safe drinking water throughout Canada.

We are proposing a way to keep a promise made in the House to Canadians one year ago on May 8, 2001 when the Liberals along with most parliamentarians in the House supported a motion we put forward which called upon the government to take immediate action working with the provinces and territories to turn existing guidelines and suggestions into national enforceable standards in the form of a safe water act.

This is yet another broken promise by the Liberal government. It is appalling that the government refuses to act to ensure the right of every Canadian, no matter where they live, to know that the drinking water they consume is safe. Walkerton should have served as a wake up call to the government.

Now that we have done the government's homework for it and introduced a bill which would work to ensure that such a tragedy did not happen again, we ask the Government of Canada to support our bill or to introduce their own safe water act to ensure that we have national standards for drinking water.

* * *

MENTAL HEALTH WEEK

Mr. Gurbax Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, this week, May 6 to May 12, is Mental Health Week. The Canadian Mental Health Association wants all Canadians to know about the impact of mental illness on Canadians.

Approximately one in five Canadians will have a mental health problem during their lifetime, and today in our society people with mental disorders continue to experience personal feelings of shame and to face discrimination. The need to include and accept people with mental illness is an important social justice issue. A mentally healthy society shows compassion and has room for everyone including the mentally ill.

I commend the work of the Canadian Mental Health Association in raising the issue of mental illness this week, and for calling for respect and understanding for those Canadians who suffer from this terrible illness.

* * *

DIVORCE ACT

Mr. Larry Spencer (Regina—Lumsden—Lake Centre, Canadian Alliance): Mr. Speaker, for too long the government has poorly served the best interests of children and families. Last month we were shocked to see this government vote not just once but twice against increasing the protection of children from sexual predators. Just last week, by refusing to table meaningful changes to the Divorce Act, the government has once again shown that families are not its priority.

After years of consultation, millions of dollars, hundreds of witnesses, a joint House-Senate report and a justice department

paper still thousands of Canadian children are being denied access to both parents in a winner-take-all justice system. When parents divorce they never divorce their children. New legislation is needed now to allow children of divorced parents to have a meaningful relationship with both parents and both sets of grandparents.

The government is stalling on this issue. It continues to ignore committee reports and recommendations, do its own thing and let the children suffer.

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● (1415)

NATIONAL PALLIATIVE CARE WEEK

Mrs. Judi Longfield (Whitby—Ajax, Lib.): Mr. Speaker, May 5 to 12 is National Palliative Care Week, a time for us to reflect on the importance of palliative care. As individuals near the end of life, they and their loved ones often need the kind of holistic care that palliative care provides to manage symptoms and to support the best possible quality of life in all its dimensions: physical, spiritual, emotional and social.

The Government of Canada has an ongoing commitment to quality palliative care. A secretariat on palliative care and end of life care has been established within Health Canada. Health Canada has also injected substantial funding into web based projects such as PALLIUM and start-up funding for the Canadian Virtual Hospice. The federal government has provided funding to the national Canadian Palliative Care Association to develop national norms of practice for hospice palliative care.

I hope the House will join me in applauding the efforts of the many providers of care, from spiritual care and social support to the dedication of health care professionals, volunteers, family caregivers and others who tirelessly dedicate their efforts to bringing quality palliative care to Canadians.

ORAL QUESTION PERIOD

[English]

GOVERNMENT EXPENDITURES

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, corruption within the government is more widespread than one nothing report from Groupaction. Seventy per cent of Canadians think the government is corrupt and for a reason. Millions and millions of tax dollars may have been squandered by the government or paid to its friends as patronage or port.

Will the government widen the probe into corruption so that Canadians can see the truth about the use of their tax dollars?

Oral Questions

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, first, there was no poll saying that 70% of Canadians believe the government is corrupt. Second, there is no investigation into corruption. Third, the report of the auditor general on three files will be tabled in the House tomorrow. The Leader of the Opposition may want to wait and review it.

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the government saw it yesterday. All Canadians cannot wait to see it. They should have seen it yesterday.

Now that the auditor general has indicated the RCMP needs to probe this government's corrupt behaviour on Groupaction, Canadians need assurance that all the needed information will come to light.

Will the government recall Alfonso Gagliano from Denmark so that he can co-operate fully in the RCMP investigation as I am sure any hon. minister on that side would want to do?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, I remind the Leader of the Opposition that the auditor general was asked to look into these files by the minister of public works himself. Of course we have indicated not just to the auditor general but to anyone else who may be authorized to look into the matter that they will have the full co-operation of the government.

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the minister of public works asked the auditor general to look into it after two pretty tough days of questioning in the House by all opposition parties.

The Prime Minister indulged in a real whopper yesterday when he suggested that the gross waste on federal sponsorship magically made separatism disappear. Now the intergovernmental affairs minister has contradicted the Prime Minister and said that the danger is still alive.

Since the government's own point man on the province of Quebec has said that the Prime Minister is wrong and the program has no use, will the government strap the sponsorship program right now?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, I would like to know if the hon. Leader of Opposition would like us to do that before we respond to his request for funding under the program. I quote his letter referring to the international volunteer firefighters symposium, which states:

—this undertaking will be a marvelous opportunity for Canada to showcase itself to the world, and I would like to see our visitors going home with glowing accolades about our country and our people.

Would he perhaps like us to wait until we have a decision on that proposal?

• (1420)

Mr. Grant Hill (MacLeod, Canadian Alliance): Mr. Speaker, that was for 5,000 firemen. It had nothing to do with the riding of the Leader of the Opposition.

Let us go over the Groupaction file in more depth. The government gave \$1 million to Groupaction and then Groupaction gave \$70,000 to the Liberal Party of Canada. My question is

straightforward. Will those donations also be a part of the RCMP investigation?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, the government does not decide what the RCMP will investigate. The member should know that.

Now we understand. Alliance members want us to scrap the program but if it applies to certain volunteer organizations, we should continue the funding. In fact the Leader of the Opposition writes and asks us to maintain the fund.

I do not understand how many ways they think they can put a particular suit of clothes on. They have to decide this. Should the Government of Canada pay for visibility or should it not?

Mr. Grant Hill (MacLeod, Canadian Alliance): Mr. Speaker, one thing we know about the unity the Liberals foster is that they give money to the teams in one part of the country and nothing to the others.

Let us go back to the question I asked in the first place. Groupaction received \$1 million from the government. It gave \$70,000 back to the Liberal party of Canada. I ask this again. Will that be part of the RCMP investigation? Yes or no.

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, the government does not decide what the RCMP will investigate.

Once again the hon. member has the facts wrong. I am given to understand that government sponsorship funds have been made available in all parts of the country, including to all professional hockey teams in Canada.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, for the Prime Minister, no holds are barred in keeping Quebec from attaining sovereignty, even the brazen misuse of public money.

Since 1995, the federal government has funded a sponsorship program to sell federalism to Quebecers, pouring \$40 million annually into dubious contracts.

Since the Prime Minister thinks that he has acted properly by using public money to support federalism, will the Deputy Prime Minister admit that, for the government, the end justifies the means?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, members know that for years we had a basic campaign on the idea that Quebec plays an important and key role within Canada. There is nothing preventing us from increasing the regard in which Canada is held in the Province of Quebec.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, there is nothing preventing them from doing that, not even dubious contracts. I would mention as an example the report on Pierre Elliott Trudeau and the articles praising federal programs in *L'Almanach du peuple*. It was for these articles that Groupaction, which has contributed \$112,000 to the Liberal Party since 1998, received \$250,000 in commissions. Groupe Polygone, whose vice-president of public affairs was the current minister of immigration, pocketed \$2.3 million. Anything goes.

Oral Questions

Will the Deputy Prime Minister admit that the government is very free with public money when it wants to promote federalism and that the friends of the party are doing very well as a result?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, I have had a look at *L'Almanach du peuple*, and I found more pages for the government of Quebec than for the Government of Canada. Was it free for the government of Quebec?

I also noted a nicely presented curriculum vitae for the leader of the Bloc Québécois on page 703 of *L'Almanach du peuple*.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, every time the government finds itself in a bind or has its integrity questioned, it calls for a police investigation and that is the last we hear of it.

Members will remember the scandals at Human Resources Development Canada that were in the headlines just before the last election campaign, and that we have not heard of since then, Conili Star, Planta Dei Pharma, Confections Saint-Élie. We never hear a thing about them any more.

Does a police investigation into Groupaction not really mean that the government will stop answering questions, and that the whole issue will be buried so deep that we will never hear about it again? There needs to be a public inquiry.

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, the auditor general's report will be tabled tomorrow. The member can wait until then.

• (1425)

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, her findings are the same as the ones we made one month ago, and to which we alerted public opinion. Today, we are alerting public opinion and saying that we do not want a police investigation with which the government will not co-operate.

We want a public inquiry to get to the bottom of this government's dealings, the ministers involved, the cronies in the communications network, the money that was spent, and the reasons public money was spent to the benefit of this government and its backers. That is what we want to know.

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, the member simply wishes to make accusations without having the basic information. He wants to make all kinds of accusations without having the facts.

In fact, the auditor general responded to a government request to consider three issues. It is up to her to respond. Tomorrow, her report will be tabled. Then, we will be able to explain the government's point of view.

* * *

[English]

KYOTO PROTOCOL

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the Minister of Industry. We are now seeing one of the reasons for the government's resistance to ratifying Kyoto. The industry minister has been busy lobbying his cabinet colleagues,

encouraging their support for non-ratification. Supposedly the government still supports Kyoto but the industry minister's secret letter has thrown that into serious question.

I would like to ask the Minister of Industry to come clean with Canadians. Does he support the ratification of Kyoto or does he oppose the ratification of Kyoto?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, as the Minister of Industry has made very clear today and on previous occasions, his position is exactly that of the Prime Minister and the government. That position is very clear too. That position is that we will have full consultation with provinces, with territories, with interest groups and with industry that might be affected. At the same time we will have a plan put together that does not penalize or disadvantage any region of the country.

When we have had that debate and discussion, then the government will be in a position to make up its mind on the question of ratification.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I am sure the environment minister has read very carefully the words of the industry minister, but let me quote them. He said: "When the U.S. changed their position on ratifying Kyoto, it dramatically changed the playing field for Canada". The industry minister parroting the Bush-Klein-oil industry line is certainly one dramatic change in the Canadian playing field.

I ask the environment minister directly, the environment minister whose duty it is to stand solemnly and specifically for protection of our environment: is the environment minister also now backpedalling and caving to the Bush—

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the position of the government is the same as I have indicated to the House earlier. The hon. member may have troubles but we do not. We have the position that we will deal with the consultations. We will have the consultations later this year. We will have consultations with industry, with interest groups and with the general public.

We will devise a plan in consultation and in a co-operative way that will not penalize any region of the country. That has been our plan all along. There is no change, none whatsoever, and the hon. member should know that.

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GOVERNMENT EXPENDITURES

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, my question is for the Deputy Prime Minister. Could the Deputy Prime Minister inform the House whether the Government of Canada continues to have contractual obligations with Groupaction?

Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, in response to the allegations that were raised, one of the first actions that the minister took was to put a moratorium on all contracts to Groupaction under the standing offer.

Oral Questions

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, that is very interesting because since March 19, when the matter was first referred to the auditor general, it appears that on the government's own website that it not only continued to pay Groupaction but increased payments.

In the case of an anticipated RCMP investigation, will the government stop all payments to Groupaction pending the outcome of that investigation? What a gong show. It ripped the country off and then we give it more money.

• (1430)

Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, under the terms of the contract, the government has no obligation. However as the member knows there is a report pending from the auditor general which will be tabled tomorrow. Once that report is made public, we will address all these issues.

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Speaker, even the Prime Minister's own hand-picked Minister of Intergovernmental Affairs disagrees with his party's propaganda program. It is absolutely laughable that separatism was somehow averted by slapping a federal logo on every flea market and fishing tournament after the Quebec referendum in 1995.

In 1993 the Prime Minister bragged that he would take a pencil and write "zero helicopters". Why will he not take that same pencil and write "zero pork"?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, it is a little disingenuous for members of the Alliance Party, some of whom, as I have indicated earlier, seek funding under such a program, to now say that it is all a waste.

The truth is that the role of the federal government in raising awareness in supporting local and community events is a good one. Furthermore, I think it is incontrovertible that over the years in the province of Quebec we have faced repeatedly the resistance of the Quebec government to see any role recognized for Canada in that province.

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Speaker, these guys handle more pork than Maple Leaf pork packers. When the government gets a report it does not like from the auditor general, it sits on it. Yesterday the public works minister said:

Certainly, I have the intention of doing everything to follow the auditor general's recommendations to have the greatest transparency possible.

Would the Liberals please wire a return trip ticket to the exiled Alfonso Gagliano so he can answer for these mistaken, outrageous abuses of taxpayer money?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, I am sure the hon. member will want to wait patiently to see the auditor general's report tabled tomorrow.

[Translation]

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, this government's strategy for getting out of an embarrassing jam like this

business of sponsorships is simple: call for a police investigation, or rush to consult the ethics counsellor in order to whitewash things.

Is this government going to finally realize that this strategy is no longer working, and that it has failed miserably in its attempts to explain the unexplainable?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, the hon. member needs to realize that the minister of public works himself is the one who asked the auditor general to look into this. Her report will be tabled tomorrow.

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, the government is constantly complaining that the opposition is involved in a mudslinging campaign. However, democracy would be most harmed if the opposition stopped doing its job and stopped questioning the government on its administration.

Can this government understand that the best way to clean up politics is to initiate an independent public inquiry into the sponsorship program and to have the ethics counsellor answer to parliament for these actions?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, the auditor general is in a position to report on all programs if need be. The government will certainly co-operate.

It is another matter, however, to have the auditor general, who is an officer of parliament, do so, yet have to deal with unfounded accusations from the opposition.

[English]

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, over the past five years Groupe Polygone, a firm that the immigration minister used to work for, has received \$10 million in questionable communications contracts from public works. In one example, taxpayers paid out \$400,000 over and above the book rate to run ads in the Quebec publication *Almanach du peuple*.

Why does the minister not admit that paying inflated rates for services is just one more unethical way of paying off political friends?

Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, the member is correct. The Government of Canada has purchased advertising in the *Almanach* over the last four or five years at the market rate. In fact, in the 2001 edition the Government of Canada sponsored 101 pages of the *Almanach*. In the same year the province of Quebec sponsored 50% more: 146.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): If only that were relevant, Mr. Speaker.

The fact is, the government gives inflated contracts to Liberal-friendly firms and in doing so secures its Quebec political machine.

Why does the minister not admit that these inflated contracts are nothing more than a corrupt way of saying thank you to hacks, flacks and bagmen?

Oral Questions

●(1435)

Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, the member raises an allegation again. As he knows, the auditor general will be reporting tomorrow. The report will be tabled in this place and opposition colleagues will have an opportunity to be briefed by auditor general officials tomorrow. We will take it from there once the report becomes public.

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[Translation]

PAROLE

Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, the public is understandably concerned about the value and relevancy of the criteria used by the parole board to release certain prisoners. The case of Conrad Brossard is really upsetting, considering that he was paroled twice and that on these occasions he committed two murders and was also found guilty of attempted murder.

How does the solicitor general explain that an inmate with such a violent history could be paroled?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, this individual has been arrested and is now under custody.

The parole board is of course an independent administrative tribunal. This being said, the Correctional Service of Canada and the National Parole Board will conduct a national investigation on this issue.

Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, regarding the investigation, when a police force makes a blunder, the investigation is never conducted by that force. However, we are told that the Correctional Service of Canada and the National Parole Board will conduct the investigation in the Brossard case.

Does the solicitor general find it normal that the ones who will lead the investigation are the ones who are responsible for this blunder?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, these are two services with a good reputation across Canada.

Again, the National Parole Board is an independent administrative tribunal. At this point, I think it is perfectly appropriate for these two organizations, namely the Correctional Service of Canada and the National Parole Board, to conduct an indepth and thorough investigation into this matter.

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[English]

GOVERNMENT EXPENDITURES

Mr. Randy White (Langley—Abbotsford, Canadian Alliance): Mr. Speaker, let us review for the beleaguered taxpayer just what kind of integrity the government has.

The former minister of public works is under investigation, the minister of immigration, I hear now, should be under investigation,

and the Deputy Prime Minister spends too much money on tulips to promote himself rather than anything else.

I wonder just when it will be that the government stands up and says "Gee, you know—"

The Speaker: The hon. Deputy Prime Minister.

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, I invite the hon. member to stick around this weekend and enjoy the opening of the 50th annual tulip festival.

I do not understand why it is okay for the Leader of the Opposition to write letters on behalf of the volunteer firefighters association when it is not appropriate for a member of parliament from this city to ask for the renewal of funding for an important local volunteer festival. Was any private interest promoted? No. This is a public event funded with public funds.

Mr. Randy White (Langley—Abbotsford, Canadian Alliance): Mr. Speaker, is it any wonder why 70% of Canadians think these guys are corrupt over there? The reason is, they are corrupt.

Let me continue. The Minister of Finance uses public funds to make himself Prime Minister. Groupaction gets over \$10 million of Canadian taxpayers' money and in return gives \$70,000 to the Liberal Party. The Prime Minister gets caught in scandal after scandal in his own riding.

At what point is the government just going to acknowledge that people are concerned about mismanagement?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, let us talk about mismanagement. This past weekend Moody's raised Canada's credit rating.

Let us talk about mismanagement. The IMF and the OECD have predicted that Canada will have the fastest economic growth rate in the G-7 in the next year.

Let us talk about mismanagement. This government has earned the first surplus and maintained surpluses larger than those of any other country in the G-7.

Let us talk about mismanagement. Jobs have been created, economic success has been enjoyed, Canadians know what—

●(1440)

The Speaker: The hon. member for Winnipeg South Centre.

* * *

VETERANS AFFAIRS

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, the members of the Port Rouge Legion, Branch No. 97, which is in Winnipeg South Centre, are concerned that the level of long term health care received by veterans across the country varies from province to province.

Could the Minister of Veterans Affairs please explain whether or not the care that our veterans receive is equal across the provinces and what his department is doing to monitor the level of care?

Oral Questions

Hon. Rey Pagtakhan (Minister of Veterans Affairs, Lib.): Mr. Speaker, I thank the member for her question. Certainly the quality of long term health care for veterans is a priority for the government. In fact earlier this year we signed an agreement with the Canadian Council on Health Services Accreditation to ensure that the ten national health care options for veterans are implemented and in the process of accreditation. In fact today 93% of the priority access beds are accredited. We will continue to strive for excellence in the quality of health care for all our veterans across this nation.

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AUTOMOBILE INDUSTRY

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, in the past four decades the auto pact was a proactive agreement that built a hugely successful auto industry in southern Ontario and Quebec. As a result of a negative WTO ruling a couple of years ago that pact is history. With its demise this prestigious industry is in crisis and the trend line in Canada is disconcerting. By next year, Canadian auto assembly will shrink by 30%.

I ask the government what plans it has to revitalize this hugely important industry.

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, the member is absolutely right in referring to the importance of the industry to Ontario, Quebec and the country.

The Government of Canada is working closely in partnership with provincial governments to attract additional investment. We are also working with the sector, with the big three and the auto importers, to increase investment not only in assembly but in the acquisition of parts here in Canada. We believe we can ensure that this will continue to be an important sector of our economy.

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, three years ago the Canadian auto industry ranked as the fourth largest in the world. It is now seventh and falling fast.

The reality is that the automobile companies can pick and choose between whether they go to the United States to states there or to Mexico. We are being outbid because there are incentives in place.

We have ignored this bidding war up until now, but the Oakville truck plant is proof positive that the competitiveness we once enjoyed is no longer there, so I ask, what are going to do? Are we going to get into an incentive arrangement so that for our plants we can ensure that this industry remains strong in Canada?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, what we are going to do is build on the strength of the industry here in Canada. The facts demonstrate that Canadian auto workers are more productive and produce better quality products than anywhere else in the world. Those facts are well known by the people who make decisions about these matters.

I was delighted yesterday to learn that in Oshawa another shift has been added to the plant, with 1,000 new jobs in that sector in Oshawa. That is a sign of the quality and productiveness of Canadian workers in the auto sector.

GOVERNMENT EXPENDITURES

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, it is now almost certain that the RCMP will be called in to investigate the Liberal Party's friends at Groupaction.

At least two other firms with prominent Liberal connections, Polygone and Columbia, got big contracts and made big money without tender or proper documentation.

Does the government really expect anyone to believe that there are only three skeletons in this closet? Why will the government not call a full public inquiry into the government's handling of advertising contracts?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, the auditor general's report will be tabled tomorrow. I suggest that the hon. member wait and have a look at it.

The auditor general herself is perfectly free to look at any other contracts or files if she wishes to do so.

[*Translation*]

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, last spring it was the Grand-Mère affair. This spring it is the Groupaction affair, the Polygone affair and the Columbia affair. The Prime Minister cannot ship all his problems to Denmark.

Why does the government refuse to launch a public inquiry into its handling of advertising contracts? What more does it have to hide from us?

• (1445)

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, the hon. member is no doubt making unfounded accusations. He is fishing. He should wait until tomorrow, when the auditor general's report is tabled.

* * *

[*English*]

IMMIGRATION

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, the Liberals have shown a glaring inconsistency on refugees.

Last week the opposition raised concerns that desperate refugees across the globe are being elbowed aside by asylum shoppers from the U.S. The minister accused us of "wanting to shut the border" and made an irresponsible slur. Today we learned the government is suddenly prepared to do precisely what we suggested and turn back asylum shoppers.

Can the immigration minister explain why an idea he trashed last week is now government policy?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, I want to congratulate the hon. member for her new critic's role.

Oral Questions

The member may want to review some of the past work of the immigration committee where she will see that the committee itself has been talking about a safe third country agreement with the United States. She may want to go back to last December when the government signed an agreement with the United States, a 30 point action plan for an intelligent border in which a safe third country agreement was mentioned.

She will also understand that what she proposed of simply turning people around at the border was quite different from those negotiating the safe third country agreement with the United States.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, it is the Deputy Prime Minister who is saying that the agreement he is negotiating would allow either country to “turn back refugee claimants at the border”.

The problem is that when we try to engage in responsible, thoughtful debate in the House, what we simply get from the government is scaremongering, labelling, epithets and things that are totally out of line in a respectful parliamentary democracy. I ask the Deputy Prime Minister, when will the government put an end to such nonsense?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, even last week in response to one of her questions we offered her a briefing. Does the member understand the requirements of the Geneva convention? I do not think so. Does she understand the requirements of the Canadian charter of rights? Both of these have driven us to the conclusion, as did the immigration committee in the past, that it would be necessary to negotiate a safe third country agreement. That in itself is never a panacea as European experience will demonstrate to the hon. member.

Perhaps if the member were more responsible than to get up in the House of Commons and demand that tomorrow we simply turn all possible refugee claimants back to the United States, she would get more—

The Speaker: The hon. member for Joliette.

* * *

[*Translation*]

SOFTWOOD LUMBER

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the Minister for International Trade is saying that the softwood lumber crisis has not yet affected jobs in this sector and that the problems are due to poor management by certain companies.

How can the government come to such conclusions, when Statistics Canada says that this is the worst shape that the softwood lumber sector has been in for ten years, because of the closings and layoffs resulting from the duties imposed by the Americans?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, the Minister for International Trade and the Government of Canada can clearly see the effects of the unfair duties imposed by the Americans.

We intend to use all available programs to support and provide assistance to workers, communities and the industry. We are committed to helping the industry survive.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the timing is good because, just today, unions launched an urgent appeal to the government to assume its responsibilities and come to the assistance of the softwood lumber industry.

How can the government sit back and do so little, when its primary responsibility is to help companies and workers who are in immediate need of an assistance program to help them get through this trade dispute, which might go on for a long time and which might be extremely costly to the regions, particularly in Quebec?

• (1450)

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, we have already taken action, and we intend to continue to do so in order to protect Canadians' interests.

The Minister for International Trade has worked closely with his provincial counterparts. We have presented an entire coalition of unified Canadians to protect our interests and we will continue to oppose these unfair duties imposed by the Americans.

* * *

[*English*]

THE ENVIRONMENT

Mr. Bob Mills (Red Deer, Canadian Alliance): Mr. Speaker, it is indeed refreshing to see the Minister of Industry calling for a made in Canada plan to address climate change. Of course we in the Canadian Alliance have been asking for that all along.

As the minister said, now is the time to get going on a realistic plan that takes into account the unique position we hold in North America. Will the Deputy Prime Minister finally tell Canadians that the Kyoto fantasy is dead?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the hon. member should be well aware that we are currently embarking on discussions with a number of other parties, the provinces and territories, industry groups, NGOs and of course Canadians generally. The purpose is to develop a plan to meet our target with respect to reducing greenhouse gas emissions. Obviously it is a made in Canada plan because we are making it, this government, the others I have described and of course the other industry players. It is quite straightforward.

Mr. Bob Mills (Red Deer, Canadian Alliance): Mr. Speaker, that is the most ridiculous answer I have ever heard. How can the government keep this charade going on? The treaty will do nothing for the environment. Carbon credit trading simply moves enormous quantities of emissions from one location to another. It will cost billions of dollars. It will lead to massive job losses and it is already damaging our investment economy.

If the Prime Minister really wants to leave an environmental legacy, why does the Deputy Prime Minister not get the Kyoto albatross off from around his neck?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the hon. member has listed many complaints that he has against the Kyoto agreement. Maybe they can be discussed tomorrow in the House when we have a debate on it.

Oral Questions

All I can suggest to him is if we do not stay under the Kyoto process, we will not be able to use some of the Kyoto mechanisms. These are opportunities overseas to reduce the cost to Canadian industry of meeting our target. These may turn out to be valuable to us. We should not exclude that possibility simply on a rant by the hon. member.

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AFRICA

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, last weekend in Montreal the Minister for International Cooperation hosted a forum on African development.

Could the minister inform us about what was discussed at the conference? What is Canada doing to ensure that all parties are given the opportunity to participate in the important development process of the new partnership for African development?

Hon. Susan Whelan (Minister for International Cooperation, Lib.): Mr. Speaker, 500 African and Canadian partners met in Montreal to discuss critical issues regarding the new partnership for African development, or NEPAD. They discussed issues such as eradication of poverty in Africa, equal rights and status for women and men, health care, security, good governance and active participation in the world economy.

We all have roles and responsibilities to play within this new partnership. If we fail to take advantage of this at this moment in time and with this momentum, history will never forgive us.

* * *

THE ENVIRONMENT

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, the recent revelation about the industry minister's views on the Kyoto accord follow statements he actually made in Alberta recently expressing serious reservations about ratifying the accord. He was concerned about the impacts on productivity, on investment and on our standard of living. He vowed to serve as industry's advocate in cabinet and publicly favoured an approach based on innovation and technological advances.

Will the Minister of Industry stand in the House today, express his reservations and state his official position on the Kyoto accord?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, advances in technology and innovation are very much what the climate change measures are all about. Efforts to increase energy efficiency, which have been done by many companies worldwide, particularly the United States, have resulted in substantial savings and substantial improvements in their position in the technological sense. They have greatly improved their chances for success in competition in the future.

The hon. member should pay a little more attention to what he is talking about.

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, the industry minister has written a secret letter to his cabinet colleagues to lobby on this issue. He stated reservations in Alberta on this issue. It is incumbent upon him as industry's advocate to stand up in the House and state exactly where he stands on Kyoto.

The fact is the cabinet is divided on this issue between the environment minister and the industry minister. We need to know where the Government of Canada stands on the issue.

Will the industry minister, as the advocate for industry, as a potential prime minister, stand and state where he is on this issue?

● (1455)

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, perhaps the hon. member was absent or preoccupied at the time but the first question I answered today was exactly the government's position, which is the position of the Minister of Industry and every other minister that surrounds me here on the floor of the House. It is the position of the Prime Minister.

That is, we will make our decision on ratification following extensive consultations with the provinces and territories, following discussions with industry, following discussions with environmental organizations and the general public. We will do it in a way that does not disadvantage any region of the country.

* * *

[Translation]

KYOTO PROTOCOL

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, in a letter to his cabinet colleagues in April, the Minister of Industry proposed abandoning the Kyoto Protocol for the immediate future, proposing instead a made-in-Canada approach that is more and more in line with the position recommended by the United States.

Is this letter from the Minister of Industry not just one more sign that the government's real intentions are, in the end, not to ratify Kyoto in 2002, despite the Prime Minister's personal commitment to do so?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the Government of Canada's intention is very clear. It is well known and has been stated by the Prime Minister.

We want to have effective consultations to thoroughly examine issues with the provinces, territories, affected industries and the general public. We must have a plan whereby no region of the country is going to be more affected than others. This is very clear, this is the government's position. The Minister of Industry and all the other ministers subscribe to it.

* * *

[English]

NATIONAL DEFENCE

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, my question is for the Minister of National Defence. It concerns the health of people residing on the Rockcliffe air base.

In recent days the matter of lead contamination was discovered. I would like to know what the department is doing to allay the concerns of the people living on the base and whether or not this is a problem that is common to other bases or is unique to the Rockcliffe air base.

Oral Questions

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, in February during a routine inspection at the ammunition compound at Uplands, lead dust was found. That led to a program involving both Uplands and Rockcliffe properties. The city of Ottawa health department and our own department joined to check the matter out thoroughly.

Some of the individuals who worked near or at the compound and their families were tested. Thank goodness the tests came back negative. They were found to be okay. Nevertheless there have been consultations with the community. The department wants to be open with the community. It has offered free testing and continues to keep people well informed of what is going on. We are also checking out other facilities.

* * *

AGRICULTURE

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is for the Minister of Finance and concerns the \$180 billion American trade bill which is really devastating our farmers.

The minister should know that our farmers are doing their part. They have diversified into livestock and speciality crops. The American government has actually gone into a deficit in order to support its farmers and our government is sitting on a multibillion dollar surplus.

Will the Minister of Finance give the farmers any hope and announce today a package to relieve farmers who will suffer because of the trade deal in the United States?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I can tell the hon. member and the House that a couple of hours ago I completed a federal-provincial ministers meeting. There was unanimous agreement that we move forward with an agriculture policy framework and that the government be there with the federal share to fulfill that commitment and at the same time to seek ways to counter and mitigate the affects of the U. S. farm bill.

* * *

NATIONAL DEFENCE

Mr. Greg Thompson (New Brunswick Southwest, PC): Mr. Speaker, speaking of corruption, thanks to former minister Gagliano, the Government of Canada entered into a contract that resulted in military and aviation spare parts being stored and marketed out of a warehouse in Florida owned and operated by a convicted international money launderer and drug smuggler, Henry McFliker.

Why has the government not asked the RCMP to investigate the matter, this shady deal? How much has the deal cost Canadian taxpayers or was the money in small unmarked bills?

• (1500)

Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, one of the responsibilities of public works is the disposition of assets. In this particular case, defence assets that were for sale had been positioned in the warehouse to which the member refers. That is where the marketplace is. Those assets are still owned by the Government of Canada.

[Translation]

FOREIGN AFFAIRS

Ms. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, yesterday the Deputy Prime Minister was categorical: the safe third country agreement between Canada and the United States will be finalized before the G-8 Summit on June 26 and 27.

Given that there could still be a coup d'état supported by a foreign country, such as the 1973 coup in Chile, what hope would such an agreement leave for refugee applicants who have fled their country after their government was overthrown by the United States, and who had the misfortune of travelling via the United States?

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I think it is important to understand what a safe third country is. It is not automatic. Unlike the official opposition, we do not want to close the borders.

We want to give ourselves options. Under our own legislation, as signatories to the Geneva convention, we are required to comply with this.

With a safe third party agreement, we could also consider other options. This does not mean that we would not take seriously situations like the one the hon. member described.

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CRIMINAL CODE

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, can the Minister of Justice explain to us how the head of the Hell's Angels, Maurice "Mom" Boucher, a killer, could have managed to obtain a gun permit? With it, he was authorized to obtain a 9mm handgun and three pump-action rifles.

Does the Minister of Justice consider this a good situation? I thought the mandate of the Minister of Justice was to protect the people of Canada and of Quebec. Why has this not been done?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, first of all, in asking this type of question, the member could just as easily be asking it about any number of people anywhere in Canada.

He asks it knowing full well that the information to which he refers is confidential and I cannot comment on it in compliance with the Privacy Act.

Secondly, if there were any knowledge over on that side of how the firearm registration system operated, they would go and ask their question of the Quebec civil servant who was responsible, because under the agreement with the government of Quebec, all this is administered by a special section of the Sûreté du Québec.

Supply

•(1505)
[English]

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of the Hon. John van Dongen, Minister of Agriculture, Food and Fisheries for the province of British Columbia.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—SOFTWOOD LUMBER

The House resumed consideration of the motion.

Hon. Herb Dhaliwal (Minister of Natural Resources, Lib.): Mr. Speaker, I am pleased to join in this debate to speak to the motion presented by the hon. member for Joliette that an assistance program should be made available to our softwood lumber industry and its workers until we resolve our trade dispute with the United States.

The federal government has been working closely with the provinces to determine how the workers, communities and companies will be affected by the U.S. ruling. A number of options are currently being considered by the federal government. The Department of Natural Resources is working with the Departments of Foreign Affairs and International Trade, Industry and Human Resources Development to look at all possible options.

We must look at not only short term support but also long term support such as stronger political advocacy to the American public, market diversification to make us less dependent on the U.S. market and more research and development to help deal with the issues, including the mountain pine beetle infestation in northern British Columbia.

As we get closer to the time when companies will be required to pay the U.S. duties, we as a government are devoting all of our time and energy determining how best to support workers, communities and the industry. Over the past number of weeks I spent a great deal of time speaking directly to workers and companies in sawmill communities about the impacts of the softwood lumber dispute. I visited Port Alberni two weeks ago and met with first nations representatives from 14 municipalities and representatives of workers. I visited Prince George where I met with a number of mayors.

At the end of April I attended, along with the Minister for International Trade, the softwood summit in Vancouver organized by the premier of British Columbia. I was again presented with the seriousness of these issues and a broad agenda of measures the federal government could undertake to help the sector deal with this crisis. This is a national problem that affects many parts of Canada.

I want to emphasize today the impacts this dispute will have in my province of British Columbia. It represents 50% of the industry. Over the next three years it is estimated that at least 20,000 direct and 30,000 indirect jobs will be lost. The province put together a

compelling map for us to view at the summit. It showed us just how dependent communities are on the forest industry. From 1997 to 2001 there have been 20 prominent mill closures on the coast and 11 in the interior. Up to 20 additional mills are at risk in 2002.

The coastal lumber industry is already facing problems of overcapacity and high cost of production by going through a broader restructuring. The effects of these tariffs and subsidies will be devastating. In B.C. 90% of the lumber comes from the interior and 10% from the coast. Western red cedar is 4% of the total Canadian volume shipped into the U.S. The value of this product is five times that of the Canadian average. The value added products are unique to Canada and do not compete with the U.S. construction products. It is ridiculous that the U.S. has included these value added products in the dispute with us.

To add to the tragedy first nations have finally built strong partnerships with the coastal forest industry. In a pre-treaty environment the chiefs and councils have worked in their traditional territories to create economic opportunity for their people. Now because of the U.S. ruling on softwood these economic opportunities that they worked so hard for will be lost. The coast will be hit the hardest with an estimated 27,000 direct and indirect jobs being lost over the next couple of years.

The question for us as a federal government is, what is the best way to help? Through all of these discussions many common themes emerged that could help mitigate some of the effects of the softwood lumber dispute. These include the need to diversify our markets beyond the United States and the need for research which will help develop new products and processes to help our industry stay competitive.

•(1510)

The Government of Canada is currently doing many things to develop new markets and conduct forest products research. A few months ago I launched the Canada-China wood products initiative. Through Natural Resources Canada, the program would invest in eliminating the barriers facing Canada's exports of wood products into the Chinese market. This initiative responds directly to a need identified by the federal government advisory bodies such as the Forest Sector Advisory Council and other industry groups. It would provide opportunities for all regions of the country and would support a full range of primary and secondary wood products including softwood lumber.

The federal government is committed to forestry research in Canada. Natural Resources Canada maintains five research laboratories across Canada and provides credible and scientifically validated information for the development of effective forest policies, regulations and management strategies. It also enhances Canada's capacity to respond to strategic issues, facilitates the development of national standards for the production of forest health and biological diversity, and contributes to the resolution of national and international disputes involving natural resources.

Supply

Our federal expertise allows Canada to evaluate scientific information from independent sources. Natural Resource Canada provides Canada with a long term, continuous forest science capacity and encourages research partnerships with provincial research institutions, universities, industry and model forests.

A specific example of this partnership is our work with the government of British Columbia in helping to combat the outbreak of mountain pine beetle in northern British Columbia. We are working to develop forest and management techniques to control and/or manage the mountain pine beetle as well as providing decision support tools to incorporate predictive capacity into higher level planning. This is an example of where federal government research is helping a softwood lumber species.

We are all sensitive to the impact that the U.S. duties are having on our Canadian industry. We are working closely with the industry and the provinces to evaluate the effect that the unfair U.S. duties have on Canadian workers and communities, and are keeping all options regarding worker assistance open.

There are a number of programs currently available to provide assistance to workers and communities through difficult periods. We are looking at whether the existing safety nets are sufficient to help dislocated workers and communities, or whether there may be a need to examine possible options for further assistance. However as the Minister for International Trade has said, we cannot be precipitous on this. Sometimes there are needs that go beyond existing programs. The government is approaching the situation with an open mind.

In response to the opposition's suggestion last week that the government is not doing anything to defend our industry, I respond to those critics by saying that we are continuing to challenge the U.S. trade actions in all legal venues open to us. Aside from last Friday's action where we launched WTO challenges of the U.S. final subsidy determination, we are launching other challenges of U.S. softwood lumber decisions at the WTO and NAFTA. Moreover the Prime Minister has raised the issue with President Bush at every opportunity. We continue to consult with Canadian industry from every region of the country and are in touch with all provincial and territorial governments on a regular basis.

The Government of Canada, with the provinces and industry, pursued a two-track softwood strategy, and continuing that two-track strategy is exactly what industry, the provinces, and the Government of Canada have agreed to do. We are taking every action possible to defend the interests of Canada's softwood lumber industry, and we are doing it with every tool we have available.

Before I conclude my remarks I wish to say that I will be sharing this time with the member for Etobicoke North.

I know this industry. I have had family involvement in the industry. My grandfather worked in the industry back in 1906. My father worked in the industry, and I as well worked in the industry during the summers to pay for my education. I know the pain this will cause our communities. That is why we must ensure we do everything possible and that we are keeping all the options open to us. We must ensure a close analysis, evaluate what the effects are and

ensure we can keep communities working and keep businesses going. That is what we are determined to do right across the country.

• (1515)

We will be exploring all the options available to us to ensure we protect and support our communities and individuals.

It is in the interests of both countries to come to the table to resolve this issue. We have been urging the U.S. administration to play a role in this so the issue can be resolved fairly for both Canadians and Americans.

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, I have a question for the Minister of Natural Resources. We were at the same meeting on Monday of last week, the premier's summit. Two days after that meeting the Minister for International Trade in Ottawa said that there was no job loss due to the softwood lumber dispute, that it was due to restructuring. I wonder if the minister would like to distance himself from those remarks.

The minister in his speech studiously avoided the issue of a tariff management scheme whereby, either through EDC or through the Canadian Commercial Corporation, there could be a very appropriate way for the government to act with some urgency to keep the Canadian coalition together. I know the minister supported that on March 29 and I wonder if that support is still there.

Hon. Herb Dhaliwal: Mr. Speaker, first, the Minister for International Trade has done a tremendous job ensuring that we have a team Canada approach in bringing the provinces and the industry together.

The minister's comments were totally taken out of context by the hon. member and by the media. He understands the effect the tariff has had on communities both in British Columbia and across the country. He heard those concerns when we were in the summit in Vancouver and directly by the mayors as to the effect that it has had on their communities. We are all very much aware of what is happening in the communities and the job losses and the pain communities are suffering.

In terms of the options the hon. member has put forward, I have consistently said that we need to look at all the options. We need to make sure we evaluate every option and not close any doors. We need to evaluate the situation. We do not want to rush into this. We need to make sure we analyze this closely because this is very important for communities right across the country. We need to act responsibly and we need to protect the jobs.

We are going through a process right now. We need to bridge the time until we get a final resolution through NAFTA or a final resolution through the WTO. We need to make sure that we provide support to the companies and the communities that are being hurt. I can assure the hon. member that we are investigating all the options, including some of the options the member has talked about, and the options I have talked about.

[*Translation*]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I have listened to the words of the minister, who says he is open to solutions. At the same time, I know that other government members have also said so today.

Supply

Concerning the specific issue of the softwood lumber crisis, the Minister of International Trade talks about using existing programs. However, it seems to me that this crisis is particularly urgent and important.

I know that the Minister of Natural Resources, who is from British Columbia, knows this. I do not have to convince him. This is an extremely important and specific crisis, a conflict with the United States, and it is likely that Canada will win at the WTO or under NAFTA.

In the meantime, we must face the situation. Would the minister agree to consider a program or specific measures to deal with this particularly important and urgent crisis?

• (1520)

[English]

Hon. Herb Dhaliwal: Mr. Speaker, the hon. member has articulated the situation very well. We are in a period of where we are in a legal process. It is in the interest of the Americans to accelerate this process so we do have a final decision, otherwise it could take some time. Meanwhile, there will be communities suffering.

We need to find ways to bridge the time between now and when we get a final resolution either through a legal resolution or through some sort of agreement. We need to talk about programs that can bridge that period so the people in our communities can continue to work and industries can continue to operate.

We are analyzing and looking at all the options. We have not closed the door on any option but we want the right solutions. This needs thoughtful, close analysis and a review. We need to take into consideration the fact that different parts of the industry will be affected differently. The coastal communities in B.C. will be hit a lot harder because they produce high end, premium products so they will be affected more than other places.

We need to take all those things into consideration before we come out with a plan of action, and that is exactly what we are doing.

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I am pleased to enter the debate again on softwood lumber, a problem that does not seem to want to go away. Today's debate is more in the context of how we might support the industry and the workers who may be affected.

We hear a lot of numbers being thrown out: 30,000 jobs or 40,000 jobs. My guess right now is that those numbers are somewhat exaggerated. Some of the numbers do reflect some restructuring of the industry. Some of the numbers reflect some companies that may be in difficulty. One of the other problems is measuring whether a mill has gone from three shifts to two shifts or has taken some extra down time as opposed to straight out mill closures.

The reality is, whether it is today or in the fall, if no deal is reached with the Americans, and frankly I do not see how can be done, and if the tariff remains, some very serious challenges will be presented to a number of forest products companies in Canada.

I want to come back to the main theme of the motion. The U.S. administration should be absolutely castigated for its lack of involvement in this file. We all know that the U.S. producers have

a very strong lobby but if the U.S. administration put its mind to it, it could actually exert more influence on this lobby group. It could better balance the interests of U.S. consumers and homebuilders in the construction industry.

What do the Americans do? They sit back and let the U.S. producers define the terms of the engagement. I think that shows a lack of responsibility on the part of the White House, the president and all his staff.

What we have are basically bullying tactics. When we go to the WTO and to NAFTA, as we have done in the past, it will be proven that we do not subsidize our industry. However, the Americans do not seem to care about that. They just launch another countervailing duty action. In the meantime, from one to the other, they change the rules so they are able to re-launch another countervailing duty process.

Later on in my discussion I will address what we can do to move forward, because having the softwood lumber debate come back again and again is really not in anyone's interest.

We must support the government's position of a two track process, and that is, we take it to the WTO and to NAFTA and, in the meantime, we try to seek out a solution if one is possible.

My own view is that there is no viable solution. The Americans come at it from a totally different perspective. Most of their forests are private lands and they think that auctions are the panacea for everything. We have a system of public forest lands. Even if the Canadian provinces, and it is a matter within provincial jurisdiction, were able to crank it up to 50% or 60% of timber that would be sold by auction, the pricing of timber might even go down.

Right now there are various programs in various provinces where small business operators can bid on timber. A sawmill or pulp mill is able to buy that timber at a certain price because it is at the margin, but if they had to buy all their raw material from auction prices, there are only so many sawmills or pulp mills that are going to be built in Canada. In fact we have probably reached a reasonable limit now in terms of sustainable operations. There is a certain economic price that the mills can sustain. In terms of Canada's traditions and public policy framework I do not think we can move to an auction of 50% to 60%. I am quite sure that is the kind of parameter the Americans are thinking about but I am not sure it is possible in Canada.

I think it is reasonable to seek out a negotiated solution but I do not think one is possible. I do not think a negotiated solution that makes sense for Canada is in the cards because the Americans are coming at this from a totally different perspective.

Where does that leave us? It leaves us to pursue our challenges at the NAFTA panel and the WTO. How long does that take? It may take a year, a year and a half or longer. What will happen to these companies in the fall, especially when they will need to come up with a 27% duty? Some of the large integrated companies, meaning they have sawmills, pulp mills, newsprint operations and panel board mills, will be able to absorb the blow.

Supply

•(1525)

A lot of it will depend on what happens to the pricing on softwood lumber. If the pricing stays reasonably high more companies will be able to absorb the duty, but 27% is a huge amount to cover.

I think we should be looking, and I know that our government is looking, at various alternatives. There are different approaches. We could say that we should look after the workers, we should look after the companies or we could do a combination of both. If we look after the companies, in other words, help those companies that will not be able to weather the storm, then by definition if we can keep the company afloat we will help the workers.

The other approach is to go through Human Resources Development Canada but I am not sure it has a lot of creative magic to come up with programs that will be much different or slightly different from those that are already in place. I think that is a reality. If we did that for forest products we would probably have to do it for the automotive sector, the mining sector, et cetera.

While I think we should push the envelope on seeking solutions through HRDC, ultimately the best solutions will be coming in terms of offering support to our forest products companies.

How do we do that? First, a lot of discussions have taken place about taking measures that are not countervailable, in other words, that the Americans could not re-launch another countervailing duty process because the government support constituted a subsidy.

I want to throw something into the hopper here today in this debate. If it were countervailable, and I agree that we should try to keep it as a non-countervailable type of support, but if it were, it would take about a year to a year and a half through the American system for them to attack it and for that to be resolved. By that time, we may have a favourable decision. We will have a favourable decision, if the timing is right, through the WTO and NAFTA. If we win the decision at the WTO and NAFTA, guess what? All those duties will be refunded with interest. I think the risk of that not happening is very slight.

I think our government, either through loan guarantees from EDC or through the Canadian Commercial Corporations being a buyer of softwood lumber in Canada, should manage the risk, charge the companies for that risk on a commercial basis and resell the lumber into the United States market. The Canadian Commercial Corporations already do this. There would be a cost to that but the companies could probably handle the cost of servicing that type of support. When we win at NAFTA and at the WTO, those duties will be refunded. Therefore I think the risk to the government is relatively minor.

We need to look at it on a commercial basis. I do not think the government should try to backstop those companies that are facing financial problems, whether it be because of mismanagement, some bad asset acquisitions or some internal cost problems of their own. It should be done based on a sound commercial footing through those companies that have a solid credit rating. I believe we could do it through the Canadian Commercial Corporations or the EDC.

The reality is that we will need to find some help for the companies and for those employees who have become dislocated. I think we will need to have a bit of both.

Notwithstanding the rhetoric that is floating around, some mills have shut down and some mills are taking additional downtime but the big hits are still to come. They will be big hits and as a federal government we need to be prepared to support those companies and those individuals.

How do we move forward? Can we possibly be back in a countervailing duty fight year after year? I would like to make some suggestions. First, as part of a negotiated solution, if we could get a cross-border commission to deal with these trade irritants more efficiently that would be a great step forward.

NAFTA has worked well for Canada. In fact it has worked so well that about 86% of our exports go to the United States. It is an easy market, a closed market and we need to diversify.

I was just in India with the trade minister on team Canada and the wood products industry has put up a wood showroom in Bombay that is working out very well.

•(1530)

I do not know how we can accept the fact that the Americans talk about an integrated energy market when it comes to a certain commodity, but when it comes to softwood lumber they are sorry, it is not an integrated market. Of course they are both integrated North American markets, wood products and energy. There is no difference.

The Americans want their cake and eat it too. We should play hardball on that issue. I know we cannot link things formally, but I believe that suddenly the energy debate should slow down to a snail's pace and I do not think we would have to draw a picture for the U.S. administration or the elected people.

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance): Mr. Speaker, so many ideas were put out by the member who just spoke, some of them a little silly and some of them very silly. At least he said something at the very end, which is a good way to end, when he talked about the government getting a little tougher.

There are a lot of measures the government could take. It has not done a damned thing yet and it is high time it did. I am glad to see that the hon. member is at least suggesting his own government should be held to account on these issues.

There were a couple of things he said that I find rather fascinating. He tried to sidestep or remove himself from the comments of the international trade minister who said there were no job losses from this dispute at all. However he did suggest that a lot of it may be exaggerated. Maybe when we come from a big urban centre those losses are not all that significant.

He should come out to my riding. My riding is a rural riding, not one that has forestry jobs, but one that is forestry dependent. He should see what the dispute has done to the people of my riding. I invite him to come out as my guest. I would be more than happy to show him around if he really wants to find out what is going on in the industry.

Supply

I would be interested if he would clarify his suggestion that one of the solutions might be for the Canadian Commercial Corporation to buy all the wood from the Canadian lumber companies. It would be the marketer of the wood. That might be good if there were a couple of big, huge industries. Coming from an urban centre that may well be how the hon. member thinks. We have a lot of small companies that operate in niche markets. They find their own special buyers that operate on special contracts.

How would he manage that right across the board when we have one super gigantic government corporation, which is an oxymoron in itself, trying to sell to all of the United States? How could that possibly work in an efficient manner?

Mr. Roy Cullen: Mr. Speaker, I lived in British Columbia for 12 years and spent 15 years of my life working directly in the forest products industry so I know a little bit about it.

While there may be some mills affected in the hon. member's riding I am sure that is unfortunate and I empathize with him. However we just had a decision that the bonds will be coming back so they will be getting some money back soon. To say that those mills are shut down and taking down time strictly because of the 27.2% duty is an exaggeration.

I spoke this morning with the president of the Canadian Commercial Corporation who agreed with me that it is feasible. Yes, it is a logistical nightmare, but bigger projects have been bitten off. We must start thinking outside the box. If we do not we will be stuck in the same mud we have been stuck in for the last 15 years.

• (1535)

[*Translation*]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I have listened to the member opposite, especially when he said that, in his opinion, the risk of a WTO or NAFTA decision against Canada was minimal. He is almost sure that it would be in favour of Canada. He also admitted that there was a crisis that had to be solved in the meantime.

In the meantime, would he be in favour of government loan guarantees to be repaid, since we will be reimbursed if we win? There are not only big businesses, but also small businesses involved. I would point out to him that, since small businesses are not registered with EDC, we must find another way for them.

Mr. Roy Cullen: Mr. Speaker, I mentioned the risk, because I think we have to determine how the government can help the industry and its workers.

[*English*]

For example, the government could provide loan guarantees. My unsolicited advice would be to ensure that the chances of winning at the WTO and NAFTA are solid, which I think they are. It is a question of risk management. If we were to provide some facility through the Canadian Commercial Corporation, it would have to take on a certain element of risk. Personally, I believe the element of risk is slight. Taxpayers want to know that if this agency was providing this kind of support that at the end of the day we would be successful or there would be a high probability of being successful at the WTO and NAFTA.

I agree with the hon. member. We need to look beyond the large integrated companies. I too am worried about the independent sawmill operators. The big guys might be able to look after themselves, but we need to ensure the independent sawmill operators are covered as well.

[*Translation*]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, first, I would like to indicate that I will be sharing my time with my colleague from Mercier who, as our critic for foreign affairs, is particularly interested in today's debate. As far as I am concerned, I am taking part in this debate as the Bloc critic for industry, science and technology.

I have the curious and unpleasant feeling that this is a bit a déjà vu. We already had a debate in this House on what might happen if the U.S. were to decide to impose a tariff. A number of weeks ago, when we debated this issue, we felt like we were in a nightmare where someone was chasing us and, although we ran as hard as we could, we were not moving. We could not get away. When we wake up, we suddenly realize that we are being eaten alive. Not a nice feeling.

On countless occasions, we warned the government about what could happen and what finally did happen. Members will recall that this problem dates back many years. In fact, the dispute with the United States started to develop in the early 1980s. From negotiations to discussions to trade disputes, Canada finally accepted to sign an agreement with the United States in 1996, agreement from which it emerged as the loser. Let us be clear about that. Canada did emerge as the loser because, even though the agreement gave it guaranteed access to the American market for a certain percentage of its production, that access was less than the access it had without the agreement but with the constant threat that such access could be denied.

It decided to sign this agreement that was not in its favour but that did guarantee a certain access to the American market for a few years. As the agreement was nearing its expiry date, we kept warning the government about the danger of finding ourselves in a situation as bad if not worse than the one that prevailed before the agreement was signed in 1996. The government told us that it would make its views and expectations clearly known to the Americans. It wanted to return to full free trade as prescribed under NAFTA.

However, we always felt that the government was not as committed to this issue as we had a right to expect. The result is that the decision finally hit us. When the agreement expired, the international trade commission reserved judgment. Recently, it was announced that, as of May 23, 2002, a duty would be imposed on Canadian softwood lumber.

The decision made by the Americans will have a huge impact. We are talking about a 27.22% countervailing duty that will be imposed on softwood lumber from Quebec and Canada.

• (1540)

For Quebec only, this represents costs of about \$550 million. In the short term, the lumber industry may lose some 2,000 jobs in Quebec only.

Eventually, this number could reach 10,000 in an industry of about 40,000 workers.

Since April 4, we have witnessed an 11% decline in production in Quebec only. A dramatic situation is forthcoming. Like they say, there are no friends when doing business, and I believe we have here a very eloquent example of this. Immediately after the September 11 tragedy, the United States turned to their friends to ask them for their help in the fight against terrorism.

Without any hesitation, Canada stepped forward. Our country even went farther than other U.S. allies by sending troops to Afghanistan. We all know what happened recently when four soldiers from Canada and Quebec were killed, not by the Taliban or Al-Qaida terrorists but by a bomb mistakenly dropped from an American airplane.

Several days later, the American government finally got around to offering official apologies to Canada. Paraphrasing the president, and in so doing trying to correct a statement made by the president when he came to office, the secretary of state, Colin Powell, stated before a U.S. commission that the United States had no better ally than Canada.

Well, I think the United States have a funny way of treating its best ally.

In order to avoid implementing the restructuring plan proposed by the Bloc Québécois and having to take money from its own surplus which will supposedly exceed \$10 billion, the government said it would use existing dispute settlement mechanisms under NAFTA and the WTO.

What a spurious argument. Spurious indeed, because we have so many times used the dispute settlement mechanism under NAFTA and the WTO but the United States have completely ignored the result and took us back to square one.

It is as if we had all sat down around the table, agreed to the rules of the game of Monopoly, for example, and started playing. The Americans, however, whenever they think they are losing at Monopoly, decree that when they pass "Go", they collect not \$200 but \$400.

The rules of the game cannot be changed along the way. Right now we get the feeling that the Americans do tend to change the rules when the situation is not in their favour. So the government cannot hide behind existing dispute resolution mechanisms since, while it argues and makes brilliant presentations before dispute resolution bodies, men and women in Quebec and Canada will lose their job, sawmills will close, and the industry will be permanently affected.

Supply

We expect the government to do what it was elected to do. It must take the interests of the public into account in this situation and help businesses hard hit by the duties imposed by the Americans and workers facing the consequences.

• (1545)

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, my colleague opposite has accurately described the problem. What is the solution? How can we improve relations between Canadians and Americans?

I think the Americans are rejecting their friends and Canadians are their friends. I think there is a big problem.

Mr. Stéphane Bergeron: Mr. Speaker, I think my colleague has put his finger on the problem. Indeed, and I mentioned this in my speech, the United States sometimes behaves improperly when it comes to international trade, when it finds itself in a position of inferiority or weakness.

On the issue at hand, we cannot even talk about a position of weakness. In the United States, a strong lobby has been active on the softwood lumber issue and the Canadian and Quebec industry will be heavily penalized because of this.

Of course we may argue and discuss at length for hours and for days about ways to compel the Americans to comply with multilateral and bilateral trade rules. We may debate this tirelessly but in the meantime men and women are seriously in danger of losing their jobs. Businesses will face bankruptcy and closing.

What we expect from the government in the short term and even in the medium term, is not for it to discuss and think endlessly about ways to improve its relations with the United States. From a political viewpoint, these relations are excellent. We cannot have better ones. We are even considering putting our defence into its hands. We cannot imagine having better political relations with the United States. It is odd that these excellent political relations are not matched by greater openness on their part, on the economic level.

The government can do as it pleases and ponder the problem as long as it wants to but, we expect that in the short term it will consider the measures that might be taken to prevent workers from finding themselves in a very awkward position and to prevent businesses from having to close their doors. In this regard, the Bloc Québécois—my colleagues talked about this a lot this morning; in the past, we have talked about this a lot in the media and here in the House—has suggested a number of measures.

The government may have other measures in mind; it could include those suggested by the Bloc Québécois. But the government must take action. It cannot hide behind philosophical considerations concerning our trade relations with the United States, our most important trading partner. It must do something for the Canadian and Quebec softwood lumber industry.

Supply

• (1550)

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, I would like to thank my colleague from Verchères—Les-Patriotes for his kind words and congratulate him on his speech.

I am very pleased to speak on the Bloc Québécois motion which reads:

That, in the opinion of this House, the government should set up an assistance program for the softwood lumber industry and its workers, to support them in the face of the unjust decision by the American government to impose a 27.2% tariff on Canadian softwood lumber exports to the United States, the program to continue in effect until such time as this conflict has been resolved.

I join with my colleague in reminding the House that it is urgent that the government provide our businesses and our workers with the means to hang on while we challenge the decision made by the U.S.

Members on the government side and on this side agree that we stand a good chance of winning that challenge. But the real issue facing us is this: if that challenge takes too long, American companies and workers will have won. Therefore, we urge the government to look at effective ways to help businesses in Quebec and the rest of Canada to hang in there.

Not all businesses are large, diversified corporations that can rely more on one sector when another is struggling. We also have small sawmills. They are all caught up in this crisis that could bring about their demise. That is what is at stake here.

This is why, as a member representing the eastern part of Montreal, I feel the need to take part in this debate. We cannot say “This debate only concerns the regions. It has nothing to do with the urban population”. It is not true.

Why is it not true? Because at stake here is the survival of an important industry for the Quebec economy, and the Canadian economy, an industry that provides many jobs and where, year after year, businesspeople create employment opportunities and wealth.

When we say that countervailing duties will be 27.2%, this is huge. This means that, for Quebec alone, \$550 million will be taken from businesses this year and will not be used to pay workers.

For people who are listening, this is surely strange. Why is it that, all of a sudden, the Americans can impose duties of 27.2% on our lumber exports, when, in Quebec at least, we remember a certain debate on a free trade agreement, in which the government said “Free trade means there will no longer be duties on goods that are traded. The strength of businesses will be the productivity of workers”?

• (1555)

I happened to be in Washington with the Standing Committee on Foreign Affairs two months ago. We met with representatives from the American administration. I asked why it was the fourth time that Quebec and Canadian workers and businesses were going through this same tragedy. For many people, this is a tragedy. This is nonsense. Why is it that the United States do not understand that this is nonsense, and contrary to the spirit of free trade?

The answer that I was given—and I was glad to hear it as a parliamentarian—was that, in some regions, MPs and senators are influenced or under pressure by local industries that find that

Canadian lumber sells better, perhaps because of the weakness of the Canadian dollar. So, these local businesses, workers, and parliamentarians exert pressure, use the mechanisms available to them to try to delay the export, or prevent Quebec and Canadian lumber from being exported to the United States in the way it now is.

There is a reason why we have the support of consumers' associations in the U.S., and that is because they know they will be paying more for their houses with these countervailing duties.

I understood from the response given by administrators that even the American administration was very uncomfortable. It is aware that in its desire to extend free trade agreements to all of the Americas it is in an exceedingly bad position when, under the mechanisms included in the NAFTA, we who export our lumber to the United States quite legitimately and legally, are being challenged. There is more involved than just words. They are requiring, and can require that we pay countervailing duties of 27.2% until a final decision is reached.

Some time earlier, a colleague wondered what we could do. I will come back to this, but I want to talk more about the second solution.

The first solution is to arrange to get through this crisis and ensure that businesses and workers involved will be there when we win. We also think that we will win under the NAFTA and WTO recourse mechanisms, but we have to be there. Otherwise, we will not have won, we will have lost and will have demonstrated that the free trade agreement is not to be relied on. This is an extremely bad thing for many and it is more than a bad thing politically, because people are losing their jobs and businesses will close. That is the first point.

The Government of Canada must act. It is not enough for it to say “Ah, there are ways. Ah, there is employment insurance”—we know it is inadequate for such problems—“Ah, there is the former EDC, which we have rechristened Export Development Canada”.

We say to the government that certain measures are needed. Support measures have to be improved and additional and sufficient loan guarantees must be provided.

We must be more effective when dealing with American legislators than we are now. Relations between Canadian and American legislators are rare. On the foreign affairs committee, we even agreed, in meeting with Mexican parliamentarians, that we needed to develop closer ties and try to influence American legislators subsequently on other matters in addition to this one.

The stakes are high, and we must be ready and present when we win before the international tribunals.

Supply

•(1600)

[English]

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, as usual I primarily want to speak about my riding of Yukon. I will also give some details of HRDC programs related to softwood lumber.

As in all of the debates, I mostly want to talk to the Americans about my riding. Virtually all of the sawmills are closed now, even before the tariff that will be coming. I urge the Americans to see if they can find Yukon on their maps. It is right up there beside Alaska.

Yukon is so many hundreds of miles from them we could not possibly be a threat. It is a very rural area with only 30,000 people, with a lot of villages of between 500 and 1,000 people. How could we possibly be a threat to the great American empire? How could our sawmills be a threat to the Americans' great computerized sawmills and industry? It makes them look foolish that they would even consider putting a 27% tariff on our mills. A lot of the mills cannot open even without it. Look at the hostile environment, with temperatures of -30 degrees and -40 degrees. They have to pay heating costs, transportation costs and extra costs of living.

A recent consultant study of our industry suggested how important it would be even to eke out a little viability for our industry, a lot of which is white spruce. If the Americans find Yukon on their maps, they can consider how far we are from their markets and how improbable a threat we are.

I want to talk about some of the programs we have put in place. The Government of Canada recognizes that onerous tariffs imposed by the United States have the potential to create dislocation in the lives of individuals, their families and whole communities that depend upon the viability of the softwood lumber industry.

There is no question we face a serious and complex challenge, but we will confront it and solve it together. The federal, provincial and territorial governments as well as community leaders and industry all have a role in developing the solution. That is why I am pleased to speak to the motion by the hon. member for Joliette and explain to Canadians how we are responding to workers and communities caught in this difficult situation.

First and foremost we must remember that the employment insurance program applies everywhere in Canada. It has been specifically designed to respond to the changing levels of unemployment in any given region. Should the unemployment rate increase in a particular region, it becomes easier for workers to qualify for the benefits and the benefit period is extended.

We recognize that to suddenly lose a job as a result of circumstances beyond one's control can be very difficult. It can be a very traumatic experience to the wage earner and everyone in the family. The last thing Canadians need in a situation like that is a lengthy and complex process before they can receive the benefits they need and deserve. That is why HRDC will take a proactive approach to assist the affected individuals in each and every community with fast and efficient processing of claims.

Local officials will travel to workplaces to help displaced workers with their claims. To further speed up the process, we will work with employers to make use of automated payroll information where

available. We will also ensure that we make full use of the flexibility of work sharing provisions under employment insurance which allows employers to shorten work weeks and reduce costs while employees receive income benefits to help cover the shortfall.

Past examples show that these approaches work and make a real difference. Last fall when significant layoffs occurred in Canada's airline, tourism and high tech sectors, we used precisely these approaches to great effect. While income assistance under employment insurance is a vital, immediate response to the needs of displaced softwood workers, it is only a part of what we need to do and what we will do. Sometimes workers need services that help them find work, such as skills development programs, career counselling, job search skills, assistance in preparing resumes and a variety of other services.

•(1605)

In the case of Quebec, in 1997 the province opted for a transfer agreement. It was given responsibility for designing and delivering its own active employment insurance measures. The Government of Canada increased the funding made available to Quebec from \$457 million in 1997 to nearly \$600 million this year to assist unemployed workers.

Workers in British Columbia can also obtain these services under the auspices of the co-managed labour market development agreement between the Government of Canada and the Government of British Columbia. Over the last five years the value of the LMDA has increased by over 40% to \$289 million this year, despite the fact that unemployment decreased over that time period.

This is a significant pool of resources upon which to draw. The joint federal-provincial management committee that oversees the LMDA has already identified the softwood sector as a priority for investment. We look forward to successful collaboration on this front.

As the Government of Canada indicated at the softwood summit on April 29, \$13 million will be made available to help softwood lumber workers in British Columbia with the type of supports and services I just mentioned. I should add that the collaboration between the governments of Canada and B.C. will not stop at the LMDA itself. Our officials will work together to match clients with other federal, provincial or territorial programs drawing on our full range of tools and supports for displaced workers.

Supply

We will work with communities anywhere in Canada that are affected by these punitive tariffs because this trade dispute not only impacts companies, individual workers and their families, but whole communities as well. Many communities, particularly those in rural and remote areas, are heavily dependent on the softwood lumber industry for their economic and social well-being. That is why HRDC efforts will have a very clear community focus.

As a first step HRDC is already strengthening its capacity to track EI claims in the softwood sector so we have an ongoing accurate assessment of the extent of the dislocation and its impact on these communities.

Second, we will work with other departments, specifically Natural Resources Canada, Industry Canada and western diversification to do some community mapping. Specifically this will involve getting a detailed sense of the communities most likely to be affected and the degree of severity of the expected impact on any given community, given its level of dependence on the softwood industry.

Finally, just as we will work together to gain a fuller sense of the challenges we face, so too will we work jointly in the community as we respond, maximizing the integration and co-ordination of our efforts.

As we move forward, the key question is whether our existing tools, employment insurance income benefits and active measures are enough. It is important to recognize that we face a complex and dynamic situation. For example, even the United States has plans to impose duties. The U.S. housing market is booming. Given such cost cutting pressures, it will be a real challenge to gain a full sense of the potential impact.

We also need to consider broader issues including the state of the labour market in general and the softwood sector in particular, as well as broader questions of community and economic diversification. The key will be for us to work across federal government departments and with territorial and provincial governments as well as with community and industry leaders at the local level. By combining our experience and building on our partnerships we can better appreciate the nature of dislocations, make better use of the tools at our disposal and if needed, examine other potential avenues.

It can be seen that we are there in the communities across Canada, ready and willing to help as the need arises. I would like to thank the hon. member for moving the motion. I would like to say to those Americans who did not hear me the last several times, that the poor people in America, the people who cannot have houses, really do not need to suffer for a few industries to have increased prices put upon them by some local interest groups.

To some extent everyone in the House is passionate on this issue. We have to wage the battle. The Americans have to wage this battle, those who are losing out, those who have to pay the high prices for lumber. I hope we can all work together to solve the problem and in the meantime alleviate the problems of the workers.

• (1610)

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Speaker, it was interesting to listen to the member's comments which went round and round in a self-serving way. There

was a bit of a diatribe and rant on the darn old Americans who dare to implement these types of things.

The problem I have with that is it was a five year agreement. Five years ago we knew this was going to come to a head, that something had to be done. Guess what happened? Nothing. Guess who did not do it? It was his government.

For the member to say that the Americans are terrible for implementing this and so on, I find a little hard to take. He talked about the symptoms but not about the cause.

The cause is that nobody got off their duff here in Ottawa and took to heart that the agreement had to be renewed in five years. Two years ago it was pointed out again and again by members of all the opposition parties that the government had better negotiate with the Americans. It did not happen. Now we hear that type of speech by the member. Why did he not have that speech two years ago? Why did he not press his government to come to grips with this issue then?

Mr. Larry Bagnell: Mr. Speaker, that is exactly the lack of solutions opposition members have been offering for the last few years. They know we have been negotiating. If they would like to offer something positive, I will answer it.

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I listened carefully to the speech made by our government colleague. It is true that everyone, including the industry, the workers, the provinces and the opposition, supported the government when it negotiated with the Americans.

Yes, the U.S. government did use protectionism against Canada with regard to softwood lumber. The member knows that the Bloc Québécois would like his government to take active measures to help the companies, the industry and the workers.

I would like to know if my colleague from the Liberal Party agrees with the concrete measures proposed by the Bloc Québécois to help the industry and its workers.

[*English*]

Mr. Larry Bagnell: Mr. Speaker, I thank my hon. colleague for her question and also for the debate. Bloc members have brought forth the debate and have presented their material in a very positive light. Unlike the question that prompted my last answer, they have actually presented positive solutions. I have read the solutions.

More than half of my speech probably covered a number of the programs and solutions that we presented. The Bloc has offered even more solutions. I definitely think the government should look at them one by one.

I have a concern about some of the solutions. We cannot treat unemployed workers differently or prejudice other unemployed workers just because this issue is a debate in the House of Commons or is in the national press. Lots of people have the same devastating consequences of unemployment. We hope whatever solutions we come to will help those people equally as much as possible in the sectors where it is needed. I definitely agree we should review the solutions that the member's party has proposed.

Supply

•(1615)

Mr. Brian Fitzpatrick (Prince Albert, Canadian Alliance): Mr. Speaker, in speaking to folks involved in the industry and trying to figure out the real problems behind this sort of dispute, a message that comes back to me is that the NAFTA really is not a free trade agreement. It is not working. The dispute settlement mechanism contained in it is not an effective mechanism for dealing with disputes, and so on.

That being the case, I pose a question to my colleague on this front. Is the government considering opening up the whole North American Free Trade Agreement and renegotiating it so we can get a true free trade agreement with some effective mechanisms?

Mr. Larry Bagnell: Mr. Speaker, I thank the member for raising that issue. It gives me a chance explain to those who might not understand when people suggest that the NAFTA might be causing these problems.

I do not think they understand how many more problems very similar to this we would have without a free trade agreement. The U. S. could do this unilaterally all the time and we would have all sorts of protectionism against our products.

Obviously in this situation, as the member has said, the NAFTA has not worked because there are sovereignty trade issues in both countries. Each country has the ability to offer programs of its own to protect its own businesses and maybe that is not appropriate. I think the minister would be happy to look at proposals the opposition has relating to fixing that up.

[*Translation*]

Mr. Claude Duplain (Portneuf, Lib.): Mr. Speaker, I am pleased to address the House today and to have the opportunity to report the latest developments in the dispute that our government has taken before the WTO and the NAFTA panel to defend the softwood lumber industry.

We all know that the decision made by the United States is unjustified and unfairly punitive. Not only does this duty add \$1,500 U.S. to the cost of a new house in the United States, which affects one of the few dynamic sectors of the otherwise lethargic U.S. economy, but it also exacerbates the economic difficulties that many regions in our country are facing right now. Sawmills have already had to shut down, and reports indicate that 22,000 workers have been laid off and that others could follow.

Ironically the softwood lumber production in the United States is not sufficient to meet the demand of the U.S. building sector. This means that, as the imposition of a countervailing duty reduces the supply of Canadian softwood lumber, American buyers will have to turn to other sources. We have already seen rapid increases in exports to the United States from third countries since the Americans have initiated their trade action.

We also know that the U.S. industry has made the same allegations of subsidies in the past, but it was never able to prove its claims conclusively. We all know that this dispute is the result of U.S. protectionism and that the case of the U.S. industry against our softwood lumber producers is weak.

In the latest case, which was settled in 1994, Canada appealed allegations of subsidies before a binational FTA panel and won. Following our successful challenge, the U.S. department of commerce accepted the panel's findings to the effect that provincial stumpage fees and lumber export controls were not countervailable subsidies, and it paid back over \$1 billion, for countervailing duties that were improperly collected.

Despite this and the fact that stumpage rights have since been increased in Canada, we find ourselves faced with the exact same allegations. Once again, in close co-operation with the provincial and territorial governments, and with our industry, we are challenging these unfounded allegations.

This fight is being conducted before both the WTO and NAFTA. Allow me to first explain our representations before the WTO.

Our first representations to the WTO were made over a year and a half ago, when we challenged the claim by the United States that the monitoring of our lumber exports was a subsidy.

In June of last year, a WTO panel concluded that a restriction on exports, such as our lumber export controls, did not result in a financial contribution and could therefore not be a countervailable subsidy. This finding weakened the U.S. position and confirmed our lumber export monitoring program.

The second time we went before the WTO, we challenged a section of a U.S. act, on the grounds that it was incompatible with the obligations of the United States towards the WTO. The section in dispute precludes the repayment of certain countervailing and anti-dumping duties, should the WTO dispute settlement panel conclude that the initial decision to impose such duties was incompatible with the obligations of the United States under an international treaty. This challenge is already well underway and the final report is expected by the end of June.

A victory will give back to our industry the countervailing duties collected when, yet again, we successfully challenge the specious U. S. allegations made during the most recent investigation.

Third, we are also challenging the U.S. preliminary determination of subsidies, which led to the imposition of improper and unfair countervailing duties on our softwood lumber exports to the United States.

We contended that the U.S. department of commerce had violated the rules of international trade in its efforts to demonstrate at any cost that our softwood lumber exports were being subsidized.

In arriving at its conclusion, the U.S. Department of Commerce made many errors of law. In particular, the department mistakenly based its analysis on the conditions in the American market rather than those in the Canadian market.

•(1620)

Its analysis is completely incorrect and we are making this case to the WTO.

Supply

In the meantime, Canada is laying the groundwork for a fourth challenge to the WTO, this time regarding the final determination of subsidies.

On Friday, Canada filed its request for consultations on the final determination, and we expect the consultations to take place within 30 days. We then intend to formally challenge this American determination with the WTO.

Canada has also challenged the unfounded determinations of dumping. The last such determination, dated March 22, 2002, established a general rate of dumping of 8.6% for Canadian companies which had not been specifically investigated. Companies that had been investigated received individual dumping rates. The final determination of dumping, as well as the preliminary determination which preceded it, are both profoundly distorted.

On April 5, 2002, Canada held consultations with the United States in order to discuss the preliminary determination of dumping. Because this determination has now been replaced by the final determination, we are examining the latter for incompatibilities with WTO principles. To that end, we have corresponded with each of the six Canadian companies being studied by the Department of Commerce in its investigation in order to get their version. When we have received their observations, we intend to make a request for consultation on anti-dumping measures and to then file a formal challenge with the WTO.

Finally, there are two other challenges before the WTO which, although they do not arise from errors in the determination of subsidies and dumping by the Department of Commerce, nonetheless affect the softwood lumber industry. I am referring to the Byrd amendment, which requires that U.S. customs transfer to affected American producers the countervailing duties collected pursuant to a countervailing or anti-dumping duty order.

This is clearly incompatible with WTO principles and incites the U.S. industry to make and pursue claims against all types of imports, including those of Canadian softwood lumber producers.

Canada, in conjunction with the European Union, Japan and several other countries, is presently challenging this American measure, and a final report from the WTO panel is expected for the middle of this summer. Canada is also using the NAFTA framework to challenge unfair allegations by the United States.

On April 2, 2002, Canada filed a request for reviewing the American subsidy and dumping notices. We then lodged a formal complaint with the NAFTA panel that is examining the final determination of the subsidy. Other parties, such as provincial governments and industrial associations, have included Canada's claims in the complaints that they have filed. Submissions will be filed at the beginning of August and we are expecting a decision as soon as February 2003.

Finally, I believe it is worthwhile noting that Tembec, Doman and Canfor have all filed challenges under chapter 11 of NAFTA against the United States about the current dispute. These challenges all suggest that American disregard for fair and free trade principles enshrined in NAFTA boils down to forcing adversely affected businesses out of their market.

That Canadian businesses should be prepared to take such an approach shows that the federal and provincial governments, as well as the industry, are all committed to working closely together to fight the unfair American measures.

Our ultimate goal is free trade for softwood lumber without any threat of harassment. We will continue to work toward that goal and we will make the best use possible of existing and future legal proceedings to reach it.

• (1625)

[*English*]

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, I have a question for the member. I had also hoped to ask the member for Yukon the same question as he was looking for suggestions.

I would like to remind the member and the House that during the last five years a number of suggestions to better prepare ourselves to avert a problem in the softwood lumber have been put forward. It started quite some time ago. Suggestions came from the official opposition, the Bloc and the Conservative Party but they have not been heard.

We heard some good suggestions from the leader of the official opposition today which would offer immediate help, such getting people on employment insurance and ensuring that they did not have to wait 13 weeks for a paycheque to survive from day to day. Thousands of people have been laid off and they are hurting badly.

These suggestions are falling on deaf ears and have been for five years.

I have talked to some people in the industry and to some elected people in my province. We have come to the conclusion that there are some things we can do, so I will make the suggestions. I do not know what the member can do about it but perhaps he can help.

The trade minister should resign for his failure to do what he should have done. The minister responsible for the wheat board, the minister of agriculture and the industry minister had better stop, pull in their horns and resign before they get us into more trouble with the United States on these negotiations. Or do we have to wait until an election when hopefully these guys will be thrown out of office?

[*Translation*]

Mr. Claude Duplain: Mr. Speaker, from what the opposition is saying, everybody should resign and we should call an election tomorrow. I do not think that the suggestions made by the opposition will help us solve all the problems. It is a very special situation, and I agree that we need to have the discussion that we are having today on the softwood lumber issue.

The riding of Portneuf will surely be severely affected by these duties. We are being told to act quickly. Emergency measures are being taken, and we also have the employment insurance plan. But what we need to do, and fast, is to sit down and find a long term solution. That does not happen overnight.

Supply

The consultations that have taken place so far dealt with the situation before the decision regarding the imposition of countervailing duties was announced. Now the situation has changed somewhat, and we must work together to find a better solution, and that is exactly what the government and the minister are doing right now, very calmly and very sensibly.

• (1630)

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I was very surprised by the speech made by the member for Portneuf, who went over all the previous negotiations.

I am not sure if he has read the Bloc motion which says:

That, in the opinion of this House, the government should set up an assistance program for the softwood lumber industry and its workers, to support them in the face of the unjust decision by the American government to impose a 27.2% tariff on Canadian softwood lumber exports to the United States, the program to continue in effect until such time as this conflict has been resolved.

I would like to know what immediate action has been taken, besides the changes the government members told us they made to employment insurance.

Everyone in the lumber industry, the provincial governments and the business community is asking the government to take immediate action to ensure that businesses do not close down. Therefore, I would like the member for Portneuf to answer the question.

Mr. Claude Duplain: Mr. Speaker, the difference between the government and the opposition is that there is a problem, and members on the other side are demanding immediate action.

I would like to ask the member what she did during her lunch break. I had lunch with people from the lumber industry and, today, I made phone calls to six sawmills in order to talk directly to these people and to find that how their sawmills were doing and how many jobs they had lost.

I would like the member to tell us how many sawmills she called today. I know I made some phone calls and I know a lot of members did the same today. Day after day, the minister works hard to find solutions, and these are some of the things we are doing right now to try to co-operate with everyone and find solutions.

[English]

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am very pleased to respond today to the motion put forward by the hon. member for Joliette that the Government of Canada should set up an assistance program to support our Canadian softwood lumber industry and its workers until our trade dispute with the United States is resolved.

We all know that resolving the softwood lumber dispute is and has been a top priority for the Minister for International Trade and for the Government of Canada. The livelihoods of many Canadians and their communities depend on this very important industry. In my own riding of Halifax West there are two sawmills, so I have great concerns about this matter and great concerns about the impact of this dispute and the impact of these tariffs and countervail duties imposed by the Americans.

In this dispute, the fourth in the past 20 years, the Canada-U.S. softwood lumber trade relationship regrettably has been one of

conflict and litigation. It has become evident that there are some hardline interests in the U.S. that want to continue dealing with this issue as they have in the past and do not want to make any real progress or have free trade in softwood lumber.

Before going on, I want to mention that the Government of Canada's appreciation for the support and co-operation shown by the provincial governments and by their ministers responsible for trade in forestry matters is real. We also want to give our thanks to industry for its support in this very difficult time. The united front shown by our team Canada approach in defence of recent unfounded U.S. softwood lumber decisions is the only way we can proceed in challenging the U.S. trade action.

Today I want to focus my comments on six key things: Canada's response to U.S. decisions affecting our industry; the status of negotiations with the United States; our challenges at the World Trade Organization and under the North American Free Trade Agreement; the need to assist our workers and communities; Canada's advocacy efforts with the United States; and our next steps.

Before I go on I want to read, if I may, a section of this morning's editorial page of the Halifax *Chronicle-Herald*. It states:

As America's largest trading partner, Canada has an obvious interest in having a free trader in the White House. True, no president has ever halted U.S. protectionism in its tracks.

True enough, Mr. Speaker. The statement continued:

But the presidency, for all its political trimming, is still the best counterweight available against a U.S. Congress that is always ready to rewrite trade rules to protect local interests and against an International Trade Commission (ITC) that is a reliable poodle of U.S. business in applying those frequently rewritten rules.

I think that members here will firmly agree with the sentiments expressed today in the Halifax *Chronicle-Herald* and I think the evidence agrees with those sentiments as well.

Last Thursday, the United States International Trade Commission found that Canadian softwood lumber exports posed a threat of injury to U.S. lumber producers. This decision applies to both the countervailing and anti-dumping investigations. With the determination that our industry is merely posing a threat to U.S. producers and not materially injuring them, all bonds that have been posted by our industry should be cancelled and cash deposits made prior to May 16 should be returned by the U.S. customs service. We can look forward to that. It is obviously going to be of some help to the industry to have those cash deposits back.

Effectively, the U.S. ITC decision eliminates over \$760 million Canadian in duty liabilities being carried by Canadian lumber producers. Regrettably, as a result of this decision, cash deposits representing the 27% U.S. duties will have to be posted on or about May 23, 2002, after the department of commerce publishes its final order. This ITC decision was not unexpected given the protectionist nature of other recent U.S. softwood lumber decisions, but that does not make it any less damaging. I speak about the fact that we have had this ongoing problem, these ongoing concerns, this ongoing litigation and these ongoing challenges with this process, with our lumber industry, with Canada-U.S. trade.

Supply

•(1635)

It seems to me that part of this has to do with the fact that every two years there are U.S. congressional elections for the house of representatives. It seems that whenever we get close to election time the house of representatives anxiously looks for ways to promote narrow short term interests rather than taking the long term view of having good relations and good free trade on a broad range of issues between our countries, including softwood lumber. Canada will conduct an immediate review regarding possible challenges of the May 2 U.S. ITC decision as soon as the commission provides its written report, which is expected on May 16, not far away.

U.S. protectionism has again unfortunately taken control of U.S. decision making bodies. How, I ask, can Canadian industry “threaten U.S. industry” given the stable Canadian share of the U.S. market, the strong U.S. lumber market and U.S. industry profitability? How can that be?

The final decision on the U.S. ITC does not change our course of action, a course of action developed over a long period of time. While I will speak about this in greater detail, we will continue to challenge U.S. actions at the WTO and under NAFTA. Our case is solid. We are confident that we will prevail, and I will speak more about this.

A little over one month ago in Washington, the Minister for International Trade, his provincial ministerial colleagues from B.C. and Quebec, officials from all provinces, representatives from 11 industry associations, and over 60 company representatives worked to secure an agreement that would serve Canadian industry. Canada's negotiations with the U.S. followed eight months of discussions to try to secure a durable softwood lumber agreement. It is not as if, as we hear from the opposition, the government just started working on this yesterday. It has been a long period of time. There has been a lot of preparation. There has been a lot of concern about this for a long period of time.

It seems clear to me that in spite of all the negotiations and all the efforts there did not seem to be a willingness on the U.S. side to hear what we had to say, to hear our arguments and to recognize that in fact these are unfair actions and unfounded allegations. There seemed to be a determination to impose these duties and to try to benefit domestic producers in the U.S. despite the fact that these were unfounded allegations. That is a real concern.

The Government of Canada, the provinces, the territories and the industry spared no effort. Canada's negotiating team worked tirelessly to get an agreement that worked for us and, yes, even worked for the United States and addressed its concerns. We put forward a serious, solid proposal, but the U.S. rejected it. I do not believe it was interested in a proposal, as I said a moment ago. The provinces, with the support of industry, tabled substantial proposals that addressed U.S. concerns about market distorting policies and pricing systems. The proposals put forward went to the heart of the accusations that the U.S. industry has brought forward over the past 15 years.

While we were disappointed that our fair and reasonable offer did not form the basis of a solution to this longstanding trade dispute, it became clear that U.S. industry was not interested in true policy

changes but only in making sure that lumber prices went higher and that Canadian producers would be restricted from the marketplace. Regrettably, the U.S. government did not push back on its industry in spite of the damage this does to U.S. consumers and to the U.S. economy.

While the Government of Canada remains open to pursuing good faith negotiations leading to a long term solution, I believe the United States government must demonstrate a willingness to re-engage on a basis that is mutually acceptable to both parties. The U.S. position regarding resuming negotiations does not appear to have changed.

We are continuing to challenge the U.S. trade actions in all legal venues open to us. Canada is vigorously defending the interests of our softwood lumber industry. Last Friday, as part of our defence, Canada launched another WTO challenge concerning the flawed U.S. final subsidy determination and its imposition of countervailing duties on Canadian producers. This complements our other challenges of U.S. softwood lumber decisions. Let us look at those challenges and the actions that the government has taken on this issue.

•(1640)

Our actions include: a NAFTA challenge of the U.S. final subsidy determination; a NAFTA challenge of the U.S. final dumping determination by Canadian industry; a WTO challenge of U.S. duty deposits policy; a WTO challenge of the U.S. preliminary subsidy determination; and a WTO challenge of the Byrd amendment, the amendment in regard to U.S. customs authorities distributing duties to U.S. producers. Canada will also conduct a review regarding a possible challenge of the ITC's final injury determination under chapter 19 of NAFTA as soon as we see the reasons for the ITC decision, which, as I have said, we expect to see on May 16. Last, federal, provincial and ministry counsel are at work drafting our NAFTA complaints, in both the subsidy and the dumping final determinations.

The Canadian government is taking every action possible in every legal venue available to defend the interests of Canada's softwood lumber industry. We are defending Canadian industry and defending it with every tool that we have available. We will continue this effort as long as needed.

[*Translation*]

The Government of Canada is extremely sensitive to the effects of the American duties on the Canadian industry. I am aware of the burden weighing on communities and workers involved with softwood lumber and their families. I am aware of the job losses and plant closures.

I would like to mention that the Government of Canada is looking at all the options available to it to help those in need. We will work closely with the provinces to assess the effects of these unfair duties on Canadian workers and the community in Canada. A number of programs exist to help workers and communities get through difficult periods.

The Minister for International Trade has also said, however, that we cannot rush in this regard, because sometimes there are needs that go beyond the scope of existing programs. We are looking at the situation with an open mind.

We are looking to see whether existing social protection will provide enough help to displaced workers and to communities, or whether other possible options will have to be considered. Some wonder why the Government of Canada does not wait until it has won its case before the WTO and in the context of the NAFTA before paying the 29% duties. Together with industry, we will take the necessary steps, but this option carries with it the risk that the U.S. will double the duty immediately. The States can always impose trade measures. We are taking this eventuality into account in our examination. That matter aside, I can guarantee that we are looking at all the possibilities.

Canada has put a lot of effort into defending its interests. Our Prime Minister raised the matter with President Bush, and the Minister for International Trade did the same thing with his American counterparts.

Our ambassador actively took further steps with the U.S. congress. The consuls general did likewise with representatives and local media. Canadian parliamentary all-party delegations travelled to Washington on many occasions.

We have recently started seeing editorials in the American media critical of U.S. trade measures and American protectionism. Our American allies, connected with housing construction and softwood lumber consumption, also fought for free trade. Although it will certainly not be easy to change American political opinion, we will continue to make ourselves heard.

We will continue to take the Team Canada approach. We, the Government of Canada and the provinces, must remain firmly committed throughout this process to finding a solution that is beneficial to all.

● (1645)

[English]

We have gone far. We face a grave problem for our country, not just one province but all provinces coast to coast. This is having a real impact and we still have a long way to go.

We have followed the team Canada approach. We have had the support of all provinces and the industry for our two-track strategy over the past number of years of negotiating and litigating. That has been the policy and the strategy of which all the provinces and the industry have been supportive and to which they have agreed.

We are exploring all options for workers and lumber dependent communities. That is important to all of us. I do not think there is anyone in the Chamber who does not take seriously the impact on

Supply

people and families of having mills close down, and the impact that joblessness has in so many ways on families and our communities.

We are all cognizant of those factors and impacts. We are all concerned and it is important that we remain concerned, that we remain seized with and focused on this issue. The government is focused on this issue and will remain so. We are challenging U.S. decisions at the WTO and under the NAFTA and will continue to defend the interests of Canadian industry.

We have gone through a great deal of effort which continues. We have taken many steps. This is not a Johnny-come-lately approach to this matter. The government has been seized with it for a long time, but it is clear that despite the best efforts of members on all sides of the House, officials of the department of international trade, ministers, and the Prime Minister himself in speaking to President Bush, there has not been a willingness on the U.S. side to hear what we have to say.

Therefore once actions are taken by the U.S. and we have a basis for it, we must begin our litigation at the WTO and under the NAFTA, where I believe we will be successful. Those are important approaches.

At the same time we must look at what is happening in the communities that are affected. The government is looking at that. We are aware that the EI system will be helpful but it is important to look at other approaches and look at what the impact will be in reality on individuals and their families. The government is going to do that.

I mentioned earlier that I have two lumber mills in my riding of Halifax West: Barrett Lumber Co. Ltd. and Hefler Forest Products Ltd. They are both longstanding employers in our community doing important, valuable work in employing people for many years. I have had occasion to talk to people in the industry in my area on a regular basis over the past number of months, particularly Mr. Keith Barrett, who is representing the industry for Nova Scotia. We have had many conversations about this issue, about the importance of following it, and of maintaining a unified national approach to the issue. We have had an excellent, co-operative dialogue and I hope that will continue.

This is a concern that does not just touch British Columbia or Quebec. It is one that touches my province of Nova Scotia too. I am pleased to see that the government is taking it seriously. I urge the ministers to keep doing that. I know they will. I trust that members opposite will recognize how complex and difficult this issue is, take responsible positions and recognize the realities we face. Let us find ways to work together, to co-operate, and to have supportive, unified efforts to fight this battle.

● (1650)

Mr. Grant McNally (Dewdney—Alouette, Canadian Alliance): Mr. Speaker, I have some news for my friend on the Liberal side. He said this was a complex issue and indeed it is. That is why there was a five year period from the time the agreement was signed in 1996 until it expired fourteen months ago in 2001. I mentioned earlier in the House today that the government could have come up with some kind of interim measures during this time period.

Supply

We appreciate the fact the government is taking a tough stance. We too want to see free trade enacted. In the meantime however there are lots of independent operators who are suffering. I have many of them in my own riding. There are remanufacturers in my riding who will likely not survive this interim period of 18 months to three years that it will take to get the litigation through at the WTO. In the meantime, these people will likely lose their jobs.

Individuals at CW Technologies in my riding were not amused with the minister's comments indicating that there had been no loss of jobs. Some 50 to 60 jobs from 115 jobs were lost with the expiration of the softwood lumber agreement. This was not due to inadequacies at the mill or the remanufacturing plant, but a direct result of not getting the product into the U.S.

Does my colleague on the government side agree that the government could lay out some specific measures for this interim period for those being hurt the most, whether it be in my riding of Dewdney—Alouette in British Columbia or any other riding in any other province across the country? Does my colleague agree that the measures suggested by the government simply do not go far enough?

Mr. Geoff Regan: Mr. Speaker, the government has been following this issue over the past five years. It has been a preoccupation and a concern of the government throughout that period.

We have an employment insurance system available to people who are out of work. I am anxious to see that it works quickly and effectively. At the same time the government is looking at the situation and looking at what other alternatives or other programs are needed in this case.

The government has followed the agreement with the support of the provinces and industry. Our strategy has been one of a unified approach across the country on two fronts: negotiating with the Americans and trying to find a solution.

On one front there was some hope a solution would be found, but it appears now that the Americans were not interested in negotiating and were not interested in hearing our discussions. On the other front was litigation. The government is defending the interest of Canadians and Canadian industry in many ways.

• (1655)

Mr. Joe Comuzzi (Thunder Bay—Superior North, Lib.): Mr. Speaker, I appreciate the opportunity to respond to my colleague from Halifax West in his chronology of events leading up to the situation we are in today and the efforts to resolve if that the government is trying.

Today is an opposition day and the Bloc has chosen to talk about softwood lumber. This is not about softwood lumber in the same way as the issue was not Prince Edward Island potatoes a year ago or hot house tomatoes from British Columbia ten months ago or the steel issue that happened three months ago and was basically resolved. The issue of agricultural products will make the softwood lumber dispute pale in comparison if we allow the Americans to subsidize their agricultural products as they anticipate doing in the coming months. Those are the issues.

What all parties in the House of Commons should be talking about today is a new dispute resolution mechanism to resolve disputes that

come from the United States. During an election process in the United States the dispute resolution system fails to work. What does the member suggest we do to find a new dispute resolution mechanism that is not politicized by the system in the United States? How do we find a system that will be ongoing, fair and equitable to all parties in the House and to all citizens, both in Canada and the United States? I submit that is what we should be doing.

Mr. Geoff Regan: Mr. Speaker, I thank my hon. colleague for making a constructive suggestion. We have had some of those today but not as many as we would have liked. All of us in the House recognize that we need to bring a responsible approach to this issue. We need to talk about it seriously to find constructive ways, not irresponsible ways, to overcome these problems.

The suggestion of a new dispute resolution mechanism is a good one. The existing mechanism does not work as it should in this case. It requires a will on both sides to have a mechanism that works. The one already existing in NAFTA is not satisfactory. I hope we and the American government can find the will to work out a new mechanism, one that works for both sides and one that carries into practice what the American administration and congress tend to advocate, which is free trade. Let us have free trade. If we are for free trade, we cannot be for it in some things and not in others. Let us have it in lumber and agricultural products. The member has a very good suggestion and I look forward to others.

• (1700)

[*Translation*]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I hear the member talk about mechanisms for medium and long term measures. What we need today is very short term measures. Businesses are in jeopardy right now, and it will be worse after May 23.

We hear the Prime Minister and government members say that what is needed to deal with the situation is already there in existing programs. If the government has what it needs, if everything is planned, what is it waiting for to announce what it can do and what it intends to do?

Apparently, it is not really the case. That is why the Bloc Québécois has proposed specific measures. I am speaking on behalf of small businesses that cannot turn to Canada Economic Development. They need a short term guaranteed loan program. Does such a program exist for small businesses? Yes or no? If there is no such program, what is the government waiting for to set one up?

[*English*]

Mr. Geoff Regan: Mr. Speaker, the hon. member suggested this is a short term problem but if we in fact reflect we have had this dispute going on for the past 20 years. It is not really a short term problem in that sense. It is an ongoing problem. We are hopeful that the current dispute and tariffs will be a short term or at least medium term problem; the shorter the better obviously.

The member talks about the impact on lumber producers and on mills in his riding and elsewhere. I remind him that we can expect that those mills and producers will be receiving the return of their cash deposits, and that should provide some assistance, at least in the immediate term. Meanwhile the government is looking at other measures and I am sure it will be taking those concerns seriously. However, the primary effort is to negotiate with the Americans and take those strong efforts I mentioned in litigating at the WTO and under NAFTA.

[Translation]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Madam Speaker, I have a short question for the member. I want to tell him that exceptional situations call for exceptional measures.

We are facing an exceptional situation. I want to know what exceptional measures his government intends to take immediately to deal with this situation.

[English]

Mr. Geoff Regan: Madam Speaker, I would say that I hear the question but I do not hear any answer. It is important that the member put forward some proposals in that regard. We have heard a suggestion today, for example, from my colleague from Thunder Bay, but I do not hear any from this member. I hope we will hear some.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Madam Speaker, I am very pleased to rise and speak to this debate brought forward today by the Bloc Québécois. I would like to reread the motion. It states:

That, in the opinion of this House, the government should set up an assistance program for the softwood lumber industry and its workers, to support them in the face of the unjust decision made by the American government to impose a 27.2% tariff on Canadian softwood lumber exports to the United States, the program to continue in effect until such time as this conflict has been resolved.

I would like to say to the Liberal member who spoke before me that we moved this motion because the Bloc Québécois made a proposal to the government a few weeks ago already to establish programs to assist businesses, loan guarantee programs, ways to ensure that our businesses in the softwood lumber sector would be well prepared to weather this period that lays ahead, which could last several years and which will be very hard on these businesses.

We made real proposals. It would have been nice for the member to be aware of this situation. This recommendation for workers was made public. We referred to using the government's reserves for training programs, among other ideas. The member is aware that through the employment insurance fund, the government transfers money to the provinces for workforce training. However, it has set aside \$700 million in reserves that have not been used and that could be used properly.

This morning there was a press conference with workers and their representatives. They told us "This money needs to be invested in the industry right away in order to develop secondary and tertiary processing. From the plant workers, we can select those who have the ability to develop their skills in these areas of activity, and give them a chance to launch businesses immediately to diversify the

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product". Once softwood lumber has been processed, it can no longer be hit by the tariffs. In that sense, it is an interesting option.

There is also the question of dealing with the crisis triggered by the imposition of the tariff after the end of May. This fall, a number of people in my riding and in several municipalities will be dealing with the softwood lumber situation. Whether at Dégelis, Squatteck, Saint-Eusèbe, Packington, the entire Témiscouata region, as well as Kamouraska, there is considerable dependency on the forests. Today, all these people are very worried about their future.

The statement made Friday by the Minister for International Trade had considerable impact on the people in our region. Although not necessarily sovereignists or anti-Liberal, they were very surprised to hear the Minister for International Trade state that, so far, there have not really been any consequences and that the government will wait until there are some.

In our region, people know that they were laid off last fall a month earlier than expected. They know that next fall it is very likely that they will be laid off a whole lot earlier. This being the case, it was not only the workers who reacted to the statement by the Minister for International Trade. So did the business people, Guildo Deschênes of Groupe GDS among them. He is a big man in Quebec industry, with mills in the Témiscouata area and in the Gaspé as well, lumber mills. According to him, the minister's statement was irresponsible.

I think the Minister for International Trade needs to be more in touch with what is really going on. He is perhaps great as an international trade consultant, but he needs to fulfill his real role as a minister. It is as a minister that he acts as our spokesperson with the Americans.

When he said to the Americans, "You know, your duties have not caused that many problems", the message he was sending them was, "Go ahead, hit us some more. Bring it on. We can take it. We can survive it. We will get by thanks to our existing programs". This is not the message the industry was expecting. This is not the message workers were expecting. This is not the message the regions were expecting. What they were expecting was the message contained in our proposal, a proposal with real solutions. It would give us the solidarity we need to get through the next two years.

Let us not forget that it is not the members of this House, it is not the government, not even the business leaders who will bear the brunt of this. Those who will are the workers who will wind up having their jobs cut. Next spring, they will end up facing a greater gap than the one that currently exists.

• (1705)

Next year, with the end of the moratorium that was proposed as an election promise, workers will need around three more weeks of work to qualify for EI in my region, and in the end, there will be about eight fewer weeks of benefits.

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These two factors, combined with the softwood lumber crisis, will mean that in many regions, such as the one I represent, consumer spending will cease; people will not have enough money to survive on, for their family to survive on, to pay their rent, and to make their car payments. All of these factors have a very significant impact on the economy.

When you take money out of the economy, unfortunately it has an exponential effect as when you put money into the economy. This causes our communities to suffer.

We must not wait until people start lining up in front of unemployment offices, 150 at a time, to pick up their cheques, and be told, "Conditions have changed; you would have needed to work 75 extra hours to qualify, or else, instead of receiving unemployment benefits for 28 weeks, you will only get 21 weeks of benefits".

We must not wait for that to happen. We must act now. We must implement a policy. The Minister for International Trade, in co-operation with the Minister of Human Resources Development and the Minister of Industry, must say "We are faced with an urgent situation; we must stand up to the Americans. We must stand together. This solidarity implies that we will adequately support our workers and businesses".

This is currently not the case. Throughout the negotiations, the Minister for International Trade said "We are well equipped. We will deal with the situation". It would appear that he grossly underestimated the Americans' reaction. We now have it before us. There is no longer any reason to underestimate it. The minister is well aware of the reality. We must know if he is prepared for a protracted war, one that will last two years, until the WTO rules in favour of Canada in the softwood lumber dispute with the United States.

In the meantime, if we do not make the necessary efforts, who knows what will happen? Small sawmills will not make it. Some people, who could very well be the owners of large sawmills or U.S. competitors, will buy back these companies. In the end, our communities will become increasingly dependent on world trade, on owners who will not have any ties with the regions in which we live, in which we support our communities every year.

This is what must be avoided. This is why the Bloc Québécois has tabled today this motion, this proposal, and the related action plan it had developed.

In order to help the industry, whose main problem is one of credit, we included help for companies, because this is essential. The loan guarantee is a tool that could be used for this purpose.

A special fund for SMBs could also be used.

Obviously, there is secondary and tertiary processing.

For the second group, there are industries that we could help in this manner.

As for workers, improving support measures would be a way of providing better training, using the \$700 million the federal government has tucked away.

There is the creation of a special status for seasonal workers. We could add five weeks of benefits in order to eliminate the spring gap for workers and help older workers unable to re-enter the job market.

In answer to the Liberal member who spoke earlier and said that he would like to see more specific suggestions, I would say that these suggestions are on the table. They have been there for several weeks. And we are waiting for the federal government to decide to put forward an action plan.

For several weeks, the Minister for International Trade has been saying, "We must wait for the May 2 ruling". May 2 has come and gone. The tariffs will take effect on May 23 and still there is no news. It is as though they had a boat without a captain, and are not sure where they are heading right now. That is why we have proposed this debate in the House of Commons, so that the government will finally make a decision.

I will conclude by informing you, Madam Speaker, that I am sharing my time with the member for Témiscamingue and that I will be pleased to answer questions from members of the House.

However, as the representative of a region hard hit by the softwood lumber dispute, I saw last summer that workers stood behind the government's position during a visit with my leader. They said, "We have to settle the score with the Americans".

But now the government has to return the favour. Now that it knows that the battle will be long and difficult, it must not let people down. I think that the public would be incensed if it realized that it had been hung out to dry by the federal government.

• (1710)

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Madam Speaker, I congratulate my hon. colleague for his excellent speech and for all the work he is doing in his community on the softwood lumber issue.

There are things that I do not quite understand. All day long, we have debated the softwood lumber issue and we have said that the Bloc has made very practical suggestions to help the industry and the workers.

Earlier, a government member told me, "I would like the member to offer some solutions". That is exactly what we did weeks ago. We did it during question period, and we have done it all day long.

I would like my colleague to explain once again to the member, who really seems to be totally deaf, the solutions we have proposed to help the workers, so that these workers realize that we respect them and that we have tried to come up with a solution.

Mr. Paul Crête: Madam Speaker, I do not know if I have a solution to the political deafness of a Liberal member, but I can always try.

A month ago, the Bloc Québécois made a specific proposal to help both the industry and the workers. I talked about it in my speech. I repeat, for the industry, we want loan guarantees; we also want a fund that could help small businesses without violating international agreements. Even though what will be decided after today will have no impact on the WTO decision because that decision must be based on the situation that existed when the complaint was made, the measures that we have proposed are politically responsible. They will be in keeping with international agreements.

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For the workers, we want active measures to improve secondary and tertiary processing and to help people switch to other industries. There are also what we would call passive measures, but they will enable our workers to have an adequate income during the additional periods of unemployment that may result from the current situation.

If members want more information on this issue, I invite them to come to the employment insurance horror show that will take place tomorrow in room 200 of the West Block. We will see a film on the great EI robbery, starring the Minister of Finance. He has the leading role in this film. We will also have explanations on the negative aspects resulting from the fact that no changes were made to the employment insurance plan.

On the softwood lumber issue, I will be pleased to explain to the members, with the help of those who worked on this issue, particularly the member for Joliette, that we have all the necessary proposals on the table. All that is lacking is the political will to implement them. The Minister for International Trade must stop acting as a consultant and really take charge of the situation.

• (1715)

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Madam Speaker, I would also like to congratulate the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques.

I come from the small municipality of Sainte-Rita located in his riding. Therefore, I know that a hundred jobs does not mean as much for an area like mine, Lévis, with a population of 125,000.

That is just one example. The member may have other municipalities in mind. When a hundred jobs are at stake, whether they are direct jobs in a sawmill or indirect jobs for other forest workers, what does it mean for a small municipality?

That could be one of the highlights of the horror show we are holding tomorrow: the horrible impact on the forest industry of what is going on right now.

Mr. Paul Crête: Madam Speaker, the question is a very relevant one. Indeed, Sainte-Rita is a lovely little municipality in my riding.

At the moment, this is happening in a number of communities. Last fall, people were laid off in mid November, about a month before the usual layoff date. The effect of this was to cut significantly into the number of presents for children at Christmas.

Back home, two of the four RCMs in the region are among the poorest in Quebec. One of the effects is to push people at that point to not have any more income and to seek social assistance, in the end. In the meantime, when a person ends up in the gap any money set aside has to be spent first. They can own a house worth only a certain amount to be entitled to social assistance. This state of affairs reduces the overall economy of the region.

In closing, I believe that in this small municipality the loss of three, four, five or fifty jobs is pretty significant. It calls the vitality of the municipality into question. I think specific solutions are called for. It is time to move out of macroeconomics and look at the significant human impact. At the moment, the federal government is not meeting this challenge satisfactorily.

Mr. Pierre Brien (Témiscamingue, BQ): Madam Speaker, I am pleased to have this opportunity to take part in today's debate. The

region I represent, Abitibi-Témiscamingue, is home to many people who earn their living in the forest industry. There are numerous companies, including a couple of the major players like Tembec, which is one of the companies that has decided to sue the U.S. government.

There are a lot of small businesses, small sawmills, so there are a lot of people involved. Because we are so close to the resource, and for a number of other reasons, lumbering has developed into a major industry.

Today—and not for the first time, because the softwood lumber dispute with the Americans has gone on for some time—here we are again, only days away from a very serious threat that is hanging over our heads, which is that the Americans are going to crack down on us with a tax on our softwood lumber exports to the U.S. market.

A lot of jobs in our region depend on this, and today we find ourselves faced with a situation where a lot of people are worried. We have a situation that is going to happen within weeks, and no response from the government is forthcoming, no message of, “Come on now, we will be there to support you and this is exactly how”. All they were told is, “There is a whole series of government programs and you can just sort through them and maybe come up with something that will help you get through this”.

But this is a very unique crisis. The federal government is responsible for negotiating international agreements. Canada has entered into an era of free trade with the U.S., except that now we are faced with a situation where, when our industry is performing, doing really well, the Americans have decided this does not suit them and so they are going to impose a tax on us that will slow down our exports, whereas whenever we got into a legal wrangle in the past over softwood lumber, we were the ones who won out.

The problem is that the government negotiated agreements with the Americans, agreements that have always benefited the U.S. government and American businesses.

This is an agreement that has expired, and we have voluntarily limited our exports to the United States. We had a system of quotas whereby the provinces were subjected to a limit in terms of what they could export on the U.S. market. This system was based on choices that were often made randomly, in terms of who would get the quotas and who would not. It was not fair.

Only four provinces, namely Quebec, Ontario, Alberta and British Columbia, were affected by the export limit and the quotas. The other provinces could sell their products to the United States as they wished. So, a series of terrible inequities led to the situation in which we now find ourselves.

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What I deeply resent in all this is to see how the Canadian government is down on its knees when dealing with the U.S. government. It did not raise its voice to say, "Listen, this does not make any sense". The minister did it once, outside the House of Commons. He tried to act tough by telling the Americans "Wait a minute, this is not the way it is going to be".

This means taking real action, such as saying "Yes, we will stand behind our industry". There is an idea going around that I find interesting: it is to give loans to companies, so that they can continue to sell their products on the market. These loans would allow them to pay the duties.

Sure, some will say, "Is this truly in compliance with international agreements and so on and so forth?" The Americans did not ask themselves whether their action was in compliance with these agreements or not. They told themselves, "We will take measures so that companies in Quebec and in Canada will be destabilized for two or three years, and we will see the outcome of the legal battle. We will try to intimidate them, so that they will accept an agreement that will benefit us".

We, being nice people, are saying, "Yes, we will challenge this all the way". We must do so indeed, but we must also strengthen our position.

We will support our industry and we will not let things happen as we are doing right now. In other words, we will support workers if jobs are lost, not with the regular programs, but in a special and specific way. We must show that we mean business.

When the government commits money to the fight, then we will know that it really does have the will to go all the way and reach a settlement.

When it decides to lend large sums of money to support the industry, it will be because it is confident that it will win in the end. It will not lose much, just what it cost in interest payments. Even there, the Americans will compensate us if we win this conflict.

• (1720)

Everyone here seems to agree that we will win the legal battle. This is a case of minimal financial risk. The idea is an interesting one. The government is saying, "We are going to wait until there are job losses, a few more job losses. We are not really sure what the impact is yet, if it is the market slowing, or normal restructuring". The minister seems satisfied to say, "We will wait and see".

There are people who are wondering if, in a few weeks, they will be working or if they will have lost their job. We are going to see lumber pile up in the yards, and people will say, "What is happening? Are we selling our products?".

For us, the lumber market is something real. We see it is doing well when we look in the plant yards. When they are full, we know what to expect and what that means. We are experiencing this now.

Obviously, there are normal cycles over the course of the year. There are periods of layoffs and slowdowns. The layoffs that we are about to see will be because of a political crisis caused by American businesses that lobbied politicians hard, and they responded. Here, we are very shy to respond to the industry.

In our region for instance, Tembec is one of the major players in the coalition for free trade. This company has decided to take the U. S. government to court under the trade agreements, using the argument that there will be losses associated with a political decision in the United States. I think it would be nice if business people could stick to business and the government could do its job in the field of international relations and ensure that, when it negotiates free trade agreements, it can support our industries when there are problems and litigation. This is a major issue with a significant impact.

This holds true for many regions in Quebec, and in northern Ontario. Our neighbours will be in the same boat. There will be major economic repercussions. In recent years in my region, we have been through a major crisis in the mining industry, which cost us many jobs.

In my riding—multiply this by two to get a picture of the region, because there are two ridings there—, between the 1996 and 2001 censuses, 5,000 people left the region. This has a definite impact on our ability to maintain adequate effective public services, such as schools, hospitals and so forth. There has to be economic activity. Fortunately, the price of gold and metals—particularly gold—is coming back up, which is pumping new life into the region. At the same time, forestry is an extremely important industry in the area. It cannot be abandoned like this.

There are other parallel measures that should be taken. There must be more support for forestry research and development. I remember the technology partnership program. Back then, the government invested heavily in the new economy. It was impossible to apply for projects from the natural resources sector. There was no program providing adequate support for the activities of these industries.

The reaction from Ottawa was "no", but fortunately the Government of Quebec had supported research activities, particularly in the case of Tembec in Témiscamingue, and in others as well. Here in Ottawa, the answer was, "No, no program", but we invested and placed a great deal of store in new technology. This was justified, but at the same time traditional sectors of the economy are also extremely important. This could be seen in the drop in high tech in the past two years, the stock market share and bond losses in this area. It can be seen that the same is not true as far as our economy is concerned. There are sure values and these must not be forgotten.

Certain myths notwithstanding, the productivity of the natural resources sector is very good. It must continue that way; we must maintain our competitive edge.

During the two years the industry is likely to be destabilized, are businesses going to continue to invest as much in R and D? Are they going to plan investments for modernization? They will be under heavy financial pressure. This will have impact in a number of areas and cannot be allowed. A clear message needs to be sent to our industry, to our workers, to our people, the men and women who earn their livings in this industry, that we will be with them.

We must also send a signal to the U.S. government that we will not give up, that we will do whatever it takes. One way to show how serious we are would be to table immediately, without delay, an action plan that would make them realize that we are ready to go far, to fight to the end.

•(1725)

If it is possible to reach a settlement that would bring us back to free trade, only then would we consider signing an agreement with the Americans. Otherwise, let us fight to the end and let us support the industry and the workers in the meantime.

[English]

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I listened with interest to the member's speech. He talked about the idea of loans. He said that if the U.S. can break the rules of international, trade then why can we not break them?

If we were talking about a situation where the balance of trade or the trade surplus was very much in the American's favour or if we were talking about American goods coming into Canada, then we might have some options. However we are talking about softwood lumber going into the U.S. Therefore what we have to be concerned about is what measures the U.S. will take in response to whatever we do.

If we provide a form of subsidy, as he is suggesting through loans to industries to pay for this, we may even see a doubling of the countervail duty. Is that what he wants? I do not think it is.

I like his suggestion of research and development work in the industry and it is important to pursue that kind of thing. However let us not have simplistic approaches and simplistic, irresponsible answers to this important problem.

•(1730)

[Translation]

Mr. Pierre Brien: Madam Speaker, I invite the member to repeat publicly, directly to those affected, what he just said about their idea of loans being irresponsible.

I do not think we can say that it is impossible to find a way of providing loans without violating the rules of international trade. We must show some imagination in our way of doing things.

However, we cannot say, "But what if we displease the Americans?" I do not like the idea that we will not do something just because we do not want to displease them. They will hurt us even more. We can be creative.

If there is anything we can do that is in keeping with international agreements, let us do it. However, let us act now. Let us not wait indefinitely. We want to see some action now, because people are really concerned, and rightly so, since we do not know exactly where the government is going.

The Acting Speaker (Ms. Bakopanos): It being 5.31 p.m. it is my duty to inform the House that proceedings on the motion have expired.

Private Members' Business

[English]

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

NON-MEDICAL USE OF DRUGS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, following discussions among the parties, I think if you were to seek it you would find unanimous consent for the following motion. I move:

That the Special Committee on non-medical use of drugs be authorized to travel to and hold hearings in Edmonton, Alberta and Saskatoon, Saskatchewan from Tuesday, May 21 to Friday, May 24 and, that the necessary staff accompany the Committee.

The Acting Speaker (Ms. Bakopanos): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed

(Motion agreed to)

The Acting Speaker (Ms. Bakopanos): The House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

LISA'S LAW

Mr. Bob Mills (Red Deer, Canadian Alliance) moved that Bill C-400, an act to amend the Divorce Act (limits on rights of child access by sex offenders), be read the second time and referred to a committee.

He said: Mr. Speaker, this is one of the most meaningful opportunities I have had in the nine years I have been in the House. I am bringing forward a bill concerning two little girls aged five and six, a bill with which I have become emotionally involved.

I believe in putting children first. My experience as a father of six and grandfather of twelve have given me a real feeling for children and what it is all about. I have talked many people about Bill C-400 during the last year. Things like the Sharpe case come to mind. People wonder how a guy with over 500 pictures of nude boys does not get a jail sentence. It is upsetting to people.

In our community a fellow was convicted nine times of being a pedophile and attacking young children. I asked in the House what I should tell the parents of the 10th victim. I was told offenders must be given a chance. A year later he picked up two little girls, a five and a six year old, and was in the process of assaulting them. They were his 10th and 11th offences.

Private Members' Business

When I get to this case I can hardly describe to members the emotions I feel. I will give the House some quick background. In Saskatchewan a doctor named Schneeberger married a lady named Lisa. She already had two children by a previous marriage, a boy and a girl, and together they had two little girls.

In 1992 one of Schneeberger's patients suspected something was happening on the examination table. The police were called in, blood samples were taken but there was no DNA connection. Lisa then discovered that her 13 year old daughter had been raped a number of times. A drug had been used on her and there had been repeated rapes over the course of about five years.

After taking numerous blood samples from what turned out to be a tube in the gentleman's arm, the police finally took a hair sample. The DNA matched. During that period the divorce occurred. Schneeberger had not seen the two young girls since they were less than two years old.

He was convicted in November, 1999. He was given a six year sentence for the assault and rape of a patient and of his 13 year old daughter. He was then sent to jail. The woman and her two little girls moved to Red Deer which is my constituency. Schneeberger managed to be transferred to Bowden which is some 30 kilometers away from my community but still in my constituency.

In the process Schneeberger made an application to a Saskatchewan court that the two little girls should pay forced visits to him on the last Sunday of every month and phone him every Monday and be on the phone for an hour. Of course the little girls cried each time this happened. They could not believe they would have to go into a jail setting.

This was appealed in a Red Deer court but the judge said it had to go back to Saskatchewan. A single mother on limited income trying to start a new life was told she had to go back to Saskatchewan to fight the case. She did not have the money. We managed to raise some money but not enough.

On May 27, 2001, a day I will never forget, we finally heard the news. The night before the visit was to take place we were told Lisa's five and six year old daughters would have to go into the prison to visit the man they had not seen for so many years, the man who had raped their sister in their home.

● (1735)

I was in a parking lot. I was to speak at a Kinsmen meeting some 15 kilometres away from the prison in Innisfail. I got the message when I stopped the car. I immediately called the local radio station to tell them the bad news. I told the Kinsmen club about it in my speech. The truckers broadcast it on truck radios across the province. They said if people were in the vicinity of Bowden on Highway 2, a busy highway, they should stop the next day to let people know they cared about the mother and her two kids.

Sunday morning came. It was a cool day. We went to a local hotel. A news conference had quickly been put together and was packed with media people. Lisa was there. Her daughter who had been raped was there. She is probably one of the bravest young girls I have met. She is now 19 years old and is carrying on with her life. She is a totally open and brave young person. At the news conference the usual questions were asked. Nevertheless they had to go to Bowden.

The fine would have been \$5,000 if they had not gone to Bowden prison that day.

When I arrived at the news conference I was surprised by the hundreds of people who were there. Big rigs had stopped and the police were there. I have so many memories of that day. I am sure it is the same for Lisa. One memory is that the people there wanted to block entry. They wanted to protect the mother and the two young girls. They said it was wrong that this had to happen in Canada. An RCMP officer told me he would love to be part of the protest because he had young children. The tears coming down his face had an impact on all of us but he was there to do his job. He had to provide entrance to the prison.

Lisa and the girls arrived. I cannot imagine what the drive must have been like for them. If it was traumatic for the adults in the crowd let us imagine what it must have been like for them. Lisa, the two girls and a psychologist arrived at Bowden some 35 kilometres away. The outpouring of support gave the adults strength. The common emotion everyone had is something I had never experienced before.

The crowd parted. The psychologist, the two little girls, Lisa and myself proceeded into the prison. We then entered the security area. The deputy warden met us. The guards made a point of saying they were not the ones making this happen. They did not think it should happen. They wanted us to understand that. Prior to that I had asked the attorney general if we could take them to a hotel somewhere under guard so the visit could occur there. I was told the man was too dangerous to take out of the prison.

We went through security. We were told this was to make sure we did not have weapons. There was tension as we passed through the gate. I have visited the prison before. Hon. members will recall that about 80% to 90% of the inmates are sex offenders. I will never forget the tension that was building in us. We entered the doorway. The door slammed and there we were in the waiting room.

Schneeberger felt he had a victory. He had used the court system and the Divorce Act against the lady who had testified against him. He hated her. Divorces are war. The two little girls, a five and a six year old, were the pawns that Sunday afternoon. As they entered the room and saw the man who had raped their sister they started to cry. They started to sob and then they grabbed their mother.

● (1740)

At that point I said this could never happen again. It cannot happen in a country like Canada. Fortunately we had a psychologist with us. The psychologist said it had to end because it was too traumatic for the children. She immediately ended the visit, took the children back to the vehicle and out of the prison.

The two young girls are still receiving psychiatric treatment. They still wake up screaming in the night. They were forced to go into the prison to go through that. As I say, I did not need any more motivation for creating Lisa's law, Bill C-400.

Private Members' Business

After that Mr. Schneeberger said he would not make them come back. However the law is still on the books. Every time the phone rings in Lisa's house she does not know whether it will be him on the other end of the line saying next Sunday she must go back to the prison. Next time there would be a lot more support for Lisa across the country. That is gratifying. It has given me hope for us all because thousands of people have phoned, written and communicated with Lisa. They have called their members of parliament and talk shows to say what they think should happen.

Every member of parliament should have received a card with a picture of Lisa on it. I had originally written the notes for the back, with Lisa's permission of course. However she wrote me a letter to give to all members of parliament, and when I read the letter I simply threw away my notes and put Lisa's letter on the back of the card. The letter on the back of the card is a true message. I did not edit it. I did not even talk to her about writing it. It is a true message from the bottom of her heart.

What do I want to accomplish with Lisa's law? It is not about access to children in prison. Everyone must understand that. All the lawyers I talked to advised me to make it specific. It is about sex offenders and pedophiles who force their children to visit them in prison probably to get at the other partner. It is not about wanting to see the kids. It is about the force involved.

Maybe the bill is not perfect. I have talked to a couple of my colleagues on the other side about how it could be made better. I trust the justice committee to make it better and fix it. I am not married to the wording. I am not a lawyer. However I want the bill to work and I want the problem to stop.

I think all members would agree that it is not a partisan issue. It is about not forcing kids to go into prisons against their will to visit pedophiles. It is not about kids visiting prisoners. That is a whole different issue. The bill does not cover that. Bill C-400 is about kids who are forced to visit sex offenders.

I will put something on the record so everyone understands. If after consulting with experts there is a mutual consent between the parents that having the kids visit would be good for the children and the prisoner, that is fine. That is not what I am after. I am after what I saw on May 27, 2001.

• (1745)

I believe that to be a slight defect in the Divorce Act. It can be fixed by this minor amendment to the Divorce Act. Lawyers tell me that it can be done very quickly. We must do it quickly so it will never happen again.

Some would say that we should not force judges or make decisions for them. In a case like this, it seems to me that all of us in this House were elected to make the laws. Yes, the judge needs guidance and needs to look at the child's best interest but the judge in this case said that because it was not written in the law he really did not have a choice and could not prevent access to those children. That was his interpretation.

What I am saying is that we need to clear that up for judges. The bottom line is that we need to make sure judges know what parliament thinks about pedophiles, about children and about putting children first. I look forward to suggestions from other members.

Lisa and her two young daughters are the people who should receive credit for this bill. They are the ones who went through this. They need to find confidence in this parliament, which I think will help us all. No matter what party we are from, I do not think this should ever have a party name on it. This is Lisa's law. It is dedicated to a single mom out there who is trying to make a life for herself.

Lisa is afraid of the publicity but she has committed to doing this. I think that is very important. She just happens to be a constituent of mine. I would not want any other MP to ever have to experience what I did on that Sunday in May. It was something that no one should ever have to go through.

Therefore I put forward today Bill C-400. It is the most emotional thing I have ever presented to the House. I feel more strongly about this than anything I have ever done. If we can make it better we should make it better. If someone votes against it, I and I do not think Lisa will be able to believe it. As I say, most of the people I have talked to right across the country would agree with that.

I thank all members who will be speaking on this and I trust that they will vote for it.

• (1750)

Mr. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Madam Speaker, it is a pleasure to hear such an inspired speech by the hon. member for Red Deer.

Occasionally I understand the House does in fact have a special way about it and does capture all the members within the House and I think maybe we have the essence of that happening today.

Bill C-400 deals with an important issue. I certainly welcome the opportunity to confirm to the hon. members of the House the government's commitment to safeguard our children and to examine all measures that can better do this.

The government is strongly committed to protecting children from all forms of victimization and recognizes the need to continuously make efforts to strengthen protection in all appropriate ways.

The intent of Bill C-400 is admirable. It is clearly wrong to force a child to visit in jail the person who is serving a term of imprisonment for victimizing him or her even if, or perhaps especially if, that person is a parent of that child. Nor should a child be forced against his or her wishes to visit a sex offender parent in jail.

It is also important that all attempts be made to prevent another situation like the one Lisa Dillman faced. Her ex-husband was a doctor serving a six year sentence in a federal penal institution after being convicted of drugging and sexually assaulting an adult female patient and a 13 year old girl, as the House has heard.

As the custodial parent, Ms. Dillman was ordered by a judge in Saskatchewan to facilitate access visits between her children and their father after he chose, despite his incarceration, to legally enforce the access provisions contained in the court order.

As members have heard, it was a terribly distressing situation for Ms. Dillman and for the children, and it should be prevented from happening again.

Private Members' Business

That is why I believe it is important to examine Bill C-400. Its objective is to prevent this type of situation and to protect children from inappropriate access visits. The government is open to looking at all proposals that have this objective.

As I understand it, Bill C-400, as presented to the House, proposes to amend section 16 of the Divorce Act. It would add a new subsection 9.1 that would deem that any custody and access order made under the Divorce Act would contain a provision that would suspend a non-custodial parent's child access rights while he or she was serving a term of imprisonment for certain criminal code offences, unless, and a very important unless, the custodial parent consented to that access.

The bill specifically refers to an offence under any provision of the criminal code of which the child was the victim. In addition, 10 additional specific criminal code offences are identified, whether or not the child was a victim. These are the offences of sexual interference, sexual touching, sexual exploitation, incest, child pornography, parent procuring sexual activity, corrupting children, sexual assault and sexual assault with a weapon.

Those are all serious sex offences. As I noted earlier, the government is strongly committed to examining ways to protect children from all forms of victimization.

However, I have to wonder why these specific offences were chosen. I also have to ask if this is in fact the most appropriate list. Do not get me wrong, I completely support the objective ensuring that no access order under the Divorce Act would be used to require children to inappropriately visit a parent in jail.

However, if the intent of the bill is to protect children from the trauma of visiting an offender in jail, why not expand it? Why not bring in other offences? In certain cases maybe the offence of murder would be an appropriate situation where one would not want the convicted parent to have access to the child.

• (1755)

This matter needs to be looked at fully by the committee.

It is also important to remember that the practical effect of the bill would be to impose an automatic suspension of access rights in those cases unless the custodial parent gave consent. These access rights would be suspended while the access parent serves the term of imprisonment. The suspension would be achieved through a deeming provision.

How would the deeming provision legally work in practical terms? Would the access rights automatically resume after the period of incarceration? Would a suspension apply retroactively to an already existing access order? Would access remain suspended if the offender parent gets out on parole but arguably is still technically serving his or her sentence?

I would also note that the way the bill is worded, the provision does not provide for any flexibility or discretion and does not refer to any consideration of whether the automatic suspension of access would be, in the classic case, in the best interests of the child. Will this amendment legally stand up under the charter of rights and freedoms? I do not know the answer. Could there be an alternative way to create legally a presumption against enforcing an access order

in those cases where it would be inappropriate? Would the onus be squarely on the offender to show why access would be in the best interests of the child?

My point is that I strongly support the intent and objective of Bill C-400 and it is for this very reason that I believe it is important that it be examined carefully if and when it goes to the standing committee for review.

As I started speaking today, I thought of today as being a very special day. It is a day to sit back and reflect on the reflections of the member for Red Deer on this situation. I personally believe it is very important that this matter receive the full consideration of the justice and human rights committee and that we look at this in the most positive light for the benefit of all those who find themselves in this situation, as did Ms. Dillman.

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Madam Speaker, I am pleased to rise to speak to Bill C-400, introduced by the member for Red Deer.

The purpose of this bill, the law for Lisa, is to protect a child in the custody of one parent from being required to visit the other parent, while the other parent is serving a term of imprisonment for any offence under the Criminal Code of a sexual nature.

Obviously, I will be pleased to support the principle of such a bill on behalf of the Bloc Québécois, because we must always be guided by the interests of the child in our legislation.

However, I will have a few suggestions to make to the sponsoring member at the end of my remarks.

As the Quebec bar association mentioned in its June 2001 brief on custody and visiting rights, and child support, and I quote:

Federal and provincial legislation gives considerable importance to the concept of the child's best interests, which is now well established as the cornerstone of all decisions with regard to the child, no matter who is doing the deciding, from parents to the courts.

In this regard, one such principle is enshrined in the United Nations Convention on the Rights of the Child, which was ratified in 1989. However, it should be noted that the criminal code does not define the best interests of the child. The civil code, however, sets out what must be taken into consideration, and I quote:

—in addition to the moral, intellectual, emotional and material needs of the child, to the child's age, health, personality and family environment, and to the other aspects of his situation.

Accordingly, the countries signing the United Nations Convention on the Rights of Children may adapt their legislation to their own moral and social values.

How then are we as parliamentarians here in the House of Commons to apply the principles in such a convention?

Private Members' Business

It seems clear to me that Bill C-400 is a step in the right direction, because the best interests of the child must be taken into consideration. When a parent, either the father or the mother, is found guilty of a sexual offence under the criminal code, the child should be protected from being required to visit the person while that person is in prison. This is in the best interests of the child. A child who is the victim of a sexual offence will be marked forever by this horrible and repugnant act.

So, according to Bill C-400, it would be in the best interests of the child not to be forced to have contact with a parent who happens to be his or her assailant. This only makes sense.

Can members imagine, besides not providing sexually abused children with the proper treatment, forcing them to visit the parent or the mother who has assaulted them? It would be total nonsense.

As the member for Red Deer pointed out when he introduced his bill, the motivation for his initiative was the high-profile case of two young girls of five and six who were forced, because of a court order, to visit their father in prison. The two young girls have been exposed to psychological damage. It is unacceptable.

The purpose of the bill introduced by the member for Red Deer is to prevent other young children from going through that. We must act to protect our children.

The government must put words into action and do whatever it takes to implement the fundamental principles set out in the Convention on the Rights of the Child. We have had enough of empty promises that never materialize.

As I said at the beginning, although the Bloc Quebecois supports the principle behind this bill, we still have suggestions to make to the sponsor of the bill.

• (1800)

In its present form, the bill proposed by the hon. member for Red Deer provides that it is the spouse of the person who is serving a term of imprisonment who should decide whether his or her child should visit his father or mother in prison.

The Bloc Quebecois believes, and we will debate this issue in committee if the House gives its support to this bill, that the child should have some say and freedom. Parental authority applies until a child reaches the age of 18. However, if a young person of 16 or 17 decides to visit his father in prison, and if his mother objects to the idea, what should we do? What should take precedence? Worse still, what should we do if the child simply does not want to visit his father in prison, but his mother forces him to do so?

We cannot let parents decide alone. The child must be able to decide for himself what is in his best interests. This is an issue that should be examined by the Standing Committee on Justice and Human Rights, and the hon. member's bill is an excellent way to launch this debate and find solutions that will promote the best interests of the child.

Through today's debate, we are asking the federal government, and particularly the Minister of Justice, to see how the federal legislation could be amended to reflect the guidelines of the United Nations Convention on the Rights of the Child.

In conclusion, I want to thank the hon. member for Red Deer for raising this extremely important issue. He can be assured that the Bloc Quebecois will support the principle of his bill at second reading.

• (1805)

[*English*]

Ms. Wendy Lill (Dartmouth, NDP): Madam Speaker, I want to make a couple of very brief remarks. I have been listening with interest to the debate on Bill C-400 and it is a very moving tale. It is important that this issue is looked at much more closely by members of parliament. The New Democrats and I would support having this sent to committee for further study.

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance): Madam Speaker, I commend my hon. colleague from Red Deer for all his hard work and dedication. The time, energy and care that has gone into Bill C-400, Lisa's law, is extraordinary.

This bill is not being proposed to gain political points. The bill before us today is due in part to the emotional upheaval witnessed by the hon. member. The member of parliament for Red Deer saw firsthand the terror and shock that was inflicted upon Lisa and her family. The court decision to force her children to visit their father in prison must have been devastating.

As a mother and a grandmother myself, I cannot begin to imagine the pain and suffering caused by that court decision. A mother's strongest instinct is to protect her children. To be ordered to put one's children in harm's way, to subject them to an environment that is not in their best interests would be horrific.

Children should be given every opportunity to experience a happy and carefree life. It should be the goal of adults and society at large to see that this is achieved. It is also the responsibility of government, law makers, courts and judges to help our nation's children achieve this goal. I believe that changes need to be made to ensure that others in similar situations do not suffer what Lisa and her children suffered.

Canada's corrections system affords great freedoms and privileges to its inmates. Offenders are offered access to golf courses and horseback riding. Offenders in many cases are living in cottage style housing, the club fed of prisons. In an attempt to be seen as an evolved and civilized nation, we too often afford privileges, privileges that are neither warranted nor deserved.

The rights of offenders and criminals must never be placed before the rights of the innocent. Children are the most innocent of our society and absolutely every effort must be taken to ensure their safety, security and innocence.

Bill C-400 proposes amendments to the Divorce Act that would see individuals who were convicted of sexual offences being limited in their access to their children. This is not an unreasonable suggestion. It is a common sense approach.

Sexual offences are among the vilest imaginable. Those who commit these offences and are incarcerated for them should not be able to use this country's court system to gain access to their children.

Private Members' Business

In normal cases it is usually beneficial to the children involved to have open access to both parents. The involvement of both parents in the raising of their children is a good thing. The situation we are discussing today is not usual. It is not normal and therefore should not be treated in the same way.

This bill came about due to the court's decision to force Lisa Dillman's children to visit their father in prison. Their father is a convicted sexual offender. Not only did he prey on an adult, but he also assaulted his own stepdaughter who at the time was 13 years old. Forcing two small children to visit their sex offender father in jail can in no way be viewed as beneficial.

Do we as a country really want to send more children down this same path? Actions taken by the court were based on the current Divorce Act statutes. Those statutes are exactly what Bill C-400 seeks to change.

Changes to the Divorce Act would help to protect our children. I have been discouraged by the fact that children and families are being viewed less and less as a priority within society and by this government. The changes outlined by Bill C-400 would be an excellent step in the protection of our children.

In 1990 Canada signed the United Nations convention on the rights of the child. One of the key considerations of the convention is that the best interests of the child should be of paramount consideration when addressing custody and access. In cases where a parent is convicted of sexual assault and subsequently jailed for that offence, it would not appear to be in the best interests of the child to be forced to visit that parent in prison.

• (1810)

Another provision of the UN convention is that children have the right to express their views freely in matters affecting them. I have concerns that too often in the adult world of the judiciary the children are not consulted. The actions taken by parents in courts have the biggest impact on the children involved. I would suspect that visiting parents in prison would not always be what children wish for. They must be consulted in such matters. An offender jailed for sexual assault should not be afforded the right to circumvent the wishes and ultimately the well-being of a child to gain access to that child. The rights, health and well-being of our children should come first. It is our children that should be of the greatest importance when examining issues such as the one before us today.

In 1997 a special joint committee was established to look at the issues of custody, access and possible changes to the current Divorce Act. The final report, entitled "For the Sake of the Children", included recommendations from the national family law section of the Canadian Bar Association. Its suggestions for additional criteria in custody and access included: the caregiving role assumed by each person applying for custody during a child's life; any past history of family violence perpetrated by any party applying for custody or access; and the importance and benefit to the child of having an ongoing relationship with his or her parents.

I believe that these are key considerations when evaluating access requests. Is it beneficial to the child? Is an ongoing relationship with that particular parent beneficial? Is there a history of family violence?

For the protection of the innocence and stability of our children, I believe that it is important to support the bill before us today. As a society we cannot afford to put the rights of criminals ahead of the rights and safety of our children. Again I wish to commend my hon. colleague from Red Deer for his hard work and dedication on behalf of our nation's children.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Madam Speaker, I commend the previous speaker and all members who spoke, in particular the hon. member for Red Deer. I would indicate at the outset that, yes, the Progressive Conservative Party will wholeheartedly support his efforts.

Like the previous speaker, I certainly commend the extraordinary effort he has put in on behalf of his constituent, Lisa Dillman, on behalf of her children and on behalf of all children whom the bill aims to protect. It would result in a very common sense, concrete enactment of change to the Divorce Act to protect children, to protect them from being subjected to the emotional trauma of having to confront a parent in prison knowing that their parent, sadly, had committed an offence that was a danger to them or a danger to another person.

It is clear from the personal circumstances that have been laid out in this case that there is tremendous emotional damage done to a child who has to confront these circumstances, who has to be brought into a prison environment in any circumstance, but to have a judge interpret the letter of the law in such a way as this, that the visitation is to occur in a prison, is totally inappropriate.

This enactment is aimed at amending that law. The legislation would give the child in the custody of one parent the ability to opt out of or suspend a previously enacted court order for visitation, that is to say, it would do away with the requirement of one parent bringing children to see the other parent while that person was serving a period of incarceration for any offence under the criminal code in which there was a child as a victim or for any certain specified sexual offences under the criminal code.

It is trite to say that the impact of a sexual assault on a child is everlasting. It is a life sentence for that child to come to grips with. I think that the personal circumstances outlined in this case clearly referenced the fact that the children are continuing to receive counselling as a result of the trauma and the emotional distress that came to them by virtue of this visit.

The hon. member for Red Deer made a very passionate and very emotional case for the reasoning behind this effort on his part. It is a very good one. It is completely in line with what we should be doing in every instance to try to enhance the health, welfare and emotional and moral needs of children.

This is a very straightforward occasion on which we can do something. I was very touched, as were other members, by the personal words that were penned by Lisa Dillman on the back of the cards sent to members of parliament.

She stated in that letter, which I will quote directly from:

I feel confident that you will do the right thing and protect this country's children from the abuse that the current legal system forces them to be subjected to and victimized by.

Private Members' Business

That is a direct plea to all of us, one that we must heed. I know that the hon. member for Saint John, New Brunswick, very much embraces those same ideals and wants to do everything within her power and everything within our power to help protect children from this type of victimization, mental or physical.

This law, Lisa's law, very appropriately named, comes about as a result of what happened to her children, but they have turned a horrific circumstance into a positive action that would help benefit others, that would help protect others from being subjected to the same thing.

I had a law professor named Victor Goldberg who used to say that bad facts made bad law, yet I would suggest that this is an instance where bad facts could make good law. This horrible circumstance that occurred to Lisa Dillman, her children and her family could lead us to make a change in the Divorce Act that would protect others from a similar circumstance in the future.

● (1815)

Previous members of parliament have referenced the 1997 report of the Special Joint Committee on Child Custody and Access, which some members of this House took part in, including, I believe, the current Speaker. It examined a number of very complicated issues relating to access and custody arrangements after separation and divorce, with special emphasis on children's needs. Over a 12 month period, that committee held no less than 55 meetings and heard from over 500 witnesses. It received hundreds of letters, submissions and briefs from concerned individuals and professionals across the country who wanted to provide input to this study. In December 1998 the report came back. It took the government an astounding five months to even respond.

At that time, the Minister of Justice, the current Minister of Health, stated:

—the Committee's review has shown that those who must turn to the system would be better served by a less adversarial approach that encourages parental responsibilities and provides both parents with opportunities to guide and nurture their children. In most cases, children and youth benefit from meaningful relationships with both mothers and fathers.

There is no denying that, but where there is denial is that forcing a child to confront, in a prison environment, a parent who has been convicted of a sexually violent offence certainly runs completely opposite to the intention of what the minister described. It is counterproductive to the nth degree to suggest that a court ordering mothers, or fathers, which I suggest could happen, to subject their children to that sort of encounter is the antithesis of what we want to do and what we hope to achieve in nurturing good relations between both parents.

Madam Speaker, you would know that it has now been four years since this report was tabled. Because of that void, because of that failure on the part of the government to respond to this report, I would suggest that hon. members like the member for Red Deer have taken it upon themselves, and it is incumbent upon members of parliament to do so, to act in situations like this. He has done that. It is a reminder and a wake-up call for the government to get on with it and respond to this report. The Minister of Justice should know that. He has been tasked with this issue.

The committee at that time heard about the negative impact that divorce can have on children at a very basic level. I would suggest that it is even further exaggerated when parents in this circumstance are told by the court that they must bring their children to see the other parent. Very few witnesses supported the assertion that decisions made on the basis of a parent's right to personal happiness were automatically in the children's best interests. It was described clearly that this individual was being very vindictive and hurtful to the other parent by forcing the children to go through this ordeal. Clearly it was the complete opposite of the interests of the child.

The Divorce Act gives legal status to an individual's decision to terminate his or her marriage, thus recognizing for legal purposes that individuals have the right to end a marriage. Yet children can sometimes, as is the case here, I would suggest, get lost in that fight and in that adversarial atmosphere that very often exists. The rights of the children, balancing those rights, are an extremely important ingredient in that effort to find a proper balance between parents' rights and children's rights. To that I would add grandparents' rights in many cases. Some of the other suggestions that came from the report recommended that children themselves have the opportunity to be heard before parenting decisions that will impact on them are made.

I want to conclude in order to give the hon. member for Red Deer an opportunity to say a few words. I would again suggest that we wholeheartedly support the motion. The member for Saint John and the Progressive Conservative Party wish to congratulate him on his effort. We hope that the government will expand this effort, look at some of the recommendations of the report and, more important, today support the initiative of the member for Red Deer. Let us get the bill before the justice committee, where we can have an opportunity to make the necessary changes, to enact this change in the Divorce Act and protect Lisa, her children and others across Canada who might be subjected to this type of intrusion into their lives in the future.

● (1820)

Ms. Paddy Torsney (Burlington, Lib.): Madam Speaker, I want to congratulate the member for Red Deer for putting forward this initiative. I think he knows that all of us are very supportive of children's issues and would hope that the bill would go to the justice and human rights committee for further study. As my colleague, the parliamentary secretary for justice, outlined, the bill is fairly specific in terms of which offences people must have committed before this act would take place. Maybe the list is not complete or maybe there are some other considerations.

I must say that I am particularly pleased to see that there is a provision in the discussion for consent of the custodial spouse or former spouse. I can imagine over the course of someone's time in jail that there would be changes to the children, not for the children who are direct victims but for children whose parents have committed an offence.

Private Members' Business

The essence of the bill is worthy. Even before the committee gets it through the process for consideration I would hope there is a possibility to work with the Correctional Service of Canada and with the Canadian judiciary to educate them so we are not forced to pass these kinds of laws. I hope they will use common sense in making decisions about custody and access to ensure that children's rights are being protected. It is children who have the right to grow up and have freedom and protection.

The bill which the member for Red Deer has brought forward is consistent with the government's commitment to protecting children. The Parliamentary Secretary to the Minister of Justice who worked for many years on those issues and I as vice-chair of the justice committee passed a lot of laws related to the protection of children in our first mandate, whether it was pornography, predators or sex tourism. We worked hard to make a lot of changes. Additional ideas are coming forward and that is important.

The other thing I would stress is the context for this discussion. Jail is supposed to be a place to rehabilitate people. It is supposed to be a place where people can come out as better individuals. Families play an important role in that process, both while the person is there and into the future. I would hope there would be some facility to ensure that for those children who do want contact, their wishes would be considered and that we would have common sense.

The member opposite wanted to move that the bill be brought forward to committee. I am not exactly sure on the timing but I would sit down with the member in support of the committee doing a thorough job in analyzing what other laws should be included in the legislation.

• (1825)

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Madam Speaker, the purpose of the bill is to protect the child in the custody of one parent from being required to visit the other parent while the other parent is serving a term of imprisonment for any offence under the criminal code of which the child was a victim, or for any specified sexual offences under the criminal code, whoever was the victim.

Court access orders would be deemed to contain a provision that any right of access by the non-custodial spouse or former spouse would be suspended while serving a term of imprisonment for such an offence, unless the custodial spouse or former spouse consents. That is exactly what we are talking about.

The member for Red Deer in his pleadings in some respects is almost embarrassing because he understands the culture of what he is up against and what he has already heard in trying to move the bill this far. It is encouraging to hear members from the government's side and others say that they support the bill, but no one has said that they expect the bill to ever become law. It is always again to study, to perhaps refine, and just get it to committee. How many times in the House have we heard "Let us get it to committee and see what happens"?

The bill is subject to the part of the larger question of the joint Senate and Commons report "For the Sake of the Children" which the government has promised in various throne speeches that it would enact. Here we have a circumstance that is not by accident, so I question the government and the Department of Justice. Are they making a mistake? I do not think so. It must be special interests or whatever that seems to do an end run around the open, democratic process where in the House we say certain things and have good intent but then they just does not quite happen.

I am encouraged that the bill seems to be gaining support from all sides of the House. Therefore, Madam Speaker, I believe you would find unanimous consent for the following motion. I move:

That Bill C-400 pass at second reading and be referred to the Standing Committee on Justice and Human Rights.

The Acting Speaker (Ms. Bakopanos): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Ms. Bakopanos): Accordingly, the bill stands referred to the Standing Committee on Justice and Human Rights.

(Motion agreed to, bill read second time and referred to a committee)

[*Translation*]

The Acting Speaker (Mrs. Bakopanos): Pursuant to Standing Order 81(4), the House will now go into committee of the whole for the purpose of considering votes under National Defence in the main estimates for the fiscal year ending March 31, 2003. I now leave the chair to allow the House to go into committee of the whole.

[*Editor's Note: For continuation of proceedings see volume B*]

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Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

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CANADA

House of Commons Debates

VOLUME 137 • NUMBER 184 • 1st SESSION • 37th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

**Tuesday, May 7, 2002
(Part B)**

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, May 7, 2002

[Editor's Note: Continuation of proceedings from Volume A]

GOVERNMENT ORDERS

• (1830)

[English]

SUPPLY

NATIONAL DEFENCE—MAIN ESTIMATES, 2002-03

(Consideration in committee of the whole of all votes under National Defence in the main estimates, Mr. Kilger in the chair)

The Chairman: House in committee of the whole on all votes under National Defence in the main estimates for the fiscal year ending March 31, 2003.

I would like to open this committee of the whole session by making a short statement. We are about to begin the first debate on the estimates in committee of the whole as provided under Standing Order 81(4)(a). The standing order provides for each of two sets of estimates selected by the Leader of the Opposition to be considered in committee of the whole for up to five hours.

Tonight's debate will be on all of the votes under National Defence, less the amounts voted in interim supply.

No member shall speak for more than 20 minutes. There is no formal period for questions and comments. Members may use his or her time to speak or to ask questions and the responses will be counted in the time allotted to that member.

• (1835)

[Translation]

Members may speak more than once. Finally, members need not be in their own seat to be recognized.

[English]

As your Chair, I will be guided by the rules of committee of the whole. However I am prepared to exercise discretion and flexibility in the application of these rules. The first round will be the usual round for all parties: the Canadian Alliance, the government, the Bloc Quebecois, the New Democratic Party and the Progressive Conservative Party. After that, we will follow the usual proportional rotation.

I also wish to remind members that members wishing to split their time will require unanimous consent. At the conclusion of tonight's

debate we will rise, the estimates will be deemed reported to the House, and the House will adjourn until tomorrow.

To begin this session of committee of the whole I will recognize and give the floor to the hon. member for Lakeland.

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Chairman, this is a real thrill tonight to lead off these five hours of questions to the Minister of National Defence. I thank him for being here with his parliamentary secretary, with his officials and with General Jeffery. I welcome all of them.

What I want to do tonight with my time is to ask short questions and hopefully get short responses so I can make the best use possible of my 20 minutes. In the spirit of providing better accountability to Canadian taxpayers I hope the minister and his officials will respect that format.

The minister on page 2 of the estimates stated that spending increases starting in fiscal 2001-02 to 2006-07 total more than \$5 billion. This statement has been made repeatedly over the past few months. I would like to know what the defence budget is in this fiscal year?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Chairman, we applied for \$11.8 billion. At one time the estimates were much lower than that, but there has been about a 20% increase in the last few years in the budgets and that has brought it up to \$11.8 billion. However with add ons that will take it over \$12 billion.

Mr. Leon Benoit: Mr. Chairman, I asked that question because in part III of the estimates it says that the budget is \$12.4 billion. In parts I and II it says \$11.8 billion, so there is a slight discrepancy. I would like to ask the minister what the total defence budget was in 1993-94 when his government took office?

Hon. Art Eggleton: Mr. Chairman, it was \$12 billion in 1993.

Mr. Leon Benoit: Mr. Chairman, page 8 of part III of the 1993-94 estimates says \$12.8 billion, which is higher than the budget today even in nominal terms without adjusting for inflation or the purchasing power for military equipment which has gone up faster than inflation.

Whatever figure is used from the 2002-03 estimates compared to the 1993-94 estimates still indicates that we are actually spending less today than we were back when the government took office. When an adjustment for inflation is made and we look at the cost increases of military supplies and equipment specifically, that makes the comparison that much more unfavourable when we look at today's budget. That decrease in spending is quite dramatic when we take those factors into account.

Supply

The minister keeps saying that we are spending \$5 billion more on the military today and this is a cumulative figure. I would like to ask how much is actually being added to the budget base over this period of the next five years?

• (1840)

Hon. Art Eggleton: Mr. Chairman, \$5 billion over the next five years is being added to the departmental budget.

Mr. Leon Benoit: The question was how much was being added to the budget base and the answer was \$700 million. Is that the amount added to the base? Could the minister comment on that because he seems to disagree?

Hon. Art Eggleton: To the base over the next five years, Mr. Chairman.

Mr. Leon Benoit: Mr. Chairman, we had better get this established right away because when we talk about what is being added to the budget base, what that reflects is the change in the budget on a yearly basis from one year to another. I do not know of any budget forecast that adds \$5 billion to the base from one year to another or in fact over the next five years.

Is the minister saying that the budget base will be increased from \$12.4 billion, or whatever today, to \$17.4 billion five years from now?

Hon. Art Eggleton: That amount of money is being added over a five year period of time.

Mr. Leon Benoit: My question was what was added to the budget base, and that is one year to the next. I was asking a very specific question. The answer was \$700 million, therefore the \$5 billion that the minister refers to is not accurate no matter what way we look at it. To quote the Conference of Defence Associations for example, it said that between fiscal year 2001 and 2006-07, that is 2000-01 to 2006-07, the budget base would rise only by \$700 million, and I concur with that figure. I believe that is accurate.

Is the minister refuting the figures of the Conference of Defence Associations?

Hon. Art Eggleton: Mr. Chairman, the Conference of Defence Associations did not prepare the budget. There are many different ways of calculating the figures. I am sure that if the member had told me in advance exactly what information he was looking for then we could have provided it, but carry on and we will answer the questions.

Mr. Leon Benoit: It was pretty basic information for which I was asking, Mr. Minister. I will go on. I think I have established that the answer is a \$700 million increase in the budget base over the five years. That is a change from the base of one year compared to five years from now, and I believe that is accurate. It is what the Conference of Defence Associations has said and that is the number we come have up with.

Mr. Minister, what is the present shortage in the operations budget of the Canadian forces?

Hon. Art Eggleton: The \$5 billion is relevant to the full period of time. Therefore, if we take it on a year over year basis, yes, we could rationalize the figure of \$700 million.

The shortage the member referred to, shortage in terms of what?

Mr. Leon Benoit: The auditor general said in her December 2001 report, paragraph 10.11:

In spite of the government's decision to invest around \$2.4 billion more in defence from 1999-2000 to 2001-02, departmental plans indicate a budget shortage of \$1.3 billion for 2001-02.

Do you agree with the auditor general's assessment?

Hon. Art Eggleton: Mr. Chairman, the situation is that there is a challenge in terms of the resources. I said that on many occasions. I could not tell the member the precise figure at this point in time. It is one reason why we are doing a defence review update; to look at all these capabilities and to look at what is affordable.

There is no doubt that we have a larger program right now than for which we have resources. That has been said on many occasions. I cannot quantify it very specifically at this point in time. There have been many different estimates. That is one estimate but that was taken some time ago.

These circumstances change quite frequently, particularly with the additional amount of money that the government provided this year. When it came to the budget in December, \$7.7 billion went into security measures and \$1.2 billion of that over five years came to the Department of National Defence.

A lot of these changes have been made since the auditor general made her estimate. I will agree, as I said on many occasions, that there are challenges with respect to the resources to this department.

• (1845)

Mr. Leon Benoit: Mr. Chairman, I will go back to my question about the budget base because the minister has added some comments. Perhaps I will simplify the question. How much higher is the budget as forecast for the year 2006-07 than it was in 2001-02?

Hon. Art Eggleton: It is about \$700 million more, but it is estimates to estimates.

Mr. Leon Benoit: Mr. Chairman, that is the change. Therefore \$700 million will be added to the base over five years.

I want to quote from General Mike Jeffery who is here today. When he was at a conference in Ottawa in February, he was asked "Where is the additional money to cover army operations going to come from". He replied:

"It's not coming from anywhere". Like a family where the wife loses her job, he said, we are cutting in order to find what is most important. "We are deficit financing", he says, and we can't go on like this much longer. "We have too much army for the budget".

Yet he noted that the effort to organize the army into a lighter, more mobile and high tech force would cost more money to implement than to stay as they were.

I would like to ask the minister about that. General Jeffery said, which was one way of putting it, that it was too much army for the budget. Another way of putting it is that it is too little budget for the army. Which does the minister think better represents the situation?

Hon. Art Eggleton: Mr. Chairman, I disagree with what General Jeffery has said. In fact General Jeffery is trying to ensure that the budget for the army is balanced with the programs and services that it will provide. He is presently going through an army in transformation project to bring that about.

Supply

As I indicated before, yes, there are resource challenges and there needs to be changes. That is part of why we are doing a defence update. Also at the same time, and even in advance of that, General Jeffery, the commander of the army, is undertaking reforms to bring those matters into balance.

Mr. Leon Benoit: Mr. Minister, what is the shortfall in the capital budget over the next five years? I am referring to the actual money that will be available versus the equipment replacement requirements as laid out by our military.

Hon. Art Eggleton: I think that is a relevant question, Mr. Chairman, because we are now in a period of time where we are doing a review of the capabilities and review of what kind of program we will provide in the future. The army is going through a transformation. I could not say at this point in time, because we have not made all the determinations as to what we will be doing in the next five years. We are in review of these matters.

Mr. Leon Benoit: Mr. Chairman, the auditor general knew in December of 2001. She states in paragraph 10.12:

Our 1998 report...reported that to meet its estimated needs for new equipment over the next five years, the Department would have to almost double its planned spending on equipment, from \$6.5 billion to \$11 billion.

In response to that chapter, departmental officials said that hard choices may have to be made.

Hon. Art Eggleton: Mr. Chairman, I have said on many occasions that hard choices will have to be made. The hon. member is reading historic data, much of which could be very irrelevant as we go through a review process. We have to go through a review process because it has been eight years since the defence policy was put in place through the white paper of 1994. There are a lot of changes that have occurred in that period of time. There are a lot of changes that continue to occur.

There is a resource challenge. I have said on many occasions that we need additional resources, that we need to put our books in balance with our programs and that we need to have our resources equal the program. We are going through the course of doing that now. The army is going through a transformation on an interim basis while we also go through this update of our policy. These are all matters that are attended to now.

He can read a lot of historic data but a lot of it could prove to be irrelevant in the future.

• (1850)

Mr. Leon Benoit: Mr. Chairman, I am sure a lot of these ministers would like to run away from their records, but we are talking here about what they have done during their time in government and what this minister has done during his time in government. It is five years. If we do not start from that base of what they have done, how can we possibly move to the future? How can the minister think that he can just say that what they have done does not count at all and that they are now going to move to the future? I am trying to establish what the government has or has not done.

Let us look at the 2001 budget, for example. It was billed as defence and security budget and budgeted for the next two years. In that budget the finance minister, this minister and the government planned to allocate \$510 million to the defence budget base. Of that,

\$210 million was to be assigned to cover costs for Operation Apollo, our operations in Afghanistan. Is that correct?

Hon. Art Eggleton: Yes, that is correct.

Mr. Leon Benoit: Mr. Chairman, in fact \$510 million was allocated to the defence department. Of the \$510 million, \$300 million was assigned to capital purchases. How is this money most likely to be spent?

Before I get to that question, I had intended to follow up on the last one. The minister said that the \$210 million was correct. Is that still on budget? That is what was in the finance minister's budget in December but will it meet the requirements of the increased operations in Afghanistan?

Hon. Art Eggleton: Yes, at this point in time that estimate is still holding.

Mr. Leon Benoit: There has been \$300 million assigned to capital purchases. The Conference of Defence Associations reports that much of it would go to cover the cost of the Victoria class submarine program. Is that correct?

Hon. Art Eggleton: No, it is not.

Mr. Leon Benoit: None of this \$300 million in capital expenditures that was allocated in the last budget will go to cover the costs of the Victoria class submarine program?

Hon. Art Eggleton: I will repeat no, Mr. Chairman, that is not what it was intended for at all. As I have indicated on previous occasions in this House, we will make the repairs to the submarines. The repairs may well be done under warranty. It may not cost us anything additional to do them. That will be determined as we make the repairs and also check out their origin.

The kinds of millions of dollars that the hon. member is alleging is not what we are looking at, at all.

Mr. Leon Benoit: It will be interesting to see how that shakes out, Mr. Minister.

The Conference of Defence Associations has done an analysis on the defence budget increases. It said there was an allocation of just \$300 million for new capital equipment. I would like to read what it said. It said:

—the operational readiness of the Canadian forces would continue to decline mainly as a result of underfunding.

That is a very clear statement.

We also asked General Jeffery, the commander of the army, whether the 2001 defence budget provided sufficient funding for the armed forces and he said “The short answer is no”.

We are at war, Mr. Minister. Why is national defence not a priority of the government? The head of the army said that the increases were not enough.

Hon. Art Eggleton: I have answered that already, Mr. Chairman, by saying yes, there are challenges that we are meeting in terms of the army and of the needs of our Canadian forces.

The \$310 million though will go for a wide variety of capital purchases that are relevant to the army and relevant to the navy and air force, as well.

Supply

I have already indicated that we have increased government spending by some 20% in the last few budgets. The last few budgets have been going up to deal with these measures, whether it is equipment or quality of life measures. We have another \$5 billion coming over the next five years.

The government has made a commitment to meet the needs of the Canadian forces. We are going through a review of those needs now, determining what are the capabilities with which we will move forward.

We must come up with a revised policy and plan that is affordable, that can be financed and that gives the resources which our troops need to do the job. That is our commitment.

• (1855)

Mr. Leon Benoit: Mr. Chairman, \$700 million more five years from now does not sound like very much of a commitment.

Officially the defence budget is around \$12 billion. Can the minister tell us what portion of the budget is tied to supporting things which are not conventional military spending? Quite a large part of the department funding does not include military spending. The Conference of Defence Associations and others have said that it is maybe \$2 billion to \$3 billion out of that \$12 billion budget, probably 30%.

I would like the minister to verify whether he sees that as correct or not, that \$2 billion to \$3 billion, or roughly 30% of the budget which is non-military.

Hon. Art Eggleton: That is not the case at all, Mr. Chairman. There are other items in the budget that are not directly relevant to the Canadian forces. There is the Office of Critical Infrastructure Protection and Emergency Preparedness and the Communications Security Establishment. There are the disaster financial assistance arrangement provisions. They go in year in and year out. When we do the comparison from one year to another, when I say for example a 20% increase, it is the whole thing moving forward and much of it into the Canadian forces directly.

The Chairman: Order, please. This concludes the first round. I thank the member for Lakeland and the minister for their cooperation. Hopefully we can stick to the timeframes and get in as many members as possible. I now turn to the government side and give the floor to the Minister of National Defence.

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Chairman, I am here this evening to discuss the national defence estimates and to answer one of the questions asked by my hon. colleague from Lakeland and that is what have we been doing in the past. It is not just to look forward but also to let us account for what we have done before.

Unlike the bleak picture the opposition paints, much has been accomplished not only in defence as an institution but in the Canadian forces themselves. These accomplishments are due both to the skill and talent of our men and women in uniform and to the government's commitment to reinvest in defence.

It is unfortunate that time and again the opposition members have refused to recognize the significant strides that have been made at defence over the past five years. Regardless of the blind approach they may wish to take, the accomplishments speak for themselves.

In 1998 parliament approved the most sweeping changes ever brought to the National Defence Act since its inception. These changes have served to enhance the transparency of the military justice system.

One must not forget the creation of the military police complaints commission, the CF grievance board, the alternative dispute resolution program and the office of the ombudsman. There is also the expanded role of the national investigation services and the reforms to the office of the provost marshal.

There are reforms covering leadership, training, education, quality of life for CF personnel that has included substantial and often double-digit pay increases, and new family support services such as child care and employment assistance to spouses. There is a new centre for the care and support of injured and retired members of the forces and their families. Over \$100 million has been invested in upgrading military housing.

These investments have been enhanced by other programs covering everything from ethics, harassment and gender equality to better management practices within the department.

One must not forget important reforms to the reserves, significant strides in equipment modernization and a 20% increase in the defence budget over the past five years.

I will highlight these last points throughout my presentation. Over 300 specific recommendations by various advisory groups have been implemented, the most extensive reforms in the history of the Canadian forces.

I will briefly review a number of the issues we are addressing at the present time.

• (1900)

[*Translation*]

I would like to begin with the fight against terrorism.

[*English*]

Since our first deployment last fall, the Canadian forces have made a significant contribution to the coalition's efforts. Over that period we have had eight ships with a ninth on its way and six aircraft operating in the region, along with a battle group and special operation forces on the ground in Afghanistan, totalling more than 2,500 personnel. That is the proof that things are being done.

While there is still work to be done, much has been accomplished in the campaign. The Taliban has retreated. The al-Qaeda is in hiding. We have helped establish an interim authority in Afghanistan. We are preventing terrorists from retaking a hold in that country. We are part of that mission.

National defence of course is contributing to international security in many other places, from Bosnia to Sierra Leone.

[*Translation*]

Right now, Canadian forces are stationed in 13 operations throughout the world.

[*English*]

Here at home we continue to contribute to the aerospace defence of North America at an increased level.

The contribution the Canadian forces are making to international peace combined with their expanded roles in domestic security have been made possible in large part due to additional funding for defence. With consecutive increases over the last few years, including last fall's budget, spending on defence will go up by more than \$5 billion over the next five years.

With this new funding we have been able to make progress in many key areas. Let me give some examples.

We have made sweeping improvements to the quality of life of our military personnel. We have also taken action to improve the leadership, training and professional development opportunities available to our military personnel. We have also ensured that they have the equipment they need to do the job. The Coyote reconnaissance vehicles, the LAV III armoured personnel carriers, the Cormorant search and rescue helicopters are good examples.

The modernization projects continue with a military satellite communications project, improved tactical communications systems, the clothe the soldier project, strategic air to air refuelling, the modernization of the Aurora and the modernization of the CF-18. Each of these projects taken separately represents an investment of more than \$100 million and the list goes on.

Modernization is important if we want to provide military personnel with the right equipment, but it is also a means of maintaining interoperability with our allies. Interoperability is another area where we continue to make progress. We only need look at the PPCLI battle group and how well it is working with its American colleagues in Afghanistan. Our ships in the Arabian Sea, as they have on so many occasions, are working so well together in co-operation with our allies.

We have also made strategic investments in domestic security such as through the Office of Critical Infrastructure Protection and Emergency Preparedness, OCIPPEP.

Despite these significant accomplishments, we do not intend to rest on our laurels, which is why I have set out five broad priorities that are in this document for the fiscal year. They are: responding to the new security environment; putting our people first; optimizing Canada's defence and security capabilities; maximizing management effectiveness; and enhancing our defence relationships. Let me expand on some of these priorities, starting with the new security environment.

Even though the security environment has been changing steadily over the last decade, September 11 brought some of these changes into sharper focus. These are things such as global terrorism, potential threats to our critical infrastructure, the proliferation of conventional weapons and weapons of mass destruction. In the face of these new realities, defence has to remain innovative and forward

Supply

looking. This means focusing on the future and investing in the capabilities that are most relevant to the emerging security environment.

As we have talked about here in the last 20 minutes, the last budget devoted an additional \$1.2 billion to defence. This was part of the government's overall \$7.7 billion investment to ensure the safety and security of Canadians against terrorism.

With that additional funding we are offsetting the costs of Operation Apollo, but we are also enhancing capabilities within the Office of Critical Infrastructure Protection and Emergency Preparedness. We are building on the intelligence gathering capabilities of the Communications Security Establishment. We are increasing the capacity of our commando anti-terrorism unit, JTF2. We are augmenting the Canadian forces' capability to prevent and respond to biological, chemical, radiological and nuclear threats.

Over the long term we are committed to participating in the campaign against terrorism and increasing intelligence activities in this area. We will work to provide national leadership on critical infrastructure protection and emergency management.

The next priority I mention is putting people first. As I indicated when I talked about quality of life initiatives, defence has been focused on putting people first for several years now.

● (1905)

We have made tremendous progress. As I said a few moments ago, we have increased pay and benefits for our military personnel. We have begun reforms. In particular this year we are taking on the project of military health care system reform. We have improved the housing conditions. We have implemented measures to help our members deal with post traumatic stress disorder. We have improved the services to families through our family support centres.

Our investments are not going to stop there. Our people deserve the best because they give their best. There are also practical reasons for putting people first. There is stiff competition in the job market.

Defence has improved its reputation as an employer, but if we want to make sure we attract the people we need, we have to present ourselves as an employer of choice. That means continuing to develop our learning and professional development programs. It means improving how we manage people. It means increasing diversity and promoting a sense of inclusiveness for all of our population to be reflected in the forces. These are the goals we will focus on in putting people first.

Another issue that has a quality of life implication for our military personnel is the Canadian forces high operational tempo over the last decade. That brings me to the next priority, optimizing defence and security capabilities.

[*Translation*]

Over the past ten years, the operational turnover of the Canadian Armed Forces has accelerated radically.

*Supply**[English]*

Despite increased government spending on defence, it continues to pose a challenge to our financial resources. I think it is apparent that we cannot sustain the present mix of capabilities and levels of activity. In other words, we have choices to make. To help ensure we make the right choices, we are working through a defence update. We want to make sure the defence program is based on the new military realities.

One thing we do know is that these realities will not change the three missions currently assigned to the Canadian forces. Protecting Canada and Canadians remains paramount, as does our commitment to helping defend North America in co-operation with the United States. If anything, that has become more important since September 11.

At the same time, Canadians have made clear their desire to continue contributing to international peace and security.

In light of the continued salience of these three missions, it follows that other elements of our policy are also sound, including our membership in Norad and in NATO. It also means that the Canadian forces must be capable of undertaking a full range of domestic, continental and international missions from search and rescue to disaster relief to combat operations. This means we must continue to be a multipurpose, combat capable force.

The challenge lies in making sure that we invest in the right mix of people, equipment and training to accomplish that. I am confident that the defence update, the details of which we are currently firming up, will serve as a compass to guide us in making the right choices for the future and thereby making the most of our defence and security capabilities.

The final priority I want to touch on is enhancing defence relationships. We enjoy an excellent and extensive defence relationship with the United States. Still, we cannot be complacent.

As the House knows, as part of the annual review of the united command plan, the United States has announced the creation of a new command called northern command or Northcom. Obviously the creation of Northcom comes as a direct result of the events of September 11 and the United States' increased focus on homeland security.

While many details are still being worked out, we do know that the area of interest for this U.S. command will be North America, including air, land and sea elements, as well as civil support. The commander has not yet been named but indications are that the commander of Norad will also be named the commander of Northcom. I should note that these will be two separate responsibilities.

The creation of Northcom has given us the opportunity to continue discussing opportunities for co-operation with the United States, discussions that have been underway for some time. Already we patrol our skies and maritime approaches with the United States. Since September 11, we have been looking at ways to see if and how we can do this better.

Officials from the Departments of National Defence and Foreign Affairs have been working closely with their U.S. counterparts to

explore practical ways to provide better security to Canadians and to the continent.

While this process is still ongoing, it is already clear that any arrangements we may undertake will in no way compromise Canada's policy independence or our sovereignty, nor involve the integration of our armed forces. We would only enhance co-operation where it results in an improvement in our ability to defend against conventional and asymmetric threats, and where it will help maintain the dynamic and positive relationship that Canada enjoys with the United States, our most important ally economically and militarily.

When it comes to enhancing our security, we are not just looking across the border. We also have to continue to work with our European allies to promote a strong NATO. We cannot forget the importance of certain relationships here at home. In this regard, we will focus on expanding strategic partnerships with other levels of government and with the private sector, particularly in the areas of critical infrastructure protection.

This concludes my review of the priorities for this fiscal year. They are outlined in more detail in part III, "Reports on Plans and Priorities", of the estimates.

● (1910)

In spite of what has been said by members on the opposite side, we have made significant progress. The Canadian forces and the Department of National Defence are preparing to meet the challenges of a new security environment looking at our future needs.

Challenges remain but I am convinced that throughout the changes and reforms we will continue to move ahead in the coming years.

The Canadian forces and the defence family will succeed in fulfilling their role as one of Canada's most vital national institutions.

[Translation]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Chairman, first of all, I would like to tell you that I appreciate the format of the debate this evening. It may be a first, but it is a very interesting approach which should be repeated more often. This sort of confrontation between the minister and the opposition is a way to get things moving.

I will begin by saying that the minister criticized the opposition—he referred not just to the official opposition, but to all the opposition parties—for taking a blind approach. I could politely reply that after what he said, I think he is taking the rose-coloured-glasses approach. I did not hear about any problem at National Defence. I would remind the minister that the very role of the opposition is to try to improve things.

I have a slightly different strategic approach for this kind of debate. I wish to reserve all my tougher questions for the second part. In the first part, I would prefer to point out to the minister the problems as seen by the Bloc Québécois, and no doubt by many of my opposition colleagues.

Supply

As a backdrop, I would say that there is a major problem with the fact that we have been hearing the minister say for quite some time now that he will have to review defence policy, which supposes reviewing foreign affairs policy.

As a backdrop, there is the whole importance of parliament, which has been completely ignored when it comes time to making decisions regarding national defence. Often decisions are made by one person, or an inner cabinet. Parliamentarians are totally excluded from the decision making process. There are numerous examples to prove this, including when troops were sent to Afghanistan. We were told, "Troops will be sent; there will be a take note debate next week. There will not be a vote". People spoke after the House adjourned at 6.30 p.m. and then that was it, it was over.

I want to point out that this is what is difficult right now, and I want to raise the problems that we have identified.

The fact that we are told that a defence policy will be announced means that all of the decisions made during the last budget, and those that are being made right now, are out of step. One wonders if they will be up to date for very long.

Decisions are being made hastily, and in a piecemeal approach. For example, there is currently a major campaign underway to recruit soldiers for the Canadian army. I think that the campaign may be successful. However, there is no mention about measures taken to retain staff. I have some figures here. Year after year, since 1992-93, the numbers for the Canadian Forces have dropped. We went from 90,000 in 1992-93 to less than 60,000 today, which is below the threshold set out in the 1994 white paper containing the government's commitments. I would like to remind the minister of this.

There are people who enlist and people who leave. In 1992-93, there were 1,300 people who enlisted compared to 5,000 who left; in 1993-94, there were 1,800 people who enlisted, and 5,800 who left. I will jump to more recent figures now. In 1999-2000, there were 2,300 people who enlisted and 3,600 who left. This is a problem. The minister tells us that quality of life has improved in the Canadian army. How does he explain, and I will ask him this specific question later, that though there may be some success when it comes to recruitment, there is an even greater failure when it comes to people leaving the Canadian forces?

Now let us look at the future of the Canadian Forces. What is to become of the space shield? What about NORAD? What about USNORTHCOM? These are all things on which decisions are being made. Decisions such as the one on USNORTHCOM is being made once again without MPs' knowledge. We have no idea what is going on. Question period in the House of Commons is certainly not going to provide us with any information on what exactly is going on. Question period it may be, but most certainly not answer period, as far as any precise answers are concerned. They can answer just about anything they like and often go right off topic.

This is the kind of thing that makes us wonder why parliament has no influence any more. Why are we, parliamentarians, who are elected just as democratically as the minister, being kept in the dark? Why is it always a small group that makes decisions with a major impact on the government and the Canadian Forces?

●(1915)

Going off to war is something significant; the sons and daughters of Canada and Quebec are going off to battle. It might be worthwhile allowing us in the opposition to have some say in this as well.

Then there are the military operations. Nowadays, as soon as there is an international conflict somewhere, troops are dispatched. How many? They are the ones to decide all that.

We have no say on it at all. We are informed that 2,000 will be going off to Bosnia, that the PPCLI, close to 1,500 strong with all the support staff, is heading to Afghanistan. As I have already said, this is all done on a piecemeal basis. We realize that this is beginning to be hard—very hard even—on the troops, because of the rotations.

The other day, I was talking with a soldier who is on his seventh. This is the seventh time he has been away from home for periods of four, five, six months, maybe more, whereas in his 20 years in the military, that soldier's father was away only twice on a tour of duty.

We can see therefore that it is growing and that, unfortunately planning is at a minimum. A conflict arises, the Prime Minister says "We will send some people". We send some people, and things like what is happening now occur.

On the east coast or on the west coast, a supply ship—there are only two of them in Canada, one for the west coast and one for the east coast—left for Afghanistan with the navy. So, which of the two coasts was not protected? Some things cannot be explained. Decisions are taken piecemeal. This will have to be examined at some point.

Now, let us consider a number of things to do with the modernization of equipment and materiel, more specifically with strategic navy transportation.

At the moment, we have no planes—or practically none—capable of transporting our troops where we want. In the case of Afghanistan, it was the Americans with their C-17s that made 68 trips to transport Canadian troops to Afghanistan. Canada is supposed to have rented these planes.

Now, there are more and more discussions on purchasing. Will this be part of the new defence policy? Is this directly in line with the policy to be issued in the next few months, we hope? It is important to taxpayers.

I still react like a taxpayer. They will be paying perhaps \$1.6 billion, because this is the amount set out in the government's priorities plan. This is \$1.6 billion to purchase, perhaps, strategic air transportation, perhaps. Is this what we need? Not a lot of questions are being asked. It is another piecemeal effort. And no one knows what will be in the next policy.

The same thing is true in the case of naval transportation. When we send troops, oftentimes, when there is no emergency, all the equipment and materiel to follow can be loaded on ship. It might arrive a week or a few days later, but that does not matter. It can be loaded onto a ship. Now the government wants to buy other ships. This means another investment of some \$1.6 billion.

Supply

Do we really need this in the current context, given that a policy will be issued soon? The government is buying piecemeal, something that costs Canadian taxpayers a lot, but it is still piecemeal.

As for the submarines, I hope the minister is going to take off his rose coloured glasses, for there is nothing rosy about the submarine situation. Four submarines were bought for \$800 million. Only two have already arrived and the other two are still in England. One of the two was in dry dock at Halifax for a year, and when it was launched it nearly sank. Is that normal?

Do we need submarines? Is it for Canadian sovereignty? We will likely find out in the next DND policy or the next foreign affairs policy.

In the meantime, we keep on doing things on a piecemeal basis and the taxpayer ends up paying \$800 million for submarines, not to mention repair costs. We do not know yet what they will be.

When this kind of equipment and materiel is involved, skilled labour is required. So a bill of millions can be run up in pretty short order. This is one more example of piecemeal decision making.

Then there are the Sea Kings. For years we have been told how important it is to get replacements, and now we learn that they may be forthcoming in 2005. It may even be more like 2010. In the meantime, these aircraft have exceeded their life expectancy. Really now, and yet they tell us they are still very safe. Mind you, they are still looking through those rose-coloured glasses, of course.

• (1920)

But when 30 hours of maintenance are necessary for one hour of flight time, one wonders about the reliability of these helicopters. There is no doubt that they are operating in an environment where it is easier for them.

But in difficult situations, how do they perform? Why was the replacement contract for the Sea Kings split in two, as though the government wanted to further delay the possibility of rapidly purchasing new equipment?

So a lot of questions come to mind. We also have questions about our international operations, about USNORTHCOM and the space shield.

By agreeing to the space shield, are we agreeing to abandon the ABM treaty? Is that it? This is the direction the Americans are headed in. They have clearly said that the ABM treaty was finished as far as they were concerned. We have not heard much from the Prime Minister on this. Foreign affairs policy should enlighten us on this and national defence policy should flow from it accordingly.

I have a lot of questions to ask. With respect to the reserve force, General Jeffery told us that there was a second phase of restructuring for the ground reserve force. He is not sure that he will have the money needed. It is not certain that these people can be kept. Right now, the reserve is an important component. Canada has approximately 14,000 people in the ground reserve, and the general would like to see this increase to 18,000. If this is to happen, it will take money that is not available right now.

So we can obtain information and ask questions. We are not wearing rose-coloured glasses. People may say that we are exaggerating, that we are taking a blind approach. Is what I have just said true or not? Will the minister tell us whether he is going to present his defence policy as soon as possible? Those are perhaps the questions I wanted to ask him.

I will come back to the tougher questions later in this debate. For now, I am asking the minister to tell us when we will have the defence policy. Does the minister have to wait for the new foreign affairs policy before he can present his policy? When might we have both policies?

• (1925)

[*English*]

Hon. Art Eggleton: Mr. Chairman, how much time do I have to answer these 101 questions?

The Chairman: Let us just let the minister begin. We have approximately eight minutes left in this round. I would hope we would still get in a few more questions.

Hon. Art Eggleton: I will refer to the last question, if I can back it up from there. It is my aim to have this defence policy update done by this fall. However, if we take the old business about the cup being half full or half empty, the member has certainly given the half empty portion of it. I would like to give the half full portion of it. In fact, it is not only half full; it is more than half full.

Let me start with the whole question of how many people we have in the military. He says we have gone down below the 60,000 level. In fact, yes, we did go down at one point, but at this time we have 60,484 people in our regular forces operations. We are back up to strength.

He worried a bit about attrition, but our attrition rates are down almost 20%. We are beginning to retain people, more than ever before. In fact, we have one of the lowest attrition rates of any among our allies. Traditional attrition rates have been 7.5% to 8% but now are down to 6.3%, which is, as I said, a 20% reduction.

Aside from retaining more of the people in the forces, we are also into a three year recruitment program. This year we set a target of 10,000, which is considerably more than what we had last year, and we have met the 10,000. I will say that we have more than enough reserves. We have made about 85% of our target on the regulars, but there are certain occupations where we still have a challenge to meet. There are certain professional groups, such as engineers, doctors, pilots and technicians of various different groups, where we still have a challenge. The auditor general pointed that out and we quite agree. Steps are being taken to recruit those people. We can do some of that training ourselves, but we are also going to community colleges, to areas where people have graduated from these courses, and we are trying to bring them into the forces. In some cases bonuses are being offered.

Supply

There is a wide variety of instruments that we are using to recruit into the Canadian forces. We want to make the Canadian forces an employer of choice. I think we are on the right track in what we have been able to accomplish to this point. We have our numbers back up to over 60,000.

On the northern command, it is an internal United States reorganization. The Americans have not invited Canada to join it per se. They have been communicating with us at the table about how we can work in a co-operative way, because northern command is an internal command that will be concerned with the whole of North America. That is their area of interest. They have other commands that cover other parts of the world in terms of their areas of interest. No other military belongs to those commands. For example, southern command governs all of South America but South American countries do not belong to it.

However, we do have a very close relationship with the United States and we want to work in a co-operative way, so we have been exploring ways in which we might do that. At the same time, we entered into these discussions because we wanted to ensure that the one binational command we have, NORAD, was not subordinated to the northern command, and it will not be. It will be out there distinctively as a binational command. It will be on a parallel with the northern command as the two areas of responsibility of one person. Right now the commander of NORAD also has the space command, so double-hatting in the American context is quite normal. This person will be double-hatted with those two commands.

We are also looking at ways in which we can co-operate more with them. We are not talking about taking our military and putting it under their military. We are not going to assign major forces to this northern command. We are virtually talking about planning the kinds of operations in regard to how we might work together in the future, in no way affecting our sovereignty.

•(1930)

[*Translation*]

Mr. Claude Bachand: Mr. Chairman, I will take this opportunity to probe a little deeper. According to the minister, would our participation in the American space shield mean the end of the ABM treaty?

[*English*]

Hon. Art Eggleton: No, because it appears that the anti-ballistic missile treaty is about to come to an end. The United States is one of the two partners to that treaty, with Russia, as the successor to the Soviet Union, and gave six months' notice in the latter part of last year, which I believe means that in one more month the United States will be out of the ABM treaty and that is the end of the treaty.

However, the president of Russia and the president of the United States have had discussions to try to bring about lowering of nuclear weaponry. Meanwhile, the United States, in terms of what we call a shield, continues to explore missile defence. It is a totally defensive weapon. It is non-nuclear weaponry, but it is designed as a missile defence system that will protect at least the United States.

We have not yet been asked to participate. As we have said on many occasions, we continue to monitor that situation. We have

somebody in their office of ballistic missile defence to gather information and get a better understanding of where it is proceeding, but it has not made any final decisions about it at this point. Subsequently, though, Canada indeed will have to address that issue.

[*Translation*]

Mr. Claude Bachand: Mr. Chairman, the minister has confirmed that there are discussions, and probably negotiations regarding USNORTHCOM. Has he given any thought to how he wants to involve parliament in the USNORTHCOM issue?

Is the minister ready to make a statement soon in the House so that the opposition parties can respond and get an idea as to where the government is heading as far as this concept of USNORTHCOM is concerned?

[*English*]

Hon. Art Eggleton: There are no negotiations. There are informal discussions going on. There are no decisions that have been made, and subsequently, yes, we will want to make sure that the House is aware of what the government will propose and it can then respond to that.

Ms. Wendy Lill (Dartmouth, NDP): Mr. Chairman, I will be splitting my time with the member for Palliser, with the consent of the House.

Mrs. Cheryl Gallant: Mr. Chairman, I rise on a point of order. I understood that if there were to be any sharing of time unanimous consent would need to be granted.

The Chairman: As a matter of fact, the Chair was just going to remind members that to be able to split time in this format, the hon. member for Dartmouth, in this case, would have to seek consent of the House.

Ms. Wendy Lill: Mr. Chairman, I would ask consent of the House to split my time with the member for Palliser.

•(1935)

The Chairman: Is there consent?

Some hon. members: Agreed.

Some hon. members: No.

Right Hon. Joe Clark: Mr. Chairman, I rise on a point of order. I wonder if we might have an indication as to whether the intervention by the hon. member is in her personal capacity or on behalf of her party.

The Chairman: I do not believe we are getting into any points of order. I believe this is getting into somewhat of a debate, but the right hon. member's turn will come very shortly.

Ms. Wendy Lill: Mr. Chairman, I would like to use my time tonight, however long it is, to make comments and ask questions based on my own experience as the member of parliament for Dartmouth and as the representative of thousands of military personnel and their families.

I have enormous respect for the military and their commitment to this great country. It is in that spirit that I will ask the minister to address some central planning and priority issues which will have a profound effect on my constituents.

Supply

I would like to start by talking about the fact we are all aware of: our military resources are overstretched and our missions are under-resourced. In the national defence 2002-03 estimates report, the government stated that the pace of operations from the late 1990s has taken its toll and has stretched the Canadian forces, the department, and the men and women who wear the uniform.

As well as Senate committee reports, a Canadian security and military preparedness report released in February of this year reported that there are 105 military occupations, with 43 of these occupations considered to be "stressed". This means that the status of these occupations is considered to be red, with indications that its trained effective strength is 90% or less and that it may not recover within two years.

I would like to ask the minister how the government intends to continue its high level of overseas commitment given its resources in these estimates. Even with the government's "aggressive" recruitment strategies, how can this situation be remedied before there are increased deployments for our already overtaxed and overburdened military personnel?

Hon. Art Eggleton: Mr. Chairman, it is an excellent question. As I indicated in my previous comments, overall recruitment and retention has improved. There are certain categories in which we are short. The people in those categories are in a somewhat stressed position with respect to our various operations, but we are focusing on those 43 categories to be able to increase the numbers.

Meanwhile we have been doing a study on operational tempo to determine alternate strategies. Such strategies would involve cutbacks in some operations if need be because we want to ensure that in dealing with quality of life issues we bear in mind the stress many of these people are going through in making their contributions. We are trying to find the right balance. We want to be able to make our contributions but at the same time deal with the stress factors until we can get our numbers higher in the 43 categories.

Ms. Wendy Lill: Mr. Chairman, I must say that families in my riding are painfully aware of the lack of resources and the fact that soldiers are constantly redeployed almost as soon as they get off the ships. It is painful to watch at the family resources centre as families deal with yet another deployment.

I will talk about the government's failure to safely equip our forces. In the conclusion of the national defence 2002-03 estimates the government states:

Over the past few years, Defence has pursued a deliberate strategy to position Canada's defence and security establishment for the future, focussing on ways to reinvest in its people, and to modernize, revitalize, and enhance the operational effectiveness of the Canadian Forces.

I guess this refers to upgrading the CF18s, the Aurora and the Coyote. However the replacement of the Sea King continues to be delayed. Other members here are passionate about the issue as well. How can the government claim to be working to enhance and modernize the armed forces when for close to 10 years the Maritime Helicopter Project has been stalled? The service personnel of 12 Wing Shearwater continue to operate and maintain the Sea Kings which are flying accidents waiting to happen.

When will the government replace the Sea King? How many more soldiers do we need to lose in these helicopters before the government gets the message that they are death traps?

• (1940)

Hon. Art Eggleton: Mr. Chairman, with respect to the matter raised previously, in some cases we use the private sector to complement our own resources. We have been doing this in Bosnia for some of our stretched occupations. We have been able to provide private sector support services in Bosnia for things like cooking and cleaning. That is a further response to the previous question.

Regarding the current question, in the last year we have added \$40 million in equipment purchases. We are increasing the percentage with respect to capital. With respect to the Sea Kings, as I said before, our people will not be flying anything that is not safe. We have put some \$75 million into improving and upgrading the avionics and other parts of the Sea King. It has been performing exceedingly well. We have quite a number of them in the Arabian Sea. They have been performing exceedingly well there because they are kept in good condition. We would not allow our people to fly anything that was unsafe.

However we need to get on with replacing them. We need new equipment with new capabilities for modern needs. As I indicated before, the process is in place and moving along. Yes, I wish it was faster but by the end of the year we will be in a position to name the helicopter that will replace the Sea King.

We are trying to make sure the process is conducted fairly and that we can keep it competitive. We have gone through various discussions with the proponents as to the technical specifications that flow out of the statement of requirements. They have been continually asking us for information about them and this takes time. However I think we would all agree we want to be fair to all the competitors so we can get the best helicopter to replace the Sea King. Meanwhile the Sea King will continue to do terrific service for us.

Ms. Wendy Lill: Mr. Chairman, I will ask the minister about wounded peacekeepers and people returning from fronts with various disorders.

There has been strong testimony at the standing committee about the denial of proper assessment and treatment to personnel suffering from gulf war syndrome, post-traumatic stress disorder or exposure to depleted uranium while serving in the Gulf War, Kosovo or now Afghanistan. It is clearly not a figment of the imagination when these people come home and are exceedingly ill almost as soon as they return. There are major health care issues we must deal with once they arrive back in Canada.

Can the minister tell us what resources are being allocated to preserve the health of our troops suffering from these conditions not only in the field but when they come back? What methods does the minister see for compensating soldiers and their families if they are exposed to depleted uranium or suffer from other debilitating conditions acquired in the line of duty?

Supply

Hon. Art Eggleton: Mr. Chairman, as I indicated earlier, we are going through reforms to our health care system. We have put a number of operational centres in place to deal with trauma and stress and the ailments of people who served during the gulf war.

The ombudsman recently issued a report about PTSD, post-traumatic stress disorder. He made a number of recommendations which have been accepted by the forces and are in the process of being implemented. There are a multitude of ways in which we are improving health care services. We have established a centre for the injured and their families jointly with the Department of Veterans Affairs.

The question of depleted uranium has seen considerable study. The difficulty is that the medical or scientific evidence has not indicated that any of our people have been adversely affected by it. Tests have been provided by the Department of National Defence. We have paid for tests to be done by independent parties. The relationship between service in the gulf or any other venue and depleted uranium is yet to be established but it still causes us considerable concern. We will continue to examine and study it. We will keep an open mind about it as we do for other ailments our people have.

Our people have experienced many different physical and psychological ailments and combinations of illnesses. The bottom line is that we want to look after these people. We want to do our best. It may be difficult in terms of scientific evidence to prove whether the ailments are related to depleted uranium, toxic substances or whatever, but if our people are sick we want to look after them. That is what we are endeavouring to do with these various changes and reforms.

● (1945)

Ms. Wendy Lill: Mr. Chairman, in every other area we try to get consumer groups and stakeholders involved in policies and planning for the future. To give confidence to returning peacekeepers and their families would the minister consider a consultation group of peacekeepers and active military personnel to oversee the decision making process regarding issues such as DU, post-traumatic stress disorder and all the ailments visiting people when they arrive home?

Hon. Art Eggleton: Mr. Chairman, we have put in place peer groups for people to consult with. There are also various professionals within the organization such as social workers, medical people or chaplains. There are a number of elements that come together to help in terms of counselling people and giving them the support they need.

However I am happy to look at any other peer support groups that might be helpful. We are moving in that direction now. We have established those kinds of groups. We are open to the idea and want to continue in that direction.

Ms. Wendy Lill: Mr. Chairman, I will ask a question about privatization and the whole alternate service delivery model.

We are facing unprecedented pressures on our forces. They are understaffed and underfunded for the number of missions the minister is asking them to do. At the same time his priority is to put the provisioning, supply, transportation and warehousing system for all military material into the hands of a British multinational corporation.

One could say the minister is creating a potential military Walkerton. If the minister says we are at war, why is his priority the elimination of properly trained civilian workers so they can be replaced by a low cost bidder from another country?

Hon. Art Eggleton: Mr. Chairman, in conflict operations where there is high risk we will not send civilian personnel to do the jobs military people have done in the past. I mentioned that we have put people into Bosnia but the risk levels are lower. The Americans have been using this kind of support for some time as well. When certain occupations in the military are stressed it is particularly helpful to be able to give support through private sector personnel. However we would not send that kind of personnel into a place like Afghanistan which is a conflict zone.

The hon. member may also be referring to the Supply Chain Project which is the major alternative service delivery program we are proceeding with at the moment. We talked earlier about scarce resources and the need to use them on core military capabilities. That is what we are trying to do here. We believe we can enhance the performance of our supply chain from beginning to end by putting it together as a comprehensive entity. We can make it a better system all around. It is pretty good in many respects but we can make it better. We think we can save over \$70 million a year. We made a business case with respect to that and the auditor general thought we made a good case.

On top of that, the company is a Canadian company. It has foreign ownership but so do a lot of Canadian companies with which we do business. The service provider has committed to making reasonable job offers to 100% of the permanent civilian employees affected by the project. The company is willing to guarantee employment for seven years. It will offer salaries equivalent to or better than what the employees got in the public service. Health, dental, disability and pension arrangements will all be provided.

A year ago when I was talking to the president of the Union of National Defence Employees he thought it was a great idea. He does not seem to think so today but he did at one time. That is because it is fair and reasonable in its treatment of employees. At the same time it will allow the government to save a lot of money and provide for an effective and efficient system. We will be able to put the money we save into our core capabilities to help relieve some of the stresses and pressures we have been talking about.

● (1950)

Ms. Wendy Lill: Mr. Chairman, I thank the minister for his answer. However I have in front of me a letter from the Public Service Alliance of Canada. This is what PSAC has said to me:

As a union, we are opposed to the privatization of Canada's DND Supply Chain. This privatization is not in the interests of our members who will be forced out of the federal public service and into work with a British-based contractor. These workers will suffer reduced benefits and job insecurity.

Supply

Our concerns as a union extend beyond the impact on our members. We are concerned about the future security of Canada. We are concerned about escalated costs for lower quality service.

PCAC members are concerned, as am I, about the privatization of our military. It is certainly an issue with the many defence workers who live in my community.

I have a question about the northern command. The minister is answering many of these tonight. We are seeing the development of a northern command. Does the minister plan to hold talks with his U. S. counterparts on the issue of Canada's north and our Arctic sovereignty? How does our Arctic sovereignty, including our sovereignty in the Northwest Passage, relate to the American concept of the North American defence perimeter? What is the government planning to do to ensure our Arctic sovereignty?

Hon. Art Eggleton: Mr. Chairman, we have in the last year entered into an internal exercise with respect to the north that includes a northern operation out of Yellowknife. We have various entities that come under that command throughout the northern areas, such as our Canadian Rangers.

Our Canadian Rangers will be our eyes and ears in the north and in much of the remote areas. We will expand that operation, as we are indeed expanding the junior ranger program which helps young people become involved with something that is very valuable for them in terms of development of life skills.

Those programs will be increased. We will also establish more exercises in the north. We have two naval ships that we will be sending up there this summer as part of an exploration of the passage areas. Ultimately, yes, we will address this question of the Northwest Passage. We are likely to see that passage opening for shipping in a few years with the effects of climate change, perhaps 10 or 15 years. We must be prepared for that possibility and what that means in terms of sovereignty and environmental conditions. These are matters that we are quite cognizant about. We are continuing to address them.

At the present time we are looking at the organizational structure of the northern command and subsequently how it relates to our most northern areas will have to be fully addressed.

● (1955)

The Chairman: This concludes the first round of the New Democratic Party. The floor will now be given to the right hon. member for Calgary Centre.

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Chairman, I wonder if I might secure unanimous consent to share my time. If I am granted that unanimous consent then the member for Saint John would speak ahead of me.

Mrs. Cheryl Gallant: No means no, Joe.

The Chairman: There is no consent.

Right Hon. Joe Clark: Mr. Chairman, I find it difficult to recall a time when four words managed to break two practices of the House of Commons. I congratulate the very experienced and short lived member for her intervention. I am afraid it does put into context the pretence of her leader to be interested in a parliament that works more effectively.

I welcome the minister to this procedure and may there be many more of them.

I want to begin with northern command. My understanding is that northern command in the United States takes effect on October 1. Is that the minister's understanding of the date? Whatever the date, on the day after that date will there be any change at all in the nature or the mechanisms of Canada's defence relations with the United States of America?

Hon. Art Eggleton: Mr. Chairman, October 1 is the target date to put it into effect. At this point in time I would have to say no, but there are discussions that are going on at this point in time relevant to how we could find more practical co-operative ways of improving the defence of our people, both in Canada and the United States and our common continent.

In terms of such structures as Norad, which is one of the reasons we entered into discussions with the U.S., it will be in the same position as it is today. It will be a binational command reporting to the governments of the two countries. It will not be changed.

Depending on how these discussions that are currently under way evolve and how they evolve if there is any formal part to them beyond this, that could have some effect on what happens on October 1. As I have indicated, let us not get carried away with what is being talked about here. Let us understand that the northern command is in fact an internal structural entity in the United States forces. It is one of many commands that they have.

We are looking at co-operation which would involve more planning within that context. We are not talking about putting our troops under any other command. We are not talking about assigning some large standing force to it. We are not talking about anything that will affect our sovereignty or our ability to make our own decisions with respect to foreign policy. I think we had better keep this whole thing in context.

Right Hon. Joe Clark: Mr. Chairman, the minister has said that Canada has not been invited to participate. Is the minister anticipating such an invitation?

Hon. Art Eggleton: No, Mr. Chairman. It depends what the hon. member means by those words. We have not been invited to participate in the northern command. We have not been invited to become part of the northern command.

I do not anticipate we will ever be asked because that is an internal structure within the United States just as the southern command covers all of South America. Nobody has been asked in South America, or any part of the world, to join that command. The northern and southern commands are internal organizational commands.

When the hon. member asks what we are discussing, we are discussing the possibilities of co-operation. In that respect it could be a relationship but it certainly will not be coming under northern command. No, we are not looking at that at the moment.

Supply

• (2000)

Right Hon. Joe Clark: Mr. Chairman, the minister has just told the House that the department and he are discussing practical ways of co-operation that might take effect. Without asking him to go into any detail, would the minister give us one or two examples of the kinds of practical changes in co-operation that might take effect for Canada after the October 1?

Hon. Art Eggleton: Mr. Chairman, we may develop a planning cell that would rely on shared information about operations on land and sea. Discussions might help organize some exercises that would result in our ships working together out in the maritime operations. Maybe we will work on things that will better co-ordinate protection of our coastlines as a continent.

Right Hon. Joe Clark: Mr. Chairman, in the discussions within the department, is any consideration being given to the consequences of Canada declining an invitation to participate?

Hon. Art Eggleton: Mr. Chairman, we will only do what is in our interest to do and what is in the interest of the security of Canadians. It must make sense for us. After all, our first concern is the safety and security of Canada and Canadians.

We share a continent with the United States. We are not on an island unto ourselves. One of our missions is to work with the United States in defence of our continent. We already have a great many treaties and memorandums of understanding. If in the post-September 11 framework there were ways that we could enhance that co-operation, then we would like to do that. However, it does not involve setting up a separate command structure or joining a separate command structure.

Right Hon. Joe Clark: Mr. Chairman, I am interested in the internal discussions within the Department of National Defence. In those internal discussions which are now going on, is there any consideration being given to the consequences to Canada of declining an invitation to play some more formal role in the northern command?

Hon. Art Eggleton: Mr. Chairman, the right hon. member is assuming that there will be some sort of a formal invitation. We look at all possibilities of the implications of co-operation with the United States. It is not unusual to do. There are only informal discussions going on at this point in time. When we get to a point where the government has a proposal, then the government will make that known and the right hon. member can respond accordingly.

Right Hon. Joe Clark: Mr. Chairman, in the internal discussions within the Department of National Defence, is there any estimate of the potential cost implications for Canada of the restructuring of the northern command in the United States?

Hon. Art Eggleton: No, Mr. Chairman. We expect it would be minimal. As I said, it is an internal United States command. Depending on what comes out of the discussions about co-operation we will have to examine the implications in terms of resources. At this point in time they are just informal discussions. There are no proposals and there are no negotiations.

Right Hon. Joe Clark: Mr. Chairman, is the minister telling the House that his highly qualified officials in the Department of National Defence and members of the military staff are not contemplating possible cost implications for Canada of this major

restructuring in the northern command of the United States? Are they contemplating any changes with respect to equipment requirements in Canada? Is the minister telling the House that these things are not being game planned in the Department of National Defence, that people are just waiting for the Americans to invite us or not?

Hon. Art Eggleton: Mr. Chairman, we are not waiting for any invitation. Anything that we will be looking at with respect to co-operation will be all fully costed. However, the northern command, which is an internal United States command, would obviously have implications on our budget, but certainly any decision about co-operation will also require us to cost the impact of any of that.

• (2005)

Right Hon. Joe Clark: Mr. Chairman, in the event of co-operation, would that be our involvement in northern command? Would that be expressed in the form of a formal agreement between the two countries or would it be conducted informally?

Hon. Art Eggleton: Mr. Chairman, I will not speculate on that because it is still in the early discussion stages. They are just exploratory discussions at this point in time. There is nothing formal to talk about.

Right Hon. Joe Clark: Mr. Chairman, we are talking about the program that comes into place on October 1, 2002. In Norad there is a Canadian deputy commander. Is there any similar role anticipated in the northern command?

Hon. Art Eggleton: No, Mr. Chairman. At this point in time the northern command is an internal United States command.

Right Hon. Joe Clark: Mr. Chairman, since this will be a double or a triple padding on the American side, is there any anticipated change in the existing responsibility of the Canadian deputy commander of Norad?

Hon. Art Eggleton: No, Mr. Chairman, there is not.

Right Hon. Joe Clark: Mr. Chairman, does the commander of the northern command in the United States have any responsibility in the U.S. missile defence program?

Hon. Art Eggleton: Mr. Chairman, that has not been signed yet.

Right Hon. Joe Clark: Mr. Chairman, I will resist the temptation to say that perhaps the minister has not been briefed.

Hon. Art Eggleton: Maybe your briefing needs to be better.

Right Hon. Joe Clark: I heard the click, Mr. Chairman. I wonder if the minister could give us any reason why he would not come before the House of Commons this month and present a rather detailed statement of the nature of discussions now being pursued between Canada and the United States with respect to the shape of the northern command and any implications it might have on Canada?

Is there any reason not to trust this parliament and the people of the country with the details that are being discussed now by his own admission between officials of his department and the Department of Foreign Affairs and International Trade and their American counterparts? Is there a reason not to trust parliament?

Supply

Hon. Art Eggleton: No, Mr. Chairman, there is not. As soon as the government is seized with the matter and there is a recommendation, a proposal to make, then the right hon. member and all the members of the House will have an opportunity to express their views on it.

Right Hon. Joe Clark: Just to be clear on this, Mr. Chairman, the House of Commons would have an opportunity to express its views on a fait accompli presented by the Government of Canada to the House without any communication to the people of the country as to the details of issues that may well affect our sovereignty, the costs we face and our ability to perform other missions in the world. The minister has no intention to bring parliament into his confidence before a decision is taken. Am I correct in understanding that?

Hon. Art Eggleton: No, Mr. Chairman, I did not say that. I think the right hon. member is far too worried about it affecting our sovereignty because it will not affect our sovereignty. It will not have the kind of dire consequences that he is pretending that it will.

Right Hon. Joe Clark: Mr. Chairman, the minister does not know what it will cost Canada. He does not know what its implications will be for any of our equipment or other requirements. He does not know if we will be invited or not. He does not know if the invitation will require a formal agreement or will require anything else and he tells us not to worry about Canadian sovereignty.

There was a question asked by my colleague from Dartmouth earlier about the Arctic. Does the northern command proposal have any implication at all for Canadian jurisdiction over our Arctic? Is that the reason he is taking some of the actions that he discussed in response to my colleague from Dartmouth?

Hon. Art Eggleton: Mr. Chairman, that has not entered into the discussion at this point in time. There are long outstanding issues with respect to the north that will have to be dealt with.

What the northern command of the United States is indicating is that the continental United States plus the areas of Canada, the areas around the north are areas of interest to it. Ultimately in discussions those matters will have to be dealt with.

• (2010)

Right Hon. Joe Clark: Mr. Chairman, on another matter, did the minister recommend to cabinet the purchase of secondhand submarines?

Hon. Art Eggleton: Mr. Chairman, I did recommend the purchase of the four older submarines from the U.K. It is a terrific bargain. We are getting four of these submarines for about one-quarter of the price it would cost for new ones.

These submarines were in the service of the royal navy which has a great deal of expertise with respect to them and their capabilities. There are some items that need repair but these are not items that will make them unworthy of being part of the service of Canada. They are still a very good buy. The repairs will be made and they will be put into service and will serve us for many years to come. Much if not all of the repairs will be done under warranty with the company and with the U.K. which sold them to us.

Right Hon. Joe Clark: Mr. Chairman, it certainly would be a goodbye to the Canadian seamen who went down in those used submarines in the condition the minister bought them.

Since the minister has said that he recommended the purchase of these secondhand submarines, did he personally ask to see the logbooks with respect to each of those submarines before the \$750 million expenditure by Canada was approved?

Hon. Art Eggleton: Mr. Chairman, I think the right hon. member is most irresponsible in what he is suggesting about these submarines.

We are not going to put such submarines in service until they are safe. They have been certified previously by the royal navy which has expertise with respect to certification for their ability to operate and to dive. When we purchased these submarines all of the necessary examinations were made. The trials were done to ensure that they were worthy boats and would serve us well and that we got a good deal.

Right Hon. Joe Clark: Mr. Chairman, the minister is telling us that he had the assurance of the seller that the secondhand submarines he was buying were valid.

He missed my question about the logbooks. Did his officials look at the logbooks? Did he as the minister who made the recommendation that we buy these secondhand submarines look personally at the logbooks to make sure that what we were buying was safe and would not require extensive repair? It is a simple question, yes or no?

Hon. Art Eggleton: Mr. Chairman, everything was examined that needed to be examined. It was not a question of taking the word of the purchaser although the royal navy is a very respected navy. Remember the royal navy bought these submarines from the private sector. It certified them and went through considerable inspection and trials.

Our Canadian navy has done the same thing. We have examined everything that needed to be examined. The agreements cover everything that needs to be covered to ensure that this is a good buy. It is a good buy. There are some repairs needed but the right hon. member is exaggerating and distorting the truth on this matter, as usual. When the repairs are made we will get many years of very good service for the Canadian navy.

Right Hon. Joe Clark: Mr. Chairman, if these logbooks make such a compelling case for purchasing the submarines, would the minister agree to table them in the House of Commons?

Hon. Art Eggleton: Mr. Chairman, I do not think the right hon. member would know what to look for in the logbook to start with. The Canadian navy does. The Canadian navy knows what it needs to examine. It has done all the necessary examinations. Whatever we can table here that is going to be helpful we will attempt to do that.

I might add it was the right hon. gentleman and his party who had the hare-brained scheme when they were in government that they were going to buy something like 15 nuclear submarines. They eventually abandoned that hare-brained scheme which would have cost much more money, billions of dollars more than the submarines we have that will well serve this country and the needs that it has.

Supply

• (2015)

Right Hon. Joe Clark: Mr. Chairman, I look forward to having those logbooks tabled in the House of Commons. I can find someone who can help me interpret them. It will not take three times to be told and I am sure it will click on the first reading.

I have one last question on this matter at this stage. The Australians looked at these subs and chose not to buy them. Did the minister know that the Australians had decided not to buy these subs when he recommended that Canada buy them? What was it that caused him to believe that the Australians, who proved to be right, were wrong in their assessment in turning down this bargain basement opportunity?

Hon. Art Eggleton: Mr. Chairman, the Australians decided to head into their own submarine program and build their own. They ended up spending more than five times what we spent. At the end of the day it took them 13 years to get them into service because they had so many different problems with them.

In fact I can remember when visiting Australia they considered that to be one of the biggest jokes, trying to get the Collins Class submarine into service. It took them a far longer time, more than double the time it will ever take us to get these submarines into service at a fifth of the cost.

The Chairman: That concludes this round. We now give the floor to the hon. member for Renfrew—Nipissing—Pembroke.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Chairman, I would like to preface my questions by stating emphatically that the Canadian Alliance is very proud of the job that the men and women in our armed forces are performing abroad in Afghanistan, Bosnia, the Golan Heights and elsewhere. It is in spite of the government that they are doing an admirable job, not because of it.

Is the reason the minister is so certain the \$210 million will cover the Afghanistan mission because Canada plans to withdraw from the mission?

Hon. Art Eggleton: Mr. Chairman, we have not made any decision in that regard. The \$210 million is for the current operation. We can only budget for what we know for sure. If we have not made a decision with respect to the follow on mission, then we cannot budget for it. We have just budgeted for what we know at this point in time.

Mrs. Cheryl Gallant: Mr. Chairman, is the minister saying that we are extending the mission to Afghanistan?

Hon. Art Eggleton: Mr. Chairman, the member seems to have a problem understanding the answer I just gave so let me try again.

We have not made that decision yet. We have troops that are there for a six month period of time. We are looking at that situation carefully.

As has been said before we do have the challenge of operational tempo to be concerned with. There is still more work to be done in Afghanistan in trying to ensure that the Taliban and the al-Qaeda do not again get a foothold in that country. They have damaged that country greatly for the Afghan people. They have also exported terror, as we saw on September 11, to other parts of the world. We simply do not want them to get a foothold.

There will continue to be a coalition effort in and around Afghanistan. We do have other troops that are there. Let us bear that in mind. In addition to the battle group we do have the JTF2. We do have ships in the Arabian Sea. We have Hercules aircraft and Airbuses and Aurora patrol aircraft. We have had up to 2,500 people who have been involved.

There are a number of aspects to that mission. The only part of it that deals with the \$210 million which seems to be of concern to the member would be the battle group. That is where a decision has not been made, but the JTF2 and others will continue to be involved in Operation Apollo.

Mrs. Cheryl Gallant: Mr. Chairman, it is almost time for the people who are on the mission to come back. When will a decision be made as to whether or not another rotation will be going to Afghanistan?

• (2020)

Hon. Art Eggleton: Mr. Chairman, again it has been said by me in the last few days that it will be made in a very short period of time. I would expect within the next week to 10 days that decision will be made. The battle group will have been there for a six month period in about the middle of July.

Mrs. Cheryl Gallant: Mr. Chairman, General Jeffery has noted that the army faces a serious annual budget deficit, as we mentioned before, as does the navy and the air force. It also faces a serious overcommitment problem. As General Jeffery has noted, he is short 1,200 troops in terms of effective strength.

The two major overseas commitments today are Bosnia with 1,600 troops and Afghanistan with about 900 troops. Are we going to remain in Bosnia if we decide to continue on our mission in Afghanistan? If so, where will the troops come from?

Hon. Art Eggleton: Mr. Chairman, we are not planning to remove our troops from Bosnia. There is an examination as to the level of troop commitments in Bosnia by all the NATO countries at the moment. Our plans are to continue with our commitment there under the NATO banner. As I have indicated there are a number of elements to our commitment to Operation Apollo, which will be continuing on. A decision with respect to the battle group replacement is something that will come within a matter of days.

In examining all of these, obviously we have to look at our resources and resource implications. We have to establish our priorities. That will all be worked out in a short period of time.

The Chairman: So far the questions and the answers have played themselves quite evenly in terms of time. If a question requires a lengthy response, obviously it will require a lengthy response. If at all possible, let us be as concise as we can be so that we can get as much material covered as possible in the amount of time we have left.

Mrs. Cheryl Gallant: Mr. Chairman, the army presently has three long range reconnaissance squadrons equipped with the Coyote light armoured vehicle. These are the Coyotes with the long range detection equipment. We understand that one of these squadrons is in Bosnia and that another is in Afghanistan. It is of course impossible to sustain two squadrons overseas when we only have three to start with.

Supply

If it is decided to continue on with our mission in Afghanistan, will the minister be withdrawing the Coyotes from Bosnia or Afghanistan?

Hon. Art Eggleton: Mr. Chairman, that is all hypothetical. We are looking at the matter. We obviously know what our resources are and what we have to do in this regard. We have to look at what our priorities are. We have to look at what we have available. All of that will be examined.

Mrs. Cheryl Gallant: Mr. Chairman, there are over 200 Coyotes available but only 50 of them are equipped with the long range detection equipment that is required.

The army has fewer than 19,000 troops at present and effective strength is of course much lower, yet the army still has three brigades. Is it not true that the minister is looking at cutting the number of brigades from three to two?

Hon. Art Eggleton: No, Mr. Chairman, that is not being entertained at this point in time. I did indicate that the commander of the army is going through a transformation phase of reforms and changes to try to bring it within the resource limits that exist. At the same time, looking for additional resources will be something that will be examined in the defence review update.

I know the hon. member would like to plan all of our military missions, but the Canadian forces are well aware of the resources we have and if they are available or not available for continuing missions.

Mrs. Cheryl Gallant: Mr. Chairman, with the transformation the army is going through, if it comes out that there is a brigade that is to be cut, which brigade will be cut?

Hon. Art Eggleton: Mr. Chairman, we have no plans to cut a brigade.

Mrs. Cheryl Gallant: Mr. Chairman, there are no plans now but after the transformation happens, what options will be drawn up for the army bases that will be cut? Have there been any options drawn up?

• (2025)

Hon. Art Eggleton: Mr. Chairman, as I said all of these matters are being examined. In due course, as we get into the defence review update, we will be able to look at all of the questions of capabilities, force structure and readiness levels within that framework. I am sure the hon. member will be able to tell us of her views on the matter.

Mrs. Cheryl Gallant: Mr. Chairman, it is really disappointing that the government is laughing at these questions. People's lives are hanging in the balance not knowing whether their jobs will be cut.

The 1994 white paper committed Canada to deploying a full brigade overseas within 90 days. General Jeffery told the House of Commons defence committee that the 90 days has now been taken to mean the time it would take to simply get the brigade ready for deployment rather than actually deploying it. Is that accurate?

Hon. Art Eggleton: It would take 90 days to deploy.

Mrs. Cheryl Gallant: Okay, 90 days to deploy. Will the minister pledge today that any defence review will retain a brigade commitment?

Hon. Art Eggleton: As I said, we are having a review update of our policy. We will look at all of the different capabilities. We need to make sure we have the resources to match our program. All those matters are under examination.

Mrs. Cheryl Gallant: Will the minister promise that his government will not scrap the brigade commitment?

Hon. Art Eggleton: As I have indicated before, we have no plan to remove that brigade. We certainly want to make sure we have the Canadian forces to do the kinds of jobs that this government has asks it to do and that we give it the resources that are necessary. We will be going through the defence update that I have spoken about many times to help determine our capabilities, our force structure and our readiness levels will be.

Mrs. Cheryl Gallant: Mr. Chairman, there are no plans today but that could change tomorrow.

In September 1995 the minister's government presented a paper to the United Nations called "Towards a UN Rapid Reaction Capability". What has the government actually done to improve Canada's ability to deploy forces and to increase the mobility and fire power of the army?

Hon. Art Eggleton: As I indicated before, we have made upgrades in a number of areas such as in the modernization of our forces. It has been our aim to increase the rapid deployment of our forces. We have been able to get our forces into peace support operations and into the combat zone in Afghanistan in excellent time periods. We have been there when we have needed to be there. We will continue to work on improvements in that area.

Mrs. Cheryl Gallant: Looking through the estimates I have some questions about equipment priorities. How many attack helicopters does the army have?

Hon. Art Eggleton: Mr. Chairman, as the hon. member knows full well, we do not have attack helicopters. We do not have every capability. We cannot afford within our budget to have every capability. We do have things like our Coyotes and our LAV IIIs which a lot of other countries do not have. We are able to complement a lot of the things that our allies have and are able to operate in a co-operative way for common defence purposes or common crisis management purposes in terms of peacekeeping operations.

No, we do not have attack helicopters and we do not have aircraft carriers. We do not have many things but what we do have we are striving to make sure it is the best possible equipment. We have the LAV IIIs and the Coyotes. The army has a new communications system. We have gone through upgrades and replacements in many other areas to ensure we have good, state of the art equipment.

Mrs. Cheryl Gallant: And we have zero heavy lift transport helicopters.

Supply

Many of our allies who have even smaller economies than we do have been developing their rapid response capabilities. Australia has recently begun an attack helicopter acquisition. The Netherlands has been acquiring attack and heavy lift transport helicopters. Some Dutch heavy lift helicopters were purchased from Canada after the previous Mulroney government decided to sell off Canada's Chinook helicopters.

Why is acquiring this type of capability not a priority for the minister's government when they are constantly calling on the UN to improve its rapid reaction capability?

● (2030)

Hon. Art Eggleton: Mr. Chairman, we can get into a theatre of operation just as quickly as anyone can. We can get the lift we need to get into those operations and we can get our troops prepared, as we have demonstrated time and again.

We were one of the first to be in Kosovo. We were among the first to get into Eritrea, Ethiopia. We were one of the first to be in East Timor. We have been very quick to deploy into Afghanistan after we were asked to become a part of that operation. We do get our troops there. We do get them well trained, well equipped and ready to do the job.

No, we do not have every capability. It would take additional resources for those capabilities. As we go through the defence review update, the hon. member and perhaps many others will suggest that we look at those possibilities, but they also come with resource tags. We need to look at what we need and what kind of capabilities we can afford to have.

Mrs. Cheryl Gallant: We ask our allies to do this but we do nothing for ourselves in this area of capability. Is that not undermining our credibility in the international environment?

Hon. Art Eggleton: No, Mr. Chairman. Let us take strategic lift for example, air transport. Of the 19 NATO countries, only two that have that kind of lift: the United States and the United Kingdom. I do not hear anyone saying that France, Germany, Italy or any of these other countries have no credibility because they do not have strategic lift. They went into Afghanistan and other theatres of operation by leasing lifts. There is nothing unusual about doing that at all. Not every country can have every capability possible. We have the kind of capabilities we need to be able to do the job that we ask of our troops, and we will continue to do that.

Mrs. Cheryl Gallant: Mr. Chairman, the U.S. had to lift 100% of our equipment to Afghanistan. Our forces in Afghanistan are entirely reliant on American support in every way. When they go into action they fly on U.S. helicopters and require U.S. air and artillery support.

Is it not disquieting to the minister to be so reliant on the U.S. for support?

Hon. Art Eggleton: Yes, Mr. Chairman, we did have that service going in, we were working there together, but we provided some things as well.

The hon. member should remember that our Hercules and Airbus aircraft transported a lot of goods and a lot of U.S. troops. In fact over the period of time, we probably transported as many American troops in our planes as they transported in their planes. Perhaps the hon. member should look at that. It is all part of working together,

working as a coalition and working in a co-operative way. We provided a lot of transportation for them as they provided transportation for us.

Mrs. Cheryl Gallant: Mr. Chairman, even the British forces operating in Afghanistan brought their own equipment. The British also have a helicopter carrier in the Indian Ocean with an attack helicopter and more equipment.

After looking at the equipment projects referred to in the estimates I noticed there seemed to be no plans to replace our Leopard C1 main battle tanks. Leopard C1s have been modernized but they are to be withdrawn from service in about 2010.

Is there a single major NATO country that does not have a main battle tank capability?

Hon. Art Eggleton: Mr. Chairman, we still do have the Leopard tank. We have not used it a lot lately. It has not had a lot of need out there in terms of the kind of conflicts that we have today.

Certainly that has to be considered in terms of the capabilities but we have upgraded the turret of the Leopard. So we do have a main battle tank and it has been upgraded.

● (2035)

Mrs. Cheryl Gallant: Mr. Chairman, the answer is that there is not a single other NATO country that does not have a main battle tank capability. The following countries do have main battle tanks: Norway, Denmark, the Netherlands, Belgium, Italy, Spain, Portugal, Greece.

Is the minister determined to turn the army exclusively into a domestic security and peacekeeping force that is entirely dependent on our allies?

Hon. Art Eggleton: No, Mr. Chairman, that is not the case at all. If the hon. member heard my remarks at the beginning of the evening, she would know that multipurpose, combat capable forces are still quite relevant. We have obligations for the defence of Canada and Canadians to work with the United States in terms of the defence of the continent but we also contribute to international peace and security. We need to be combat capable because even peace support operations have become more challenging and more dangerous in that respect.

We have people serving in a conflict zone now in Afghanistan. Therefore we will continue to need multipurpose, combat capable troops to serve a wide range of purposes and needs that presently exist with respect to the Canadian forces.

Mrs. Cheryl Gallant: What is the effective training strength of the army reserve today?

Hon. Art Eggleton: It is only 15,000. It is actually growing. We put a plan in place about a year or so ago to increase the size of the reserves. It is part of the land force reserve restructuring. We have established a project office. We have a major general who heads that office. We have increased the numbers of the reserves.

Supply

In the next phase we intend to add capabilities and to all round improve the portion of the army that is the reserve force. It is a very valuable part of our total army and we want to make sure that it gets the additional resources, capabilities and numbers to be able to make a bigger contribution.

Mrs. Judi Longfield (Whitby—Ajax, Lib.): Mr. Chairman, I am an eternal optimist so I will ask the member for Renfrew—Nipissing—Pembroke if she might want to reconsider and allow me to share my time with the member for Ancaster—Dundas—Flamborough—Aldershot.

The Chairman: Is there consent?

Some hon. members: Agreed.

An hon. member: No.

Mrs. Judi Longfield: Mr. Chairman, it is most unfortunate to see that coming from a party that purports to want to do things a little differently. Now she leaves after not giving consent. She might want to stay because I might want to ask a few more times.

I appreciate the opportunity to participate in the reviewing of the estimates of the Department of National Defence.

Back in the latter part of 1997 the minister asked SCONDVA to travel across the country and visit various bases around the world where we had CF members to review quality of life. Throughout our review we talked to literally hundreds and hundreds of people. We talked to members of the armed forces in Esquimalt, Cold Lake, wherever there was a base.

When we first started out a number of the CF members, quite frankly, were a little apprehensive and a little skeptical that another committee was going to study their quality of life. However as we began to proceed I think they realized that we had a genuine interest in working with them to resolve some of the quality of life issues.

The minister will know that as a result of our very indepth review of quality of life SCONDVA made 89 recommendations on quality of life.

For members of the House who perhaps were not here at the time that we were doing that, I would point out that we divided it into five general areas. We called them the five pillars of support for quality of life. One was pay and allowances, which was compensation for work. We looked at the housing accommodations. We looked at concerns with respect to injured or retired veterans, the care of air injured personnel, the military family and then we looked at the recognition work, expectations and conditions of service.

As I said, we talked to not only members of national defence at headquarters but we talked to the enlisted men and women. We talked to their spouses, we visited their homes and we talked to their children. We spent hours and hours making certain that we met everyone and that we gave everyone an opportunity to be heard.

Throughout our study of this the minister and all the commanders made certain that each member of the armed forces knew that they could say anything they wished and that they could put any concern before us. Some were still reluctant so, as individual members, we would visit afterward to talk. We had some very frank discussion.

As I said, as a result of those discussion we made 89 recommendations. Throughout our recommendations we added an additional proviso that said that there should be an annual report.

The minister has made several annual reports as a result of our quality of life report. I wonder if he perhaps could tell us where we are with the 89 recommendations, how many recommendations we have fulfilled and how many are still sort of a work in progress.

● (2040)

Hon. Art Eggleton: Mr. Chairman, quality of life has been a very high priority for me. It has been a high priority for the government. After all, what organization has people that are willing to put their life on the line as part of their job? We owe these people a lot of gratitude. There was some discussion about what constitutes a hero the other day. A person who walks in the door and fills in the application is a hero for being willing to take on that unlimited liability and responsibility that could lead to the loss of the individual's life. Recently we saw how painful the reality of that can be.

I set out when I became minister to deal with this matter. I am very grateful to the Standing Committee on National Defence and Veterans Affairs for its contribution to this.

I heard a number of stories from people across the country who were having difficulty making ends meeting. They were having difficulty with having to go to food banks or with not getting the kind of repairs that were necessary for decent housing accommodation in terms of the married quarters. There were other things, such as a spouse getting a job upon moving to a new base of operations or issues of child care and other support services.

I asked the SCONDVA committee to look at the matter. Many members of the SCONDVA committee and the former chairman at the time, who is also in the Chamber tonight, took up the cause, went across the country and brought a lot of attention and awareness to the people of Canada, to parliament and the government on this issue.

As a result, committee members produced a report with some 89 recommendations. I am pleased to say that 68 of them have now been completed and the rest of are works in progress. A report is about to be issued to that effect as the annual update report.

We first tackled the pay and benefit issues. The amount of money, as a percentage, we ended up giving to our troops as an increase even surpassed what the committee had recommended. We saw that the remuneration was out of whack with the public service. We needed to make the kind of changes to ensure that we continued to attract people, but also at the same time recognize the kind of contribution that these troops were making.

We went on from there to other benefit packages. One new provision we put into effect was something called the post living differential allowance. For example, a naval person lives in Halifax and is transferred to the other coast to Esquimalt, the Victoria area. There is a big difference in the cost of living from one coast to the other. This can also be found in many other parts of Canada. If a person goes to Yellowknife in the territories, the cost of living is quite high in that location.

Supply

We then set about dealing with the housing conditions. We have invested \$186 million over five years to improve the housing conditions of Canadian forces housing properties. We opened a centre that is a co-sponsorship project with the Department of Veterans Affairs to look after injured and retired service members.

We then established operational trauma and stress support centres, recognizing PTSD, post traumatic stress disorder, the very horrible conditions that some of our troops have experienced, like those who served in Rwanda. We all know quite well the kind of situation that General Dallaire went through as did many of the other people who served in that theatre of operation.

We then went on to dealing with our family support centres as a means of also helping the spouses and the children of our force members. We have increased very substantially those support operations.

● (2045)

We have to bear in mind that the invisible support of our troops overseas is the families back home. When I was in Halifax seeing one of the ships off in Halifax, they were passing out invisible, see-through ribbons, all to stress the point that there is an invisible part of the Canadian forces; the families who stay back home and wait out the period of service that these people have undertaken when they travel. Those family support centres become important, as do the traditional kinds of supports in the rear parties, the regiments, the units that also try to rally around the families of the members who have been sent overseas.

The family support centres have grown enormously and there are some fine facilities throughout the country. Day care operations are part of that and it is of significance for the families. We are pleased that we were able to do that in the last five years. That very clearly indicates the kinds of priorities that the Liberal government has and the kind of support we want to give to our troops and to their families.

I am however sorry to mention that there is one party in the House that voted against the quality of life report. That was the Canadian Alliance. Obviously the previous member who spoke was more concerned about the main battle tank than she was about the quality of life for our troops. We believe though that there has to be a balance in all these things. The quality of life is important but it is also important to have the right equipment, the right training and the right leadership. These things all in balance make for a successful Canadian forces. That is the kind of balance that the government is committed to providing.

Mrs. Judi Longfield: Mr. Minister, one thing we have heard on this quality of life sojourn of ours, and to which the auditor general refers as well, is that we seem to be lacking in some of the key technical trades in the forces. Part of it is because we do such a good job of training them that they are then well prepared to go into the private sector and the private sector takes our best trained. We heard that from pilots who were offered astronomical sums of money to fly in any number of air forces across the world.

What we are doing to attract new people of high technical quality and how we are going to try to retain them within the armed forces?

● (2050)

Hon. Art Eggleton: Mr. Chairman, as is indicated in our report on plans and priorities, part III, which is of course the main subject of our discussion tonight, while we can deal with the specific figures and how we are spending the money, it is important to focus on the programs that are part of our plans and priorities in part III of the estimates.

Recruitment and retention is a key priority. We have entered into a new three year recruiting program. I am pleased to say that we have passed our overall recruitment numbers this year of 10,000 which was our goal. It much exceeded the previous year's target. We now have our force strength numbers back up to over 60,000. In addition to that, our retention rate is higher and our attrition rate has gone down by 20%. We are beginning to find the kind of formula that is necessary to keep troops as well as to attract people into the operation.

As the hon. member has pointed out, it is quite true that there are some deficiencies. We may have made our overall 10,000 recruitment target, we may have our attrition rate down and we may have our numbers up over 60,000, but there are still a number of occupational categories where we are coming up short. She mentioned pilots. That situation is getting better now but at one time that was one of our main preoccupations and we put in place a bonus system to help keep people. That is helping to accomplish this.

We also have a challenge with respect to doctors. We are looking for ways of helping to pay for their education and at the same time ensure that they not only put in time with the Canadian forces in providing medical services, but that they can also do so in the community. With the Canadian forces we cannot get the wide range of experience that the medical profession needs. To keep up to date, they need to work in the civilian community as well. We have been able to provide changes in terms of service for engagement of physicians and other people in the medical profession that will help to bring them in and to retain them.

We are looking at a wide range of areas in the technical trades where we need more people, for example a number of them in the aviation area and a number relevant to computer technology. We need plumbers too. We need quite a number of people in these different occupations. We are going out and looking at ways of attracting them. We go to community colleges. We might help pay for their education, or bring them in when they have received an education in other cases or perhaps start them out higher in the ranks. We are looking at different things that will help attract them because there is a great deal of competition in the private sector.

As the government has pulled the unemployment rate down, created more jobs and helped the private sector to create more jobs, the competition has also become a little tougher. We need the right combination of work experience, challenges and remuneration that will attract people and retain them.

There are still many people out there I am very happy to report that do want the kind of challenge they would face with the Canadian forces, the kind of adventure that is involved and the kind of service to one's country. We will continue to find that right formula to both recruit and retain.

Supply

I am very pleased to say that our numbers are back up over 60,000. We are having success but we still have some areas of occupation to which we will continue to give more attention. As an hon. member from the NDP pointed out previously and quite correctly so, as long as we are short in those areas, we put more stress on the fewer number of people who we have in those occupations in the forces. We are anxious to relieve that stress and to add people to these various categories of employment.

• (2055)

Mrs. Judi Longfield: Mr. Chairman, one of the newer parts of the defence department is the Office of Critical Infrastructure Protection and Emergency Preparedness. Perhaps the minister could tell us what exactly is critical infrastructure. Does all critical infrastructure fall within the purview of the federal government or does the department work hand in hand with other levels of government and the private sector? What has been the nature of this organization since the events of September 11?

The Chairman: The Minister of National Defence has approximately two minutes for his reply.

Hon. Art Eggleton: Mr. Chairman, I do not know if I can do it all in two minutes but I will try to get a start on it. Maybe a subsequent question will help lead me into further areas.

Critical infrastructure of the country consists of things like our communications systems, our gas lines, our electricity lines and our financial systems, many of which are interconnected within Canada and interconnected within the continent, which is another reason why we have to work closely with our friends in the United States on these matters. We want to ensure that these things are protected from either natural disasters or man made disasters, whether they are in the physical form or in the cyber form.

We are used to natural disasters in the physical form. We have certainly seen the damage that can be done by an ice storm or by flooding et cetera. At the same time, we have all of these intricate information and computer systems that are vital to the operation of all the critical infrastructure facilities we have in this country, and they do exist at different government levels and in the private sector.

We have developed a map of many of the critical infrastructure systems in the country. We are working with people in government and in the private sector to help in the development of plans for the protection of that infrastructure from natural disasters or from cyber attacks or from other kinds of attacks that may come as a result of terrorism.

These are all areas that are part of the mandate of the Office of Critical Infrastructure Protection and Emergency Preparedness, which predated September 11. The government was recognizing the possibilities of terrorism, of asymmetric threats, and was creating this kind of entity even before September 11 came along. Of course since then it has provided for a heightened focus and I am grateful to say that additional resources were provided in the last budget to help make sure the office can do its job.

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Chairman, off the top, I would like to correct the record. The minister suggested wrongly that the official opposition had rejected the recommendations of a committee report on quality of life. Yes, indeed, we voted against recommendations of the Liberal majority

because they were inadequate to address the quality of life issues that were raised by our military men and women and their families. Yes, we issued a minority report calling for increased support above and beyond the recommendations included in the majority report, and we were also seeking to clarify some of the vague recommendations of the majority report.

Having said that, I would like to turn the minister's attention to his introductory remarks in part III of his departmental estimates. On page 2 of those comments, he states that the Canadian forces are acquiring world class equipment such as the Cormorant helicopter and the Coyote light armoured reconnaissance vehicle. When was the Coyote ordered for the Canadian forces?

Hon. Art Eggleton: Mr. Chairman, it became operational in the nineties. I cannot tell the House exactly what the date was. If the hon. member is trying to suggest that maybe the previous government ordered it, I do not know that such is the case. This was not an attempt to say what government had done what, entirely, although most of it was done by our government. It was also an attempt to say that these are the kinds of things we have to serve our needs. In fact, the frigates were also ordered by a previous government but they serve us well. They are modern, state of the art equipment. It is our responsibility and it is on our watch to make sure that we have these kinds of things to be able to do the job, and that is the case.

The hon. member said that his party voted against the quality of life measures because it found them inadequate. I have not heard those members say anything in the House tonight or anything I can remember for a long period of time that has had anything to do with quality of life. They like to talk about the main battle tank, as they are tonight, or certain other things, but they do not focus on the comprehensive picture, including quality of life. They have said nothing about that, and of course as has been pointed out, they voted against that report.

• (2100)

Mr. Jason Kenney: Mr. Chairman, that is just nonsense. I will not let the minister skate from the implication of my question. He was quite right when he implied that the previous government placed the order for the Coyote light armoured reconnaissance vehicles and yet he is taking credit for it in the introduction to his estimates.

Because there has been no new equipment acquisition under this government or under this minister, he has to reach back 10 years to a previous government, a government whose acquisition policies his party criticized, in order to take credit for any acquisition. It is absolutely absurd.

Supply

On page 2, in the third paragraph of the introductory remarks, he says that the government “continues to make strides in its efforts to modernize Canada's national security and defence capabilities”. He then lists eight initiatives launched by his department, but only one of these initiatives involves new equipment. In the second bullet point, he talks about modernized equipment, but again, the Coyote was ordered by a previous government while the Cormorant helicopters and the Victoria class submarines were ordered four years ago. I believe that the aircraft upgrades to the CF-18s and the Auroras have not even begun yet. He could address that. The only new major piece of equipment that is actually entering operational service right now is the LAV III, which we hear a lot about from him.

This is pretty thin gruel, is it not? Is this not the real reason that the minister has to refer to the Coyote and other purchases made several years ago: because there has been virtually no new equipment acquisition under the government?

Hon. Art Eggleton: Madam Chairman, that is absolutely false. With respect to the Coyote, it is on the listing as what has happened over the last several years. It does not say that is during our government's time, although 99% of this is during our government's time. The Coyotes have come into operation only in recent years. They may have been ordered by a previous government, but they have come into operation just in the time this government has been in office.

There are many other things there as well, such as the LAV IIIs, the light armoured vehicles. The Americans were so impressed with them they asked to borrow some. After they borrowed a few they decided to buy some, hence we will have more employment and more opportunities for the defence division of General Motors out of London, Ontario. That is because our government decided that these kinds of light armoured vehicles can best meet our needs and others are now following.

About the upgrades, once again the hon. member is wrong, because the upgrades on the CF-18 modernization program have already begun. A billion dollar contract has already been let for this. Modernization does cover more than just brand new. It means upgrades as well. We are not the only ones who do things in that fashion. Let us look at the United States B-52 bomber. The B-52 bomber is over 40 years of age. It is probably actually older than the Sea King but it is still used as part of the U.S. inventory by what is the most modern military in the world. We keep upgrading this kind of equipment and it continues to serve our needs, as we are doing with the CF-18s and also with the Auroras. The clothe the soldier program is also not mentioned there, but we have state of the art clothing and personal equipment for our troops. In fact, other countries are looking to duplicate that.

I think this government has shown itself to be on the leading edge in a lot of these areas of new equipment or modernization of existing equipment.

• (2105)

Mr. Jason Kenney: Madam Chairman, it took four minutes of baffle gab to confirm that there has not been one major equipment acquisition under his ministry or this government's tenure with the exception of the LAV III.

I have a simple question for the minister. Hopefully we will get a simple answer. How many warships are under construction for the Canadian navy today?

Hon. Art Eggleton: Madam Chairman, why does the hon. member ask a question he knows the answer to? There are not any under construction. We have 12 frigates. We have 12 MCDVs. He might need enlightenment. If he does not know that we do not have any under construction I think I had better give him the rest of the answer here. We have the four submarines that will be put into service following the repairs and the training that is being done. We have quite an extensive, modern navy. He can just ask the Americans. They keep inviting us to send the frigates with their state of the art equipment to be part of joint operations—

The Assistant Deputy Chairman: The hon. member for Calgary Southeast.

Mr. Jason Kenney: Madam Chairman, I take it that the answer is zero.

Could the minister tell the committee, apart from the smallest countries in NATO and the landlocked countries, how many other NATO countries have no warships at all under construction?

Hon. Art Eggleton: Hungary, Madam Chairman? I do not know. I have no idea. I think of all the landlocked countries. That is a silly question, because some countries have very small navies and some have large armies. It all varies, depending upon what their particular needs are.

Let me make a comparison which I think has some relevancy. When it comes to spending among the NATO allies, and the hon. member looks very anxious now, we are actually the sixth largest, so there is a fair bit of money that the government is putting into defence expenditures. Although people might cite that Turkey spends 5% of its GDP for defence, it actually spends less money than we do. When it comes to outputs and outcomes, we are unsurpassed by many of these other countries.

We are able to get good results with the taxpayers' money in terms of its investment. The fact that we do not have any new warships under construction is totally irrelevant. We have a very good, modern navy and we will continue to provide—

The Assistant Deputy Chairman: The hon. member for Calgary Southeast.

Mr. Jason Kenney: Madam Chairman, the answer is that every other major NATO country has new vessels under acquisition or under development, and it is relevant for us to compare ourselves. The only standards of measurement we have are comparable countries and comparable militaries in our military alliances.

The minister disingenuously suggests that Canada has the fifth largest defence expenditure in NATO. He knows that in relevant terms we have the second lowest, ahead only of the Grand Duchy of Luxembourg, at 1.1% of GDP versus the NATO average of 2.1% or 2.2%.

Supply

I would like to know how the minister finds any pride when he goes to NATO ministerial meetings defending his government. He knows full well that at NATO, at the OECD and where it matters they look at relative expenditures, relative to a nation's wealth and capacity. When they see this country financing our defence at one-half the NATO average, how does that make him feel at those NATO ministerial meetings?

I have another question. How many fixed wing aircraft, other than the Challengers, do we have on order today?

Hon. Art Eggleton: Madam Chairman, again I would reiterate that I do not think these percentages of GDP are good measurements at all. When there is a situation in which the highest percentage of GDP is Turkey at 5% and we are one of the lowest but we actually spend more money than it does, as we buy more equipment and do more things, what is the relevancy of those percentages of GDP figures?

I will say this. The hon. member asked what I say when I go to NATO. Let me quote George Robertson, who happens to be the secretary general of NATO. I hope the hon. member will listen to this. He said that it is not how much you are spending, it is what you are spending on that really matters. It is outputs, not inputs, that matter to me, he said.

• (2110)

Mr. Jason Kenney: Madam Chairman, I do not know what kinds of outputs he expects to get from the Challengers except for a more comfy ride next to his friend, the Prime Minister, but I will say he knows full well that Lord Robertson has criticized the defence commitments of many NATO countries and has singled out Canada on more than one occasion.

Of course, just as a hint, he did not answer that question. The answer in terms of fixed wing aircraft acquisitions apart from the Challengers is zero, none, as opposed to virtually every other NATO country.

Again on page 2 of his introductory remarks in the estimates, he highlights the fact that:

—we have committed ourselves to protecting the environment and sustainability through the new Sustainable Development Strategy.

What is the cost of this program to the department?

Hon. Art Eggleton: Madam Chairman, there are hundreds upon hundreds of accounts and this will take a totalling of more than one number, but we will provide that number to the hon. member.

I am glad he has raised that because we are attempting to be good stewards of the property. We have more property under the defence department than any other department of the government and a lot of it is environmentally sensitive. We have some areas where there has been some contamination and clean up is necessary. We are proceeding with all of those and taking our responsibilities quite seriously.

I have to go back though to Lord Robertson because the hon. member says that Lord Robertson has been critical of Canada. I would like him to hear what Lord Robertson did say about Canada. He said that whenever Canada was needed Canada was near. He

added that he was very proud of Canada and he congratulated the Canadian government and the Canadian people.

Mr. Jason Kenney: Madam Chairman, the minister knows how selective he is being in referring to Lord Robertson. I think we all know how he feels when he is at those ministerial meetings next to countries that are expending 2%, 3%, and 4% of their GDP on defence and we are not pulling our share of the freight.

On the question of the environmental sustainability program I take it from his answer that this is government policy. Could the minister tell us exactly how this program contributes to the operational effectiveness of the armed forces?

Hon. Art Eggleton: Madam Chairman, there is more to the Canadian forces than the main battle tank even though that party does not seem to think so perhaps.

However I think we do have a responsibility. For example, we have had some contamination problems near our property at Val Cartier. As a result we helped hook up people in the nearby community of Shannon to our clean water system because of trouble they were having from underground contamination emanating from another site. It migrated in through defence property so it was a concern to us.

We have the old DEW line system up north and the contamination there. Earlier construction had PCB in the paint. We are a responsible steward for the environment. We want ensure we clean up these matters. We have focused our attention which is part of our government responsibility to do so. Are not all members concerned about the environment? Do not all departments take responsibility for ensuring that they do their best to clean up the environment? That is what we are doing.

Mr. Jason Kenney: Madam Chairman, I take it then from the minister's remarks that he has no idea what he spends on this program and it has nothing to do with operational effectiveness. That really helps to build confidence in the minister. On page 2 of the estimates he says that the government has enhanced investment in education, training and professional development and so on. When did the army last hold a full brigade sized exercise?

• (2115)

Hon. Art Eggleton: Madam Chairman, it was several years ago now, but the other side of that coin is when was the last time we deployed a brigade? We have been deploying battalion or battle group size operations and we have had full training for them. When we have deployed any of them they have been ready to go into their mission just as the PPCLI was quite prepared in going into the mission in Afghanistan. We would not send any troops to any theatre of operation, whether combat or peace support, without the proper training, tools and equipment to do the job.

Mr. Jason Kenney: Madam Chairman, the answer is 1992, ten years ago. The minister is now talking about enhanced investment in education and it has been a decade since the government took power since we have had a brigade sized exercise.

What were the annual flying hours for the Aurora maritime patrol aircraft in 1993 when the government took office?

Hon. Art Eggleton: Madam Chairman, I bet he knows it, so I think he should get up and say it.

Supply

We have here the 2002-03 estimates. We have literally hundreds of counts to deal with. If he was seriously sincere in wanting that information he would have asked in advance. We would be happy to bring the books for 1993-94 and all the other years and give him the answer. However he did not give us that courtesy. He is not interested in the answer. He is about to tell us what it is in any event.

Mr. Jason Kenney: I am interested, Madam Chairman. It is important because it is about training. The chief of the air staff has said that it would be unacceptable to reduce the flying time for the Aurora to less than 11,500 hours. It is now down to 8,000 hours per year and it started at 19,200 hours when the government came to power.

For the record, other than the Victoria class submarines, how many warships have been ordered by the government since 1993? We presently have two operational support ships. How many did we have when the government took office? The navy has a plan for a minimum of three and preferably four new operational support ships. How will the government afford this program and where does it stand in the approval process?

Hon. Art Eggleton: Madam Chairman, let me see where I can start on the wrong information that the member is giving out. He is living in the past. The government is interested in looking at the future and what our future needs are.

Yes, we do need to look at supply ships. We have three of them that are coming to the end of their life and we do have a project officer who is looking at the replacements of them. However the government is providing what our forces need now and in future. Yes, we have resource challenges. We need to deal with some of these issues in the context of our defence policy update and we will be doing that.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Madam Chairman, speaking for this side of the House I want to say how delighted I am to have this opportunity to ask questions on the estimates. This is an important step for parliamentary responsibility. We can see that there has been a tremendous turnout of Liberals on this side of the House to participate in asking these questions.

I propose to ask my questions on the estimates. I do not think this was ever intended to be a general debate on defence policy and so I will confine myself to that type of question.

There is one question I have wanted to ask for a very long time because of the questions in question period and that is with respect to the Challenger. Is it not true that the type of aircraft that the Challenger is is very suitable for conveying units like joint task force 2 to any theatre of operations in the world and that indeed most major military nations, most nations with a sophisticated military, have executive jets like that in their military establishments?

• (2120)

Hon. Art Eggleton: Madam Chairman, the member is referring to what we call the white Challengers which are the ones that are used for executive services, for cabinet, the royal family or the Governor General as the case may be. We do have grey Challengers that are part of the military operation and have been used for transport of various kinds over the years. They do have a very functional purpose in terms of military operations. We have two of them by the way.

Mr. John Bryden: Madam Chairman, one thing I could not quite understand is that there is an expenditure anticipated of \$200 million on contributions to the provinces for assistance related to national disasters. That is \$50 million less than the preceding year.

I am not quite sure how that money is allocated. Is that money that is budgeted in the event of emergencies? If the emergencies do not occur, does that go into general spending? Perhaps the minister could explain how that money is allocated and used.

Hon. Art Eggleton: Madam Chairman, the money is an estimate. It is hard to estimate natural disasters. We do not know when they are coming or the degree of severity. Who would have predicted in advance the ice storm when it happened, the Saguenay or Red River floods, to provide those kinds of estimates? However if any of these funds for the disaster or financial assistance arrangements are not used they go back to the central treasury.

Mr. John Bryden: In that context, Madam Chairman, we have increased spending by about \$6 million on the contributions to provinces and municipalities under the Emergency Preparedness Act. Could the minister explain why that increase and whether there has been some change of policy in that particular area?

Hon. Art Eggleton: Madam Chairman, we did increase it as part of the \$1.2 billion. It went to the defence budget. Some of that went to the office of critical infrastructure, protection and emergency preparedness. Of those provisions there was a \$10 million increase over two years for equipment purchases for first responders with respect to chemical and biological response systems. The JEPP program is a contributory program by us and by the provinces and much of the programming is done at the local level by first responders.

We have also provided for \$20 million over five years for the development of a national heavy urban search and rescue capability. This again is through the JEPP program. Quite obviously with the events of September 11, there is concern about any major disaster in an urban area, whether it is man-made or a natural disaster, which could involve heavy urban search and rescue operations. While we had already been doing some work in that area before, we have accelerated it quite substantially post-September 11.

Those are two areas where money that is flowing through will go to the first responders level. There will be other programs as well, for example, training programs where we work with the first responder community, which is largely at the local level, municipal or other local entity and agency, to increase the capacity to deal with either natural or man-made disasters.

Supply

• (2125)

Mr. John Bryden: Madam Chairman, I would like to ask the minister to elaborate a little bit on the first responder situation. We had firefighters who did a lobbying tour here just a week ago in which they complained that firefighters in their community were not being properly instructed or given the opportunity to acquire the equipment for response in the event of a chemical or biological terrorist attack.

Who is actually responsible for managing that program? Is it the office of critical infrastructure protection and emergency preparedness or Emergency Preparedness Canada? Does the minister see that program being developed all across the country?

Hon. Art Eggleton: Madam Chairman, it is managed in cooperation with the provinces. We look to lever the money that is provided by the federal government with additional contributions coming either from the provincial or local level. It is provided through the office of critical infrastructure protection and emergency preparedness, OCIPEP.

OCIPEP took on all of the responsibilities that Emergency Preparedness Canada had and has added this component of critical infrastructure. It is also looking not only at natural disasters but at man-made terrorist type attacks, both in the physical form and in the cyber form as well. A key part of what it will do in future will be to work with the first responder community. This is an indication of where the priority is in terms of dealing with those kinds of disasters.

Mr. John Bryden: Madam Chairman, one of the reasons for my question about the natural disasters and the amount of money that is allocated there is I am afraid the amount of money that is allocated for OCIPEP is not enough to advance the program really rapidly. Does the minister have flexibility within his budget to transfer the money that may be unspent on a natural disaster to something like OCIPEP?

Hon. Art Eggleton: Madam Chairman, I am trying to get the new figure with respect to the increase for the OCIPEP budget this year.

Apparently not. We do not have the authority to transfer other funds. As I have indicated, we have a challenge in meeting all of our needs with the funding levels that we have now.

I wanted to give a number but it includes another account so I will not give it. We have increased a substantial portion of the funding. The OCIPEP budget was part of the \$1.2 billion that was allotted in the December budget.

Mr. John Bryden: On another theme entirely, Madam Chairman, we heard some talk earlier about Canada's battle tank. I noticed that in the estimates there seems to be a significant increase in planned spending on short range anti-armour weapons. Does this represent a fundamental change in defence policy?

Hon. Art Eggleton: Madam Chairman, it is just a standard extension of what we normally do, the general tells me.

We do not have every kit or piece of equipment. However, we want to make sure that our troops have the appropriate protection when they go into harm's way, that we give them what they need in terms of their own personal protection and weaponry and that we have available what would be necessary to protect them in case of attack. That is a very fundamental part of the reason we pick certain

pieces of equipment. That is something we have done for a number of years.

• (2130)

Mr. John Bryden: On a somewhat more delicate topic, Madam Chairman, I notice under the heading of large major capital projects there is one listed called the submarine capability life extension project. Would the minister care to comment on what that is all about?

Hon. Art Eggleton: Madam Chairman, we are thinking ahead beyond getting the submarines fixed now.

Much ado is being made about very little in terms of the repairs that are necessary. Yes, there is some work which has to be done. As I said before, it is like buying a car. If there are some problems under the hood, they get fixed but the car is not turfed out as useless because that is not the case. The submarines will provide excellent service for us. They are a good bargain. We will do the repairs. What we can claim under warranty we will claim under warranty. I think I will leave it at that. They are a good buy.

Mr. John Bryden: Madam Chairman, apparently another area of significant increased spending by defence is on information technology security. I notice, for example, that the government is going to spend more money on infrastructure protection and Canada public key infrastructure. A lot of people watching will not realize that public key has to do with the most sophisticated new cryptology that is available worldwide.

Would the minister perhaps give us a general observation on the way he thinks Canada is going now on communications security?

Hon. Art Eggleton: Madam Chairman, it is important that we have appropriate protection for our systems. These kinds of investments will help do that.

Certainly there is an increasing growth in asymmetric threats, the possibility of attacks, cyber attacks. We have seen the kind of damage hackers can do. At the same time it is an area that could be used in a more organized way by terrorist organizations. We cannot rule that out.

We have to make sure we provide proper protection, proper encryption and whatever else we need for protection of our systems. We added money to the last budget, which is here in the estimates, that will help protect our information systems.

Mr. John Bryden: Madam Chairman, one thing in the estimates that really disappointed me is that there is no increase in spending for the air cadet, army cadet and navy league programs. Each one of those programs is still fixed at \$250,000. They are simply wonderful programs in our community.

Can the minister comment on the rationale behind that? Perhaps he could give us some assurance that in the budgets to come he might consider adding money to those very valuable programs.

Hon. Art Eggleton: Madam Chairman, the grants to the leagues who are our partners have not increased for some time. We have increased our funding for our support, as the defence department support, for cadet programs.

The budget cuts of course were put on all government departments and programs in order to eliminate the deficit. After those budget cuts stopped, the very first increase was some \$27 million for cadet and junior ranger programs.

We have been able to improve a lot of the infrastructure. I have been to Borden and have seen over two or three years the improvements in the infrastructure there. I have gone to numerous other cadet camps and seen the kind of increases. We are now sending more cadets and junior rangers to summer camp programs. This is a great opportunity for them. It is a great opportunity to see the country, to be in contact with Canadians from other parts of the country.

Programs like that help in their youth development. They help to bring the country together with greater understanding of different people throughout Canada. They have been a great and very worthwhile investment. Certainly if I could, I would love to put more resources into programs like that.

I would love more resources for a number of other areas as well. As we go through the defence policy update let us look at all these different issues and the kinds of resources we could use to improve upon them.

• (2135)

Mr. John Bryden: Madam Chairman, that inevitably leads to the next question and that would be about the reserves.

There are increasing demands on the Canadian forces. Does the minister see an increased role for the reserve? Does he have any particular plans with the reserve in the context of what happened on September 11 and the new demands on the Canadian forces?

Hon. Art Eggleton: Madam Chairman, this area has been a particularly tough challenge. We have a very strong reserve community support system. We have honorary colonels and we have regimental support units. The reserve units can be found in towns and cities throughout the country. For most people in Canada, the local armoury and the local units they have come to know are their contact with the Canadian forces.

We are below the strength that is in the white paper for our level of reserve members. In the current land force reserve restructuring, we are talking about the militia, the army in this context. We are attempting to increase those numbers. We have already reached the first phase increase. We were at 13,500. We said we wanted to get up to 15,500. We are either at or near that at the moment.

We also are looking at how to speed up recruitment. One of the things we have heard from the reserve community is the concern about how long it takes to become a reservist once a person signs up. We are about to get a breakthrough in that area and should be able to speed it up. We should be able to look at additional equipment and roles and things like that. Much of that will come in phase two. We committed to phase one some \$758 million last fiscal year and there is \$833 million for the current fiscal year. We have increased our allocation for the reserves.

We have a project office headed by a major general who is carrying out the land force reserve restructuring that the government has adopted. The government believes the reserves have an important role to play, whether it is the army, the navy or the air

Supply

force. While much of our restructuring and focus at this point in time is on the army component of the reserves, they are all an important part of the Canadian forces operations.

We are now seeing increasing numbers go to our peace support operations. I believe we are up to 15% now. We are looking at sending a whole company size unit into one of our peace support operations, all reservists. This will be the first time we have done that. We are providing some of the additional resources they need in order to move up and take a bigger role in terms of our total force operations.

[*Translation*]

Mr. Claude Bachand: Madam Chairman, tonight's debate was a broad one covering all of the military issues. However, there has been one question that I have been aching to ask since the beginning of the evening. I would like to hear what the minister has to say on this.

Naturally, we realize that we have to send our troops into theatres of operations, on peace missions, and so on. There are 2,000 Canadian soldiers in Bosnia and 1,500 in Afghanistan. Today, I believe that Canadians and Quebecers are also asking this same question.

Earlier, the minister mentioned the case of emergencies and natural disasters that had occurred and during which the military was sent in to provide relief for the civilian population. We think of the flooding in Manitoba and in the Saguenay. In my riding, there was the terrible ice storm.

Today, given our international commitments and the different tasks currently assigned to the military, Canadians and Quebecers wonder, if a major disaster were to occur somewhere in Canada or Quebec, would the Canadian Forces still have the ability to provide relief to civilian populations?

I think that people understand the importance of troops going abroad to resolve international issues. Left unresolved, these will wind up on our doorstep someday. However, when they see part of our forces outside of the country, people wonder "If something were to happen at home, would we be able to get relief from the Canadian army?" I would like the minister to tell us not only whether we still have the necessary flexibility for this, but also how he decides on all of this before sending troops into theatre abroad? Does he believe that we now have the resources required to cover the type of disaster that I just mentioned?

• (2140)

[*English*]

Hon. Art Eggleton: Madam Chairman, as I have said earlier tonight, the mission of the Canadian forces is: first, to protect Canada and Canadians; second, to work with the United States in the defence of our continent; and third, to contribute to international peace and security.

Supply

We have an obligation to ensure we have the resources we need if we face any kind of disaster, natural or man made. One of the best illustrations of how we have been able to do this is the turn of the millennium when we were concerned about Y2K. At the time we had over 4,000 troops abroad, similar to what we have now. Yet between regulars and reservists we were able to pull together some 25,000 troops on standby in case we ran into difficulties with Y2K.

In 1998 during the ice storm we had almost 3,000 troops abroad, yet we were able to put 18,000 troops on the streets in our communities in Quebec and Ontario. We brought them in from different parts of the country. It is all part of the planning we do to ensure there is covering off for any units that are away.

We have a coming challenge with respect to Kananaskis where we would operate in a support role with the RCMP. Again, all these things must be taken into consideration when we plan overseas missions because we have the responsibility to protect Canada and Canadians and will continue to make sure we have the resources necessary to do that.

This is also a case where reservists become important. They are all over the country. During the ice storm people from reserve communities across Canada along with the regulars came into Ontario and Quebec to serve the needs of people in those communities. At the same time we had a substantial contribution abroad in peace support operations.

[Translation]

Mr. Claude Bachand: Madam Chairman, I would like to discuss an issue that is somewhat more specific. I am referring to what is called an ABM.

What happens, for example, in the case of an atomic, biological or chemical attack? To my knowledge, the budget increase or the votes are earmarked for the military base in Suffield. In my opinion, this poses a problem.

If I am not mistaken, this is where the expertise for this type of attack is concentrated. This is far from Canada's major urban centres. I am not saying it is in the far north, but it is far from Montreal and Vancouver.

We know that, for this type of attack, quick action is critical. I would like to know if the government has a plan in case of an ABM attack on Montreal, for example. Who would be called in first? Would it be the fire department, until the personnel from Suffield arrives? I want to know what rescue operations are planned in the event of an atomic, biological or chemical attack.

• (2145)

[English]

Hon. Art Eggleton: Madam Chairman, a number of entities would become involved. What is important is that there is a co-ordination effort. The co-ordination effort in the past was called Emergency Preparedness Canada. It is now the Office of Critical Infrastructure Protection and Emergency Preparedness. It has a control centre and a crisis centre. It has a wide range of contacts with provincial counterparts. It has federal counterparts in different parts of the country. It has regional contacts which in turn have provincial contacts which in turn have local first responders. A wide network of

people from the government and volunteer sectors is involved in the various emergency programs that can come together during a crisis.

We saw this during the ice storm. The Canadian forces played a support role but the initial role came from the people in emergency response organizations. It starts from the bottom up. It starts with emergency response teams at the local level through to the provincial level. The provincial level then calls in the federal level. In turn we were asked to bring in the Canadian forces in a support role during the ice storm. It was all put through a co-ordinated system.

The ice storm showed that the system was well tested. We also had it up and ready to go for Y2K. Thank goodness we never needed to use it, but on New Year's Eve 2000 I visited some of the control centres and saw the elaborate preparations for any problems that might have occurred. We can be quite pleased with the basic infrastructure we have. However post-September 11 we need to go further, certainly with respect to chemical and biological concerns.

We have put more money into increasing our operations. We have a small unit headquartered in Borden, Ontario which by and large has been a training unit. It will now be enhanced in terms of its capabilities. The unit works with the RCMP. It is both an RCMP and a military effort. As the hon. member pointed out, there will be a focus on Suffield in terms of research, development and co-ordination to deal with the possibility of chemical or biological attack. A lot of movement is being made in the whole area. The budget contained moneys to help strengthen this. It also contained moneys to strengthen our anti-terrorism commando force the JTF2. Various other areas were promised increased funds in the estimates to help make Canadians more safe and secure.

[Translation]

Mr. Claude Bachand: Madam Chairman, the American model is special in that almost every member of the U.S. congress has something relating to the military in his or her riding. This acts as a way to redistribute wealth in Washington.

I have a question regarding the supply system. We know that, last year, Tibbett & Britten was awarded the initial contracts to change the supply system, but many people are concerned about this and wonder if the effectiveness will remain unaltered and, more importantly, if the number of jobs will remain the same.

It appears that, under the agreements that it has with the government, Tibbett & Britten is prepared to protect people's jobs for seven years. However, I received representations from the union. I was told that discussions are currently under way between the government and Tibbett & Britten, but that the union is kept away from these discussions.

Would it be possible to foster greater union involvement, so that people can closely follow what is going on and so as to ensure that economic spinoffs will be spread across the country, as was the case in the past?

• (2150)

[*English*]

Hon. Art Eggleton: Madam Chairman, I am surprised at what the hon. member said about union involvement in the discussions. They have been involved. There have been various meetings, town halls and seminars and the unions have been involved.

The president of the Union of National Defence Employees came to see me last year. He thought it was terrific. He said alternate service delivery had come a long way. Why did he think that? It was because the company offered employment for 100% of the current employees. It offered them a seven year guarantee at equal or better salaries than they have now, plus a wide range of benefits. It is a win-win situation. It means savings for the government and a more comprehensive and cost effective program all around.

Tibbet & Britten has established a Canadian company. It would be employing Canadian people, and 100% of existing employees is not something we see too often. However the union has been involved in discussions on the matter.

[*Translation*]

Mr. Claude Bachand: Madam Chairman, I would now like to ask a question concerning parliament's participation in the decision making.

During my visit to the U.S. Central Command in Tampa Bay, I was surprised to take part in classified briefings on the main forces present in Afghanistan. Quite frankly, we were told the number of members of the Canadian special forces, where they were and where they were going to be in the next few days.

I would like the minister to explain his approach to me. I think that the department is supposed to have security clearances. I would like him to tell me from what level to what level and why there is no liaison committee to provide MPs with more information on what the army is doing. When it comes down to it, what we would like to have is a kind of liaison committee between DND and parliament. I would like the minister to explain to me the security levels in his department, and whether there is not some possibility of a little more flexibility.

Let DND be like the Americans and show some trust to parliamentarians, briefing them with classified information. We are responsible people, and not going to leak it onto page one of the newspapers. We are going to follow the briefings, and that will give us a very good idea of how to react to a crisis like the one in Afghanistan.

[*English*]

Hon. Art Eggleton: Madam Chairman, I do not know what they told the hon. member but we try to give as much information as we can. However we must bear in mind that there are personal security and operational security considerations. We will not give information about JTF2. I do not think anyone would expect us to give information that would risk its members' lives or the success of its mission.

Supply

As I was saying the other day, we would not even talk about the battle group mission we just completed called Operation Torii. That would telegraph in advance what we were going to do. The more people we tell the more risk that it will get out to the enemy. The old saying is that loose lips sink ships. We do not want to do that. We do not want to risk the mission. We do not want to risk the security of any of our people involved. If word got out to the enemy in advance it could be in a stronger position when engaging our personnel. The enemy could also flee the area which would diminish the mission.

It is important to keep such information to a minimum number of people. That has been our policy and it is the best one to follow. However whenever possible we will provide as much information as we can to keep parliamentarians informed. I have always indicated a willingness to appear before the Standing Committee on National Defence and Veterans Affairs to talk about our operations. I will do so as much as I am able without risking personal or operational security.

• (2155)

[*Translation*]

Mr. Claude Bachand: Madam Chairman, I would like to talk about the reserves now. I have heard the minister say all evening that the reserves were important, and that their numbers were growing.

General Jeffery said he was concerned, following the Fraser Recommendations and following the whole restructuring of the reserves. This is being done in phases. Phase I has been completed, but we are waiting for money for phase II.

I would therefore like to know if the minister will free up this money, because it is all well and good to have good intentions, but if the money is not available for phase II, the whole restructuring of the reserves will be jeopardized.

While we are on the topic of the reserves, I have a second question regarding reservists returning to their jobs. Employers are encouraged to free reservists to go into theatres of operations or on exercises. However, they are not guaranteed the same job upon their return.

I know that Bill C-55 contains a number of provisions. However, I wonder if the minister does not think that it would be wise to amend the National Defence Act to require employers to rehire these reservists who have been sent into theatre or on exercises or training for the Canadian army.

[*English*]

Hon. Art Eggleton: Madam Chairman, with respect to the reserve restructuring, we will not lose the gains made in phase one. The increase in the number of reservists and the improvements that have been made under phase one will continue on.

The question of phase two is a matter of additional funds. As we go through the defence update, that and a number of other capabilities and issues will have to be dealt with. There are no funds for phase two at this point in time but that will have to be addressed by the fall.

Supply

With respect to protection of employees who are reservists, we used to have that kind of protection around the time of the Korean war. It was on the books for a while even though it was not used. It has not been used since then because we have not had any mandatory call outs. Everything has been done on a voluntary basis. It is our feeling that as long as we are asking people to serve on a voluntary basis on things like the ice storm or other kinds of missions that might involve the need to have a lot of reservists come out, no job protection is being proposed.

It has worked in the past. Many employers have been co-operative and have understood the needs and they have given their employees time off.

In Bill C-55 we are saying that given the current climate and concerns about the possibility of terrorism, if there is a compulsory call out of the reservists and they do not have a choice and it is not voluntary, we should protect their jobs. That is what is in Bill C-55. That is an amendment to the National Defence Act.

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): Madam Chairman, my questions pertain more to Arctic sovereignty and to the northern command. Can the minister explain in detail what exactly is meant by the U.S. northern command and what impact the northern command will have on Canada? Will this result in a large increase in defence spending?

Hon. Art Eggleton: Madam Chairman, to take it from the back part first, we do not think it will have a financial impact on us. It might have to some minor degree if we set up a planning cell or something like that to work more with the Americans. However it is their internal command structure.

The Americans have had a series of geographic commands that cover the world, except for North America which includes their own country. They have treated that differently. Now with the increased focus on homeland security, which they were starting to focus a little more on even before September 11 but particularly since September 11, they feel that one of their geographic commands should now cover the continent in which their country is located. It makes sense. They have a southern command which covers everything to the south. They have a Pacific command. The central command in fact which is headquartered in Tampa, Florida is the command that is dealing with Afghanistan.

The Americans have these geographic commands. They have some operational commands as well. They have nine of them and they are adding a tenth one to their system. It is called northern command. It is entirely an internal reorganization of the United States military.

Since the northern command will have as part of its interest the continent in which Canada is located, we are obviously interested in talking with the Americans about what that means. We have particularly focused on Norad because it is a binational command. We want to preserve Norad in that level of importance and we have accomplished that. They have agreed.

We are now going on to discussions to see if there are any other practical ways we might co-operate in terms of the defence of our continent. We approach these kinds of discussions on the basis of what is in our Canadian interests and what we need to do to ensure the safety and security of Canadians.

We will look at options, but none of these options will in any way sacrifice our sovereignty or our ability to make our own decisions or to command our own troops. We are not talking about putting any of our troops under any northern command. That is a United States operation entirely, just as no other countries in the other geographic commands are involved. It is the United States' area of interest and entirely relates to its own forces.

The United States has no control over our territory. We govern our own territory. We make our own decisions with respect to our troops and our territory. We will, as I said, continue to look for practical ways of co-operating. That is a matter that should be coming to the cabinet for some decision fairly soon on how we wish to proceed.

● (2200)

Ms. Nancy Karetak-Lindell: Madam Chairman, there was a conference this spring that covered Arctic sovereignty. One of the comments that came out of that conference was it was felt there was not enough surveillance over the Arctic, that we do not have the resources based in the north to react to any threat that would come in through the Arctic.

We hear a lot of talk about our border with the United States but we do not hear very much about the very large open area across the north.

We have seen over the past few years a lot more traffic coming through the Northwest Passage. I was in Cambridge Bay one summer when there was a boat that had come in from Ireland. It made me think that people can come over from whatever country and sail right into our waters. That has brought a lot of questions from people who live in the Arctic.

What are we doing to protect the sovereignty of the north? What are we doing to protect the Canadian waters in the north?

There is only a regional headquarters in Yellowknife. As of today I do not think there is a base in Nunavut.

Are any dollars being put in so that there will be at least some presence in the eastern Arctic? What are we doing to make sure we have the resources to deal with any possible threat coming in through the Arctic?

● (2205)

Hon. Art Eggleton: Madam Chairman, that is an excellent question. There is no immediate military threat to Canada in the north. There are a number of security challenges in the region, the increasing accessibility to the region, as the hon. member has pointed out. These all require continued and strengthening vigilance.

We are doing a number of things in that regard in the short run. For example, we are earmarking in this budget some \$205,000 to further expand ranger patrols, our fine ranger organization up in the north. They are our eyes and ears in the north. We are increasing the rangers to some 1,300 personnel. We will open an office and post an officer to the office in Iqaluit within the next few months or so, sometime this summer. We will also send a couple of our naval ships up there, one to Iqaluit and the other nearby, to explore the waters in the eastern Arctic.

Supply

These are the beginnings of improvement. We are looking for opportunities to provide more training for our Canadian forces personnel in the north. We will have to go beyond these, quite clearly. These are short term steps.

In the longer run, I think we will have to address issues such as the possibility of the Northwest Passage being opened for more shipping. That is a very real possibility. With global warming we are seeing more and more ice free times in the Arctic. Within another 10 to 15 years we could well have ice free conditions for a sufficient length of time to justify the cost of running commercial shipping up there. I think a lot of commercial ships going from northern Europe to Asia would find it a lot less expensive than going down through the Panama Canal. That poses a challenge. We have to get ready for that challenge. That certainly will be part of our ongoing discussions.

We do have an interdepartmental committee, which is actually chaired by a representative of the Canadian forces out of Yellowknife, that is into discussions about what we will do in the future in the Arctic.

Our north warning system covers 47 unmanned radar sites in the north, all of which help to protect. We have some forward operating locations in the north for our CF-18 fighters if any threat comes into that area.

We have a number of things now. We are adding some things in the short term, but in the long run we still have more work to do.

Ms. Nancy Karetak-Lindell: Madam Chairman, we welcome the increased funding for the Canadian rangers. I am sure the other northern members, the member for Yukon and the member for Western Arctic, totally support any increased responsibility given to the Canadian rangers. I truly believe the rangers can assist more, especially in asserting our sovereignty in the Arctic.

The rangers are also very involved with search and rescue operations. That is one aspect where I think we need to see more defence funding put in. Maybe the minister could expand a bit on the role of the Canadian forces and what assistance it gives local search and rescue operations. Unfortunately that is one of the things we have to do year after year living in the climate that we do. It is one area also that affects all communities no matter where they are in the Arctic. We certainly welcome any assistance we can get from the Canadian forces. Could the minister give an indication of any increased funding to assist the communities in that area?

Hon. Art Eggleton: Madam Chairman, the Canada search and rescue capability involves a number of agencies in the north including the Canadian forces. In fact we are the lead department in this case. DND co-ordinates search and rescue on behalf of the Government of Canada overall and we use a number of resources, including those from the Department of Fisheries and Oceans, the RCMP and the Civil Air Search and Rescue Association, which involves volunteer civilian aviators.

While we cannot predict the number and types of incidents that may occur, the forces have the capability to respond to a wide range of search and rescue operations across the country including the north. We do have the rangers there and we are putting in additional money to expand that.

I might add that this is the 60th anniversary of the rangers. They go back to the World War II era. They celebrated their 60th anniversary by taking an expedition up to the magnetic north pole. I was very pleased, as was the Prime Minister I am sure, to talk to them by phone on the occasion of their reaching the magnetic north pole.

We also have contingency air plans for any major air disasters and plans for search and rescue. These kinds of possible disasters are always being tested and upgraded ensuring that capabilities exist for us to respond in a proper fashion.

Would I like more money for the north and for the rangers? Yes. Remember the defence updates, and those are some of the issues that we will have to look at.

• (2210)

Ms. Nancy Karetak-Lindell: Madam Chairman, something also very important to the north, the minister mentioned a bit about it earlier, is the DEW line cleanups. This is an unfortunate situation that we have had to live with up in the north, dating back to the days when there were no real regulations on the responsibilities for people to leave the environment clean. We unfortunately have all the sites from the cold war years where communities are faced with trying to clean up very harmful situations.

I know the Department of National Defence has been very vigorous in trying to get to all the sites. Could the minister tell me how many sites there are in the Arctic that need to be cleaned up and whether there is a five year or ten year plan as to the dollars that will be put into the program to clean up the remaining DEW line sites?

Hon. Art Eggleton: Madam Chairman, I cannot recall the number of sites that are part of the DEW line cleanup program. The sites were of course jointly operated by both Canada and the United States, and we are receiving some \$100 million over a 10 year period from the United States to assist in that cleanup operation.

I have been to the north myself for discussions and to sign contracts with respect to the cleanup. We are engaging local companies to provide local employment for the Inuit to be part of the cleanup operations. Not only are we taking our responsibility of the cleanup seriously from an environmental improvement standpoint, but we are also getting money from our partner in those sites, the United States. We are also able to give local people job opportunities and skills development in helping to carry out that work.

Ms. Nancy Karetak-Lindell: Madam Chairman, to go back to the cleanups, I know some of the Inuit organizations are trying to sign multi-year contracts with the Department of National Defence. Is there any possibility of signing multi-year contracts for these cleanups? On a year to year basis, it is very difficult for them to write up proper training programs for people who will be in the program. They are hoping for at least three years for their training programs and cleanup plans.

Supply

• (2215)

Hon. Art Eggleton: Madam Chairman, I will have a look at the concern expressed by the member. We have been spacing these out in terms of capabilities that exist to do the cleanups and also the vision of resources spread out over a period of time.

If we can find some way that is more suitable to the people in the north, then we would certainly be willing to look at that possibility.

Ms. Nancy Karetak-Lindell: Madam Chairman, in the recruitment area, the 1994 white paper calls for Canada to have 60,000 people in the Canadian forces. We always hear from the opposition that the forces are undermanned. What is the minister doing to remedy this situation?

Hon. Art Eggleton: Madam Chairman, I am pleased to say, and perhaps the hon. member was not here when I noted this earlier, that we have now regained the position that was our target in our policy, which was 60,000. In fact we are over the 60,000 mark. We are now at 60,484.

I know there are discussions about whether we should go even higher than that. This is part of the considerations that can be made in the context of our defence review update. We are at the target that is part of our current policy. This has helped to provide us with the troops that we need to carry out our missions.

We have a very high percentage of them deployed on overseas operations. We would be one of the highest certainly among the allied countries in that respect.

At the same time, to get to that number, we put in effect a new recruitment program, which helped us to do that. We are changing our incentives and our efforts overall to retain Canadian forces personnel. Our attrition rates are down. That is all part and parcel of why we have been able to get our personnel statistics at a higher level, as we now have them over 60,000.

Ms. Nancy Karetak-Lindell: Madam Chairman, I come from an area with very high unemployment. We have a lot of people leaving school before grade 12. We would certainly love to see recruitment being an option for some of our young people in our area.

I do not know if there is much recruitment going on in my part of the country. I would certainly be interested in hearing what efforts are being made to recruit young people from the north.

Hon. Art Eggleton: Madam Chairman, we have been developing a number of outreach programs. We would like the Canadian forces to better reflect the population which exists in Canada today. People in the Alliance will call that social engineering. We think it makes good sense. First, it helps to bring into our fold people with a wide range of interests and expertise from all parts of the population.

Second, it also helps to bring support from all parts of the population for the Canadian forces. We want people of Canada from different parts of the country, from different parts of the socio-economic framework of Canada and from different ethnic origins. We want all cultural origins to identify with the Canadian forces. We want it to reflect the population that exists in Canada today.

We have started a number of outreach programs. There are aboriginal outreach programs, outreach programs for women and for other target groups as part of our employment equity program.

This outreach is beginning to produce higher numbers. We are sending out more caravan programs with people who are role models in many of these different communities. They can talk with people either in the schools or at community fairs, et cetera. We want to reach out to people to have that kind of employment opportunity.

• (2220)

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Madam Chairman, before I begin I just want to mention that it is not always easy to sit in one place for five hours. I want to commend General Jeffery and the department officials for being here for the full—

Some hon. members: Oh, oh.

Hon. Art Eggleton: Madam Chairman, General Jeffery has been mentioned all night but fortunately for him he has not had to be here. By the way, this is General Macdonald who is sitting here.

Mr. James Moore: Madam Chairman, I stand corrected but I did want to compliment them anyway for their silent and dutiful work to House and to the minister.

I want to ask questions regarding the Sea King helicopters, the maritime helicopters, and the concerns that many Canadians have. These concerns have been longstanding for a number of Canadians and for a number of years.

I want to read a quote from *Hansard*. This is from April 12, 1999. This is a direct quote:

We have here in front of us the Liberal government that cancelled, for purely partisan purposes, a highly needed program, namely the EH-101 helicopter acquisition program. It is the Liberal government that sent Canadians to be taken hostage in the former Yugoslavia. It is the Liberal government that does not put bread on the table of military families.

It is the Liberal government that sends teams on search and rescue missions in Labrador helicopters and, when they do not come back, tries to take benefits away from widows and children.

That is a direct quote from *Hansard* is by the vice chair of the defence committee, the member for Compton—Stanstead, the gentleman sitting right behind the minister of defence.

I want to know what changes have happened in the armed forces that have made such an easy 180 degree position and principle so easy. Who changed parties?

What assurances did the minister of defence give him that made him change his position so absolutely on the EH-101 when he said some of the most extreme things that could possibly be said in this House on that subject?

Hon. Art Eggleton: Madam Chairman, one always knows that in the cut and thrust of debate and question period all sorts of things are said. He would have to answer for himself but I think we responded to those concerns.

Can I take up the member's entire 20 minutes? I could go back and read my whole speech all over again.

Yes, there were cuts to the budget because we had to eliminate the deficit. Everybody had to absorb budget cuts. Unfortunately for the Canadian forces and the department of defence, they were coming on top of budget cuts that were already made by the Tories when they were in office.

Supply

However we have turned a corner. For the last four years we have increased the budget by 20%. We have another \$5 billion coming over the next five years or \$700 million a year as his colleague pointed out earlier. Either way, it is correct. We are investing more.

We have talked about the quality of life measures. We have talked about the upgrades to equipment, the improvements to the training and the educational programs. These are all ingredients that are necessary to give the kind of support we need to give to our forces in what we ask them to do.

We will not ask our forces to go to Afghanistan or Bosnia or anywhere else unless we give them what they need to protect themselves, to reduce the risk factors while they are in that theatre of operation and to do the job.

Mr. James Moore: Madam Chairman, the minister might want to start with environment appropriate camouflage.

The minister has repeatedly told the House that he expected the first of the new maritime helicopters in 2005. However we have a February 2001 memo which was passed to the minister by his assistant deputy minister of material which shows that he was told in early 2001 that the delivery date for the new helicopters had slipped to the end of 2006. The memo said "the target date for delivery of the first maritime helicopter has shifted from the end of 2005 to the end of 2006".

That memo was passed to the minister on March 7, 2001. Did that affect the minister in what he was saying publicly? It did not.

On March 14, in the press, he said "Our aim is 2005".

In *Hansard*, on March 16, 2001, he said "I am still hopeful that we could have them by the end of 2005".

In *Hansard*, on November 27, 2001, he said "We will be looking to get the replacement for Sea Kings by the end of 2005".

Why did the minister of defence tell parliament that the date was still 2005 when he knew that was not correct?

• (2225)

Hon. Art Eggleton: Madam Chairman, the member said it was my aim. I am an optimist. I am still trying to get the helicopters as quickly as we possibly can.

We are in a process that has been a lot slower than I would have liked. We are also trying to ensure that we retain competition, that we have an understanding by the industry as to what our needs are and our specifications that flow out of those basic needs. This is taking some time to do.

I still stand by what I said, that by the end of the year we would like to have the helicopter named. I will make every effort to achieve that. I believe it is achievable. It will be difficult to make the end of 2005 but I will not change the target until we are near the end of the year, know the helicopter and see what kind of arrangement we can then make with the company with respect to speeding up and gaining some of the lost time. I am not prepared to change my aim at this point in time until I have had that opportunity.

Mr. James Moore: Madam Chairman, Canadians take little solace in that answer in the sense that the government announced a pittance in terms of the financial commitment to the armed forces in

the December budget. The defence minister could not even protect that part of the budget and prevent the government from buying its new flying palaces, the new Challenger jets, which were totally unnecessary and a bad sense of timing.

Canadians have learned that the Sea King replacement project has been delayed yet again. The pre-qualification letter was to have been released on April 2 but it was postponed. Why? When is it expected that the pre-qualification letter will be issued?

Hon. Art Eggleton: Madam Chairman, I believe that very soon we will get into the pre-qualification stage but we are still in discussions with the helicopter companies and the industry in an effort to give as many of them as possible an opportunity to bid on this because we want an open bidding process. We want to get a helicopter that meets our needs at the best price.

Let us not just focus on that. Let us focus on the fact that we do have a helicopter that is operating quite well for us. The Sea King helicopter has been upgraded and has been performing exceedingly well. How come members are not talking about how well it is performing in our operations in the Arabian Sea.

Mr. James Moore: Madam Chairman, the minister says they are performing well but nobody believes that. There are 40 hours of maintenance for one hour in the air. Is that what the minister considers performing well? Those are the defence department's own numbers. According to *Jane's Defence Weekly* the date for ordering the basic aircraft has slipped to at least March 2003. Is that accurate? If so, are we now actually looking at a delivery even further past 2006?

Hon. Art Eggleton: Madam Chairman, I have heard enough of this. It is actually 30 hours, not 40 hours, but the member left out some words, person hours. That means that if a crew of 30 people did a little maintenance work and they spent one hour, that is 30 hours. In the formula the air force talks about it is person hours. It is a misleading kind of statement.

These helicopters are kept in good shape by crews who know how to do that. The age of the helicopters is not the big factor at all. It is how well they are kept. They have performed well. They have been operating in some 23 countries, including the United States. Yes, the president of the United States used to have one. I do not know if he still does. We are not told anymore because of security reasons. The past president of the United States was going around in one, and maybe the current president is as well.

Being 35 years or 40 years of age is not a factor. It is how well they are maintained, how much is invested in them to upgrade them and keep them safe to fly, and to be able to perform the mission. They are being kept in that condition and they have performed well during our mission in the Arabian Sea.

• (2230)

Mr. James Moore: Madam Chairman, can the minister tell Canadians how many aircraft his department anticipates it will be ordering and will it commit to a minimum of 28 aircraft?

Supply

Hon. Art Eggleton: Madam Chairman, that is what we are ordering. We have indicated to the industry that we need 28. We have rationalized it fully. It is 28 that we are seeking in this procurement process.

Mr. James Moore: Madam Chairman, could the minister please tell Canadians when the Sea King replacement project office opened?

Hon. Art Eggleton: Madam Chairman, it was in the 1990s. Department officials will probably indicate it was an earlier time because they will tie it to the earlier project. However, the earlier project was one that was unsuitable for current day needs so we cancelled that project. We will now get a helicopter that is more suited to current and future needs. We will save over \$1 billion in the procurement process from what it would have been under the old Conservative EH-101 proposal.

Mr. James Moore: Mr. Chairman, can the minister tell the House and Canadians whether he has any idea exactly how much money has been spent on the project? The answer to the question of when the project started is 1981. Can the minister tell Canadians how much money has been spent—

Hon. Art Eggleton: I was not around in 1981.

Mr. James Moore: The minister did not know the answer to the last question. It is not Trivial Pursuit. He did not know the answer. It has been around for 21 years. Can the minister tell Canadians how much money the government has spent in 21 years trying to replace Sea Kings that it has not managed to get its head around yet?

Hon. Art Eggleton: Mr. Chairman, 1981 takes us back to a previous project and another government. It was not the right project for the Canadian forces so we cancelled it. Our 1994 white paper policy indicated that replacement of the Sea Kings was one of four major projects. We proceeded on the search and rescue first. We replaced the Labradors and the submarines. We purchased the light armoured vehicle, the LAV III, and we entered into the replacement of the Sea Kings. Of course we did the upgrade of the Sea Kings so they could continue to operate while we have gone through this process.

In terms of the government and this project it is not the same project started in 1981. It had a different kind of mission purpose and a different statement of requirements from today. It was started by the government in the mid 1990s.

Mr. James Moore: Mr. Chairman, the point is still the same. As early as 1981 the Sea King helicopters were slated for replacement and a process was put in place to do that. It has now been 21 years and over \$1 billion has been spent. The government still has not managed to figure out how to do it and what it will do and in what order.

How can the minister sit here and say after all the politics that were played over the EH-101 versus Sea King debate, which was not really a debate but a slapfest that happened, that the Sea King procurement process, which has taken 21 years and over \$1 billion, is something about which he can feel pride?

Hon. Art Eggleton: Mr. Chairman, I did not raise the word pride but I am proud of the fact that we are able to keep aircraft, whether it is the Sea Kings or any of our other aircraft, in good operating

condition. That is because we have the right people to be able to do that. If they get the right training and equipment they will be able to do their jobs. We have some very good crews that help keep our aircraft serving useful purposes and doing so in a safe fashion.

What we are also getting in the maritime helicopter program to replace the Sea Kings is something that is more relevant to our needs today and in the future than what would have been the case if we had bought the previous purchase that the Conservative government wanted to do. Not only would that not be as appropriate for today but it would cost us a lot more money. We will save a billion dollars. We will save the taxpayers a substantial amount of money and get something that is more relevant to our current and future needs.

● (2235)

Mr. James Moore: Mr. Chairman, on page 42 of Part III there is a reference to the Hercules replacement acquisition, but there is nothing in the estimates on requiring strategic airlift in that regard. Will the minister tell us what percentage of Canada's equipment sent to Afghanistan has been airlifted by the U.S. forces?

Hon. Art Eggleton: Probably no more than what we have airlifted for them, Mr. Chairman. That would take the hon. member by surprise, but he has perhaps forgotten that we have three Hercules aircraft and an airbus that have been ferrying a lot of people, equipment and supplies back and forth. There have been a lot of Americans on our airbus over that period of time. We have been sharing the responsibility.

Yes, they gave us the transport to get our battle group over there, but we have been doing a lot of transport within the general area for them. That is what coalition efforts are all about. We each bring different resources into the effort which complement each other and provide for a team function to get the job done.

In terms of whether we will require a strategic lift, yes, it is a priority area for us to look at. We have not determined what we will do yet. We are looking at different options at this point in time. We have a project office set up which shows that we are serious in proceeding with the issue of strategic lift. As that office completes its work and we get through further stages in this policy update we will look at our options in terms of further strengthening our strategic lift capacity.

Mr. James Moore: Mr. Chairman, a strategic airlift has been a priority for the armed forces since Paul Hellyer's 1964 white paper, but nothing has been done. Canada is not like every other country. We are the second largest in the world in terms of land mass. We have small forces and we need strategic airlift more than ever before. We had to rely on U.S. airlift to get our equipment into Afghanistan. We needed the U.S. airlift to respond to both the Manitoba floods and the ice storm here in the Ottawa valley in 1998. Those are facts. What will the minister do to address this serious problem?

Hon. Art Eggleton: Mr. Chairman, we received some help during the ice storm and during natural disasters here. The hon. member may not remember Hurricane Andrew in the United States. We helped the United States at that time. That is part of what we do. We help and assist each other. We do have a number of capabilities that can be quite helpful to our friends when they need that kind of assistance.

Supply

After I told the House about all the lifting we had done for the Americans in the theatre of operation, the hon. member is missing the point. He also misses the point when he forgets that there are only two countries that have this kind of strategic lift in the NATO family and that is the U.K., which only recently acquired it I might add, and the United States.

How did all the other countries like Germany, France and Italy get into Afghanistan and the other places where they had operations? They were renting this and that and getting the job done. I would not place too much emphasis on the fact that we did not have it in this case. We recognize that it is an important function to look at for future needs. We have a project office that is looking at various options.

Mr. James Moore: Mr. Chairman, 19 of our 32 C-130 Hercules transport aircraft are more than 35 years old. Four are about 30 years old. Is the minister worried, like many Canadians who have loved ones in the armed forces are worried, about the safety and serious accident potential of these aircraft because they are so old?

Hon. Art Eggleton: Mr. Chairman, we do not allow any aircraft to fly unless it is safe to fly. We have an excellent record of maintenance and ensuring that they are safe to fly. As part of our examination of strategic lift capability we will be looking at what the relevance of that program is to the lift program that is provided through our Hercules. There is no doubt we must look at the replacement or upgrading of those Hercules before long. That again will be part of the options we will be looking at.

• (2240)

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Chairman, I too would like to start off by complimenting the research people, but I would also like to compliment the minister. He is doing an outstanding job tonight.

When I was part of SCONDVA, I had the opportunity to visit our troops in the Balkans. I got to see firsthand the great work that our Canadian forces personnel are doing and how they are appreciated by the common people over there, whether they are building schools or organizing Christmas parties for kids to help them cope.

I would like to ask the minister to comment on what he has seen and heard when he has visited our troops overseas.

Hon. Art Eggleton: Mr. Chairman, I have been fortunate to have been able to visit our troops overseas on a number of occasions. When I did, I found people who, first of all, were very professional. In Afghanistan recently I met with the American commander of the brigade there and he was very impressed with their professionalism, maturity and experience. One could readily see that and one could readily see the respect that the Americans have.

I have heard that before, too. In the Kosovo air campaign, I remember Lieutenant-General Short of the United States telling me that he considered the Canadians to be "first teamers", and indeed they were. They were in there performing more missions than would have been our normal share given the number of aircraft, personnel and pilots we had.

Our people are quite professional and quite dedicated to the work. They are well trained for the work and they carry out their duties

demonstrating that everywhere they are. I have certainly found that in my visits first and foremost.

I have also found people who are proud to fly the Canadian flag and proud to be a part of this country's service and who show that when they speak to many of the people in the local communities. In Bosnia I have been out on some of the patrols they do in local communities. They are proud to be Canadian and to demonstrate that Canadians care about the people, that we are not there to bring them any harm. We are there to help create conditions for peace and security, conditions in which they can help to rebuild their society and establish for themselves employment opportunities and the necessities of life for them and their families.

Canadians even help in a very direct way. Our troops become involved in certain projects. I have seen places in Bosnia where they have helped to build a schoolyard or a school or other facilities that are to the benefit of the local community. In many of these cases they got some funding from CIDA, for example. With that funding they helped to buy the supplies that were necessary. In one case, they were rebuilding a local school.

They buy those supplies locally so that they are helping the local economy. At the same time, they help engage local services, the plumbers or electricians or people in the community who have those kinds of skills. There again they are investing in the local community and helping to create employment opportunities. When it comes to helping provide the labour for the project, they chip in and do a lot of it themselves. They do it in their spare time. They do not get an awful lot of spare time. They are working very long hours every day, but what spare time they get they like to volunteer to help the local community.

What does that all result in? I think that results in a lot of goodwill for this country. People in many of the places our troops have been have been proud to be associated with the Canadian troops. They found them very friendly and very helpful. We want to be able to continue to make that kind of contribution to international peace and security.

Yes, at times we have to use the hard edge, as they say, in terms of having the kind of weaponry to ensure that threats diminish, that the troops are able to establish a stable and secure environment, but they do so in a Canadian way that I think brings a lot of credit to them and a lot of credit to the country.

• (2245)

Mr. Robert Bertrand: Mr. Chairman, as members know, a Coyote reconnaissance vehicle was involved in rescuing downed American pilots in Afghanistan a few weeks ago. I wonder if the minister could tell us why Canadians were called in to do this very dangerous job.

Hon. Art Eggleton: Mr. Chairman, admittedly it partly has to do with who is on duty at a given time, because other countries are also quite capable in terms of these kinds of missions. The Canadians have that kind of capability and the Americans and other militaries have that type of confidence in the Canadians, which is vitally important. They know that the Canadians can perform a mission well, whether it is a search and rescue operation or whatever the mission may be.

Supply

We already have had a couple of operations where not only have Canadians been involved, they have been the leaders. We just completed an operation in the Tora Bora mountain area. Some Americans and some Afghans were also involved, but most of the troops were Canadians and led by Canadians.

That goes back to the comment I made in the first place: that I met with the American commander in Kandahar and he has confidence in the ability of the Canadians. He knows they are dedicated and he trusts them to be able to do an effective job. If we can rescue people as part of that, then we are quite happy to do so.

Mr. Robert Bertrand: Mr. Chairman, as was mentioned before, when I was on SCONDVA the minister asked us to do a study on quality of life. I have a few questions for the minister on the quality of life report.

As the member for Whitby—Ajax mentioned, we did travel to a number of Canadian forces bases all over Canada and in Europe. One night we were in Edmonton, where approximately 3,000 or 4,000 people were waiting for us in a gymnasium, if I remember correctly. This one gentleman from Suffield, Alberta got up to speak. He wanted to tell us how flat the land was around Suffield, so he used an example. He said that in Suffield people can watch a dog run away from home for two days. The point is that anybody at those meetings could get up and talk about whatever they wanted to.

While we were travelling around we heard quite a bit of talk about the Canadian Forces Housing Agency. First, I would like to ask the minister if he remembers what the budget was before the report and where we are at now. Second, during some of these meetings it was mentioned that there might be partnerships with private enterprises to run the Canadian forces housing agency. I wonder if any thought has been given to that.

• (2250)

Hon. Art Eggleton: Mr. Chairman, I am glad the hon. member has mentioned the quality of life report again, because he deserves a great deal of credit for how this has all turned out, for the production of that report and for the many measures that have been put into effect. He was chairman of the committee at the time. He was a good chair. It is too bad that party voted against the report. It is too bad those members do not spend more time focusing on it.

The quality of life report is an indication of the government's commitment to improve the quality of life for our personnel. There are many measures we have taken. We have completed 68 out of the 89 recommendations. There are others that are in the stream. Members look for evidence of what we have done to help the Canadian forces and that is certainly very strong evidence, but we are not stopping there. We know that there are other things to do. We know we need other resources, for more equipment, for training and education and many other things. It takes all of these things to make the military a success, but I think we have had the right priority in starting with the strong measures that we put into effect with respect to pay, benefits, health, housing, et cetera, which are all part of the quality of life report. The hon. member deserves a lot of credit for that.

With regard to the amount of money that has gone into the upgrade of the housing, I cannot tell him offhand where the start is and where the finish is, but I can tell him what is in between and it is

\$186 million, which over five years is helping to provide for a lot of upgrades. There were a lot of horror stories at the time that he was in Edmonton and in other places. He heard from people who were in some of these accommodations with flooded basements and all sorts of drafty conditions, conditions that were very unsuitable for families. However, \$186 million has helped to correct a lot of that.

Most of the people who work for the Canadian forces live in the market economy and live in housing that is not part of the military operations. About 70% is in that category now but certainly for the 30% who still do live on bases, who live in our quarters, there has been substantial improvement. I am not saying that it is all done yet. There still is more work to be done but we have come a long way. We have come a long way in all the quality of life measures.

On the Canadian Forces Housing Agency, we have looked at different possibilities of how to structure it in a way such that it could buy and sell land and by doing that be able to work out the economics of its portfolio without being a further burden on the tax base, while being able to provide for the needs of the Canadian forces housing. That, I think, is moving along the progression of a special operating agency. I think some of those elements will be given to the agency but I cannot say specifically at this time just how many of them. However, it is able to advance its program and get the job done and that is important.

• (2255)

Mr. Robert Bertrand: Mr. Chairman, I have just one last question and it is with regard to the NATO flying school. When we were in Moose Jaw, we visited the flight school. There were a few countries that had signed up. I want to ask the minister how we are doing with the flying school. Have any more countries signed up?

Hon. Art Eggleton: Mr. Chairman, it is turning out to be quite successful. The NATO flying training provides a multiphase program starting with operations in Moose Jaw. The final operations at stages three and four of the program are in Cold Lake, Alberta.

The first country to sign up was our own. We provided the base for the operations. We decided to do this as a public-private sector partnership. Various industries are involved in the private side of it. It is unique.

We have not had to buy the aircraft. The aircraft, the Raytheon Harvard II and the British Aerospace Hawk are not on the books of the Government of Canada because they were bought by the private sector consortium. That has been of great benefit to us.

We have been able to get the training program by signing up for it without having to put in the capital funds for the equipment. We have the best and most modern equipment and a new building in Moose Jaw, in fact which I opened, for the headquarters of the operation.

A number of countries have signed up. The first one that signed up was Denmark followed by the U.K. That resulted in more and more interest coming all the time. Once we get that critical mass we can move on from there to sign on other countries much easier as the confidence in the program is shown by the initial signers and as they experience going through the courses. We recently had the first graduates of the course.

Supply

We have since had Singapore sign on, which is the first non-NATO country. We have opened it to allies in non-NATO countries as well. They are Singapore, Italy and the latest one is Hungary. The chief of the defence staff went over there and that country signed on.

Not only are we beyond the critical mass needed to make it a success, we are now into the stage of ordering more aircraft, except we do not have to order them and we do not have to pay for them. That will be done by the consortium.

It is a great example of a private-public sector partnership. We help to control the training and ensure that a high quality of training is provided by our own personnel. Some of the other countries also provide the personnel for training. It is air force operated in terms of the training programs but all the support, the equipment and the facilities are provided by the private sector.

It is a great success. It is bringing the pilots of these countries to Canada. We have a similar program also that brings pilots from other countries. That is the one in Goose Bay, Labrador for low level flying. All of that provides a service for our partner countries, our allies. It helps increase interoperability. We are all working together, learning from the same basic training manuals and from people who put the programs on.

The private sector partnership is headed by Bombardier which is doing an excellent job in marketing it. It is a big winner.

When I travel to a lot of countries and meet defence ministers they have a number of people from their forces at the table. Invariably I meet somebody who is a trained pilot in Canada and is a friend of Canada's at the same time. There are those benefits as well in having NATO flying training in Canada.

● (2300)

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Chairman, it is a pleasure to address this issue today. A moment ago my friend was speaking about CFB Suffield which is in my riding. I know people in my riding would be very upset with me if I did not express their thanks to members of the Canadian military for the fantastic job they have done with limited resources and for what they are doing in Afghanistan. The people across the country need to know that our thoughts and prayers are with their families through a very difficult time.

I want to move on to a very serious subject. It has to do with Challenger jets.

When was the minister first informed that the Government of Canada was going to purchase the new Challenger aircraft?

Hon. Art Eggleton: Mr. Chairman, first let me say that I appreciate the member's comment about Suffield. I might add that Suffield will take on an increased importance in the issue of chemical and biological threats. It will be the centre for research and development and co-ordination of that effort in Canada. There will be added importance given to the operations of defence research and development out of Suffield.

With respect to the Challengers, that is a government decision and I am part of the government. The Challengers are the responsibility of the Department of National Defence. The purchase was made as an upgrade to the fleet to replace two of the existing Challengers.

That is being done to have Challengers with expanded fuel capacity and range of the aircraft. The approval by the government was given on March 24. The receipt of the aircraft was officially on March 28.

Mr. Monte Solberg: Mr. Chairman, that really was not my question. I was asking the minister when he was first informed that the Government of Canada would purchase the aircraft. Is he saying that he was first informed on March 24?

Hon. Art Eggleton: Mr. Chairman, I am saying that I am part of the Government of Canada, I am part of the decision making process and I am the minister who has responsibility for the Challenger fleet. It is not a question of informing me. It is a question of a government decision being carried out. We are all ministers of the same government, those of us who sit in the cabinet. We all bear the same responsibility and we are all part of the decision making process.

Mr. Monte Solberg: Mr. Chairman, surely the first time the minister heard about it was not around the cabinet table. Clearly there was a point before a cabinet meeting where the minister heard about this from someone. I would like to know who he heard about it from. Was it the Prime Minister? Was it Eddie Goldenberg? Who did he hear about this idea from in the first place?

Hon. Art Eggleton: Mr. Chairman, it is a matter of a cabinet decision. It is in the cabinet record. We do not talk about the process of cabinet decisions. They are within the confidence of the privy council. That is a tradition of this government and all previous governments. It is part of our system. The government stands and stands for its decision. This is a decision of the Government of Canada.

The member is trying to probe within the decision making process of cabinet. That is a matter that is in the confidence of cabinet.

Mr. Monte Solberg: Mr. Chairman, my question then is did the chief of the defence staff, the minister or anyone receive a recommendation from officials that the replacement of the existing Challengers was unnecessary? Was any such recommendation made by anyone in the department?

Hon. Art Eggleton: Mr. Chairman, there is a report that has been noted within the department that deals with the Challenger fleet and its capabilities. It talks about its safety and its reliability and affirms that is the case.

As I said a few moments ago, the reason they were purchased was to upgrade the fleet's capacity in terms of fuel efficiency, fuel capacity and ability to fly non-stop to Europe which is a time saver. It is not a matter of the older ones not being able to perform a function. It is a matter of an upgrade. It was a decision of the government to have that upgrade carried out. It is not adding two aircraft. It is replacing two aircraft with new ones that can go farther and operate more efficiently.

● (2305)

Mr. Monte Solberg: Mr. Chairman, the public is very concerned about the purchase of these Challenger jets. We have a situation where we have 40 year old Sea King helicopters and we have been waiting for a long time for those replacements, yet somehow the department can come up with \$100 million within a period of 10 days to purchase the Challenger jets.

Supply

I would like to know from the minister specifically how the decision was made to purchase Challenger jets for the convenience of the minister at the expense of Canadian troops who have been waiting for decades for some kind of a replacement for the Sea King helicopters. How can the government justify that change in priorities?

Hon. Art Eggleton: Mr. Chairman, the member is very wrong in how he is characterizing this. It is not at the expense of the Canadian forces. It is not at the expense of the replacement of the Sea King helicopters. This is money that is being reimbursed from the central treasury to the Department of National Defence. It is not money being taken from any project whatsoever.

It does not delay the Sea King procurement one day at all. The \$2 billion that is required for the Sea King purchase has already been provided. In no way does it affect that or the purchase of any other equipment whatsoever. The money is all being provided by the central treasury.

Mr. Monte Solberg: Mr. Chairman, clearly that is an evasive answer. It is a complete red herring.

Unless the defence department all of a sudden has unlimited resources that \$100 million comes from some other more worthy project. I can think of a lot of them, whether it is Sea Kings or uniforms or whether it is all kinds of other very necessary equipment that the Canadian forces require right now, especially at a time when we have troops with their lives on the line in Afghanistan. Unless the minister has invented a way to pull \$100 million off a money tree somewhere, that money has to come from some other area. There is just no other way of doing it.

Would the minister then tell me, if it did not come from Sea Kings and the purchase was really unplanned until 10 days before it happened, where was that money scheduled to go until it was inevitably spent on those Challenger jets?

Hon. Art Eggleton: Mr. Chairman, it was toward the end of the fiscal year and moneys that are still in the revenue fund at the end of the fiscal year go against the debt.

There was no money that could have been used at that point in time with respect to defence expenditures. There was other money that was allocated toward the end of the fiscal year and was in fact used for defence expenditures. However, it would not have been able to have been used for any other defence expenditures. It would have been required to be used by the end of the fiscal year.

Mr. Monte Solberg: Mr. Chairman, the minister is saying that this is March madness and the government did not plan. Although it has equipment shortfalls in many, many areas what he is telling us is that the government forgot to plan to spend \$100 million on things that are necessary like uniforms for instance.

He is saying that is not true, but clearly the government had not properly planned. It knew it had some extra money at the end of the year, but chose not to spend it on things that were essential to the well-being of the Canadian forces, some of whom are in combat situations right now and many of whom are in peacekeeping situations. Instead he said at the end of the year "We have some money laying around so let us spend it on really what amounts to a luxury, Challenger jets", at a time when it did not need to spend

money on them. We know the other ones were perfectly suitable for getting the minister around the country and around the world. Instead the government chose to spend the money on an upgrade, on really what is a luxury.

Again, I argue that if the government had planned properly, that money would have been spent on things that were important like uniforms, communications equipment and the basic necessities our troops so often lack no matter where they go in the world.

• (2310)

Hon. Art Eggleton: Mr. Chairman, that is simply not true. Money that we were allocated toward the end of the fiscal year was spent just as much as we possibly could on our needs. There were more revenues at the end of the year, as we have heard from the Minister of Finance. This became an opportunity to provide this upgrade in the Challenger fleet, which is not just used for me. The member personalizes it but it is used by the Governor General, the Prime Minister and all ministers in connection with important government travel as part of our job. This was an opportunity to get something that was more cost efficient, that would use less fuel, that would be able to fly non-stop to many destinations and even use shorter runways, which gives us more of an opportunity for a wider range of use in other parts of Canada.

It is not a luxurious aircraft. It is a Canadian aircraft. We should be using Canadian aircraft as our fleet for this kind of travel purpose. It will have the same kind of outfitting as the current Challengers have. It is by no means a luxury at all. It is a more efficient aircraft. It is not adding to the fleet; it is replacing two of the older ones in the fleet.

Mr. Monte Solberg: Mr. Chairman, the minister knows very well that right now Canadian troops do not have adequate ammunition for live fire practice but we are spending \$100 million on Challenger jets. He knows we have a \$1.3 billion annual deficit in the forces' operations budget but somehow we had \$100 million left over at the end of the year. That is simply not believable.

How does the minister square this contradiction? He said that we had \$100 million extra but that we have a \$1.3 billion deficit in our operations budget. How does he square that?

Hon. Art Eggleton: Mr. Chairman, within the restrictions of the fiscal policies, this money would not have been used for any defence purpose. There is not one program that is not covered because of this expenditure.

Under the same provisions, toward the end of the year some \$300 million was provided for the defence department and was indeed spent.

The question he raised concerning ammunition and uniforms was not correct at all. We have certainly indicated to the Canadian forces that whatever they need they should be able to get. There was a timing issue to the change to the new uniform, in terms of the version that could be used in Afghanistan, just not being ready. It was not a question of resources or of money. It was a question of manufacturing time and being able to get it done.

The uniforms they have in Afghanistan are really quite suitable. In fact if we look at the Americans who wear desert camouflage uniforms, they put equipment and vests over top of them that are of the dark green variety.

Supply

Those members are really making a mountain out of a molehill over this. The uniforms that our troops have are modern, up to date and really quite satisfactory.

Mr. Monte Solberg: Mr. Chairman, I could tell the minister that \$100 million is not a molehill to Canadians. It is a mountain. I want the minister to understand that we do not accept his Enron accounting explanations.

The truth is that there are a lot of good things that could be funded with a \$100 million. I could tell the minister about the South Alberta Light Horse in my riding. I have talked to members who were about to get on buses and go for training but they had their training cancelled at the last moment because funds were not available. That is one concrete example but there are many more.

The minister says that the issue of camouflage uniforms is not that big of a deal. He himself says on the one hand that the uniforms they have now are adequate but on the other hand he says that they will apparently now be spending money to buy desert camouflage. Either the uniforms are adequate or they are not. Could the minister explain that?

• (2315)

Hon. Art Eggleton: Mr. Chairman, there are options for different kinds of operations. In some cases it would be suitable to have the desert camouflage. As it has turned out, however, in the operations in Afghanistan they have spent more time in the hills, in the mountains and in areas that are not part of the desert in terms of their operations. Since they do a fair bit of their work at night the uniforms they have turned out to be quite suitable. There may be other circumstances where the desert uniform would become more useful.

Part of the clothe the soldier program is to have the temperate green, which is what they are using now, to have a similar desert camouflage version and to have one that would be used in the Arctic or in other type of mountainous wintry conditions. There would be three sets of uniforms.

The clothe the soldier program, which has been going on for the past few years, is at the stage of providing for those uniforms. They have not been completed yet in terms of their manufacture. As it has turned out, the uniforms they have are quite suitable.

The hon. member is again forgetting that an allocation was made. We looked at all the things we could do with the year end money. The Minister of Finance does not know exactly how much he will have at the end of the year but we spent as much as we possibly could, and \$300 million was allocated. It would not have been possible to spend another \$100 million by the end of the fiscal year.

Mr. Monte Solberg: Mr. Chairman, I was waiting for the minister's initial explanation about the uniforms which is that they would be primarily worn at night. Sadly, we did not get to hear it again.

I will assert once more that at a time when our troops are in Afghanistan at war Canadians do not believe the best possible use of military spending is on Challenger jets. The auditor general says we have a \$5 billion to \$6 billion shortfall in our capital account over the next five to ten years. Surely the government could have used the \$100 million to start addressing the serious problem in funding for equipment over the next several years.

Hon. Art Eggleton: Mr. Chairman, as I have indicated, it did not come out of the military budget. The defence department has responsibilities for things other than the Canadian forces and the military budget. One of these is the Challenger service provided for members of cabinet, the Prime Minister and the Governor General. This does not come out of any budget for ammunition or uniforms. It does not affect Sea King helicopter replacements or any military program whatsoever. All the money that comes from the departmental budget to make the purchase is reimbursed entirely from the centre.

However there are provisions for spending when we approach the year end for which we must follow the guidelines established by the Department of Finance including those the auditor general feels are necessary for proper accounting procedures.

Mr. Monte Solberg: Mr. Chairman, does the minister know how many times he used the Challenger in 2001? Does he know he used it more than anyone else?

Hon. Art Eggleton: Mr. Chairman, I do not think so but I have not measured my usage of it versus that of other people.

The hon. member should point out that a lot of people on his side of the House and in his party have used it. I was on a Challenger not too long ago that the opposition leader was on. If members opposite want to say I have been using it what is wrong with me saying the opposition uses it too? The opposition leader has used it.

I do not understand how opposition members can get into this kind of hypocritical direction when they use the Challengers themselves. They have asked for rides on the Challengers. They are there primarily to move government members but when we get an opportunity to have members of the opposition on them we do not mind. We are all trying to serve the people of the country.

Opposition members should be careful where they point their fingers. One thing about pointing a finger is that three fingers point back. That is what is happening over there.

• (2320)

Mr. Monte Solberg: Mr. Chairman, does the minister realize after having justified spending \$100 million on Challengers that 13 of the 22 times he used the Challenger this year it was to go to his own riding? It was not to take people around the country. It was to go to his own riding.

Hon. Art Eggleton: Mr. Chairman, that is not correct. I take commercial aircraft when I go to my riding. However there are times the Challenger may pick me up in Toronto when I am going on a trip overseas. Quite frequently I might go to Toronto on a weekend on a commercial aircraft but Monday morning I may start a trip to Europe or some such place and the aircraft might come there to pick me up.

I do not think the hon. member is interpreting the information correctly. If I am making a straight trip between Ottawa and my constituency I do not use the Challenger.

Supply

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Chairman, last August I had a chance to be out at the Edmonton garrison. At that time we did an extensive tour. I took a look at the equipment that was available out there: the Coyote, the LAV III and the Bison. We also had a chance to take a look at the upgraded Leopard C2 tank. I even had a chance to ask a lot of the soldiers out there how they were able to stand up against the Americans in war games and got an extensive briefing on how smoothbore and rifle-bore tanks performed and how our tanks performed against their Abrams.

After all the things I heard, quite frankly I am very confused that we have heard statements like, for instance, how Canadian forces are going to face a mass extinction of capable fighting force within 15 years. I saw a contradiction to that statement out at the Edmonton garrison. I wonder if the minister would clarify that.

Hon. Art Eggleton: Mr. Chairman, I thank the member for the question. I think that it again illustrates how the opposition will say that I spend a lot of time defending all these things, but they always look on the bleak side of things. If the cup is half full, they will say it is half empty. They are not recognizing what the government has done.

There is more to do but the government has done a lot in terms of equipment. In fact, to support what the hon. member just said, let me quote Lieutenant-General Jeffery, commander of the army. He is not here but he has been mentioned often enough. He said in terms of equipment "...I cannot remember a time when we were better off". He said that on February 22 of this year.

There is a lot of new equipment. Yes, there is stuff that still needs replacing and still needs upgrading. There is no doubt about that, but the government has moved to increase the capital spending budget to be able to provide for the kind of equipment we need and we are going to continue that.

• (2325)

Mr. Murray Calder: Mr. Chairman, the member across the way who has been talking has been asking about something, and that is what I am going to ask about. There is one thing I want to clarify right off the bat. The way the opposition has gone on about the Sea King helicopters one would think that we are the only country in the world that is using Sea King helicopters. I would like the minister to clarify that.

Also, I was out in Halifax two years ago. I was on HMCS *Fredericton*. I had an extensive tour of that frigate and I will ask a question about that in a few minutes.

Yes, the frames on the Sea Kings are old, but my understanding is that the mechanics within them have been upgraded. I would like him to clarify that.

Hon. Art Eggleton: That is quite true, Mr. Chairman. As I indicated earlier we have invested some \$75 million in upgrades. We have invested \$50 million to upgrade the gearboxes and other components that help ensure the safety and reliability of the Sea King. Another \$25 million has also been invested to upgrade the avionics. They are performing exceedingly well in the Arabian Sea from the back of our ships, carrying out—

Mr. Peter MacKay: They are 40 years old. They can't fly in that temperature.

Hon. Art Eggleton: Mr. Chairman, it is not a question of age. If the hon. member knew anything about aircraft, he would know it was not just a question about age. He would know that it is also a question of how well we maintain these aircraft. They are well maintained because we have good people to maintain them.

Our pilots have said "We would not fly an aircraft that was dangerous". "We always err on the side of caution". "I have no concerns". "I have all the confidence in the world in the aircraft". "I have no concerns whatever with regard to the maintainability and operability of the Sea King". "It is quite a robust aircraft". "It is quite good at what it does".

These quotes came from pilots. There are some 23 countries that fly the Sea Kings, not just our country.

Mr. Peter MacKay: They are 40 years old.

Hon. Art Eggleton: The United States navy took delivery of its Sea Kings. They go from 1960 to 1969, so they have a few years on them as well.

I saw a photograph of the British marines in Afghanistan in the campaign and they were getting out of a Sea King. They bought their Sea Kings as far back as 1969. As I said, 23 countries have them. There are some 600 of them.

We used to see those photographs on the back lawn of the White House with the president of the United States climbing into his Sea King helicopter. We used to see Bill Clinton do that. I have not seen George Bush do it. Since September 11 they do not allow photographs any more. We are not sure if he is still using it, but we have certainly seen many photographs in the past. They had enough confidence in the United States to have their president in a Sea King helicopter.

Mr. Peter MacKay: Will we see a prime minister in a Sea King? When is the Prime Minister going to go up in a Sea King?

Hon. Art Eggleton: The member likes to talk about the age of the Sea Kings. As I indicated earlier, the B-52 bomber is an example of an aircraft that is still in service in the United States and it is over 40 years of age. It is not a matter of age. It is a matter of how good the aircraft is, how good the frame is and how well it is maintained and upgraded. It is good to note the United States in terms of the Sea Kings or the B-52 because the United States has more money in its military than dozens of other countries combined. The Americans have every capability and opportunity to buy the newest equipment, yet they recognize that a machine that is working well, that is still functioning and can be well maintained is worth keeping in their inventory and they do exactly that.

The hon. member is absolutely right. There are in fact numerous Sea Kings that are still in operation.

We recognize that they are getting to the end of their useful life. It is not so much the question of age. Age is somewhat of a factor but it is mainly the question of their capability. It is time to upgrade that capability. We have modern state of the art frigates. We need to have modern state of the art helicopters on the back because the maritime helicopter on the back of the frigate actually extends the capability of patrol of the frigate some 12 times. For about one-tenth of the cost of the frigate, we get a helicopter that extends its surveillance area some 12 times and that makes a lot of sense. However we have to have the up to date equipment so we are into the procurement process.

Mr. Peter MacKay: Why do you keep changing it?

Hon. Art Eggleton: We do not change it. The statement of requirements that was adopted by the Canadian forces and submitted to the government was adopted without any change by the government. We are operating on a statement of requirements that the Canadian forces say represents what they need in terms of a maritime helicopter.

We have been moving through the various stages. We have taken the statement of requirements and put it into technical specifications. We have been consulting with the industry because we want to ensure that the industry has every opportunity to bid on this because we want a competition.

• (2330)

We want to get the best possible price. The Conservative government under Brian Mulroney, to which the hon. member belongs to now, wanted to go out and buy a more expensive helicopter than the one we will be buying. The helicopter that party wanted to buy would have not been relevant to what our needs are today. We will get what we need for now and for the future, which better meets the requirements of the Canadian forces.

Mr. Murray Calder: Mr. Chairman, I wanted to ask a question about the frigates but I think I will move to the submarines and the purchase of them. I want to know whether one of the modifications

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will be to change the steering wheel from the right hand side to the left hand side.

I know the United States and the U.K. are very interested in ASW and in training on their nuclear powered submarines once we get our diesel electrics operational because they are quiet. Could the minister indicate whether Britain will move as fast as possible to ensure that we get these submarines in service that are over there along with their own?

Hon. Art Eggleton: Mr. Chairman, the diesel submarines are very quiet. The Upholder class is a state of the art submarine. It is very quiet. Stealth is important in underwater operations. Nuclear submarines are not as quiet or as stealthy as the diesel ones are.

The United States, which has a nuclear fleet, is interested in training with the diesel fleets. The Americans are happy that we are proceeding on this purchase because our navies do work closely together, above and below the surface. We are anxious to get these up and operating. There have been some delays.

It is a very complex piece of equipment. Any time a complex piece of equipment is brought into existence it takes time. It took the Australians 15 years to get theirs into operation. We will get ours into operation in five or six years. They will serve us well for a long period of time. We want to ensure that they are ready to serve this country and that they are ready to perform the kinds of functions that we want them to. We want to ensure that they are safe for our submariners.

The Deputy Chairman: It being 11.34 p.m. and pursuant to Standing Order 81(4) all votes are deemed reported. The committee will rise and I will now leave the chair.

• (2335)

The Acting Speaker (Mr. Bélair): The House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 11.36 p.m.)

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