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OFFICIAL REPORT
(HANSARD)

Tuesday, September 26, 2006

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, September 26, 2006

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)

[*Translation*]

ESTIMATES, PART III

Hon. John Baird (President of the Treasury Board, CPC): Mr. Speaker, I have the honour to table, on behalf of my colleagues, part III of the estimates, consisting of 90 departmental and organizational expenditure plans and priorities.

These documents will be distributed to the members of the standing committees to assist in their consideration of the spending authorities sought in part II of the estimates.

* * *

[*English*]

HOLIDAYS ACT

Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC) moved for leave to introduce Bill C-354.

He said: Mr. Speaker, first, I want to thank the member for Sarnia—Lambton for her support.

This bill was tabled in 2004. Its intent is to amend the Holidays Act to make Remembrance Day a legal holiday and give it the same status as Canada Day.

It is a surprise to most Canadians that November 11, the day that we thank our veterans across this country for their service to Canada and to freedom, is not a national holiday. The intent of the bill is to change it so that it becomes a national holiday.

As we know, Canadians are serving around this world, and many are paying the ultimate price to ensure that we live in a free country and that our values are understood not only in this country but around the world.

Let me praise a lady by the name of Wilma McNeill of Sarnia who, for 16 years, has lobbied the governments of the day to have this change. For 16 years she has believed that November 11 should be a national holiday across this country, so that all Canadians can thank our veterans.

I ask all members of this House to support this bill.

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

* * *

PETITIONS

VISITOR VISAS

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, pursuant to Standing Order 36, and in honour of the visit to Canada of the President of Latvia, Madame Freiberga, I am privileged to present a petition signed by over 720 concerned citizens, including members of the Latvian Canadian Cultural Centre.

The petitioners demand that parliament pass Motion No. 19, calling for the lifting of visitor visas for the following seven new EU member states: Latvia, Estonia, Lithuania, Poland, Hungary, Slovakia and the Czech Republic.

These countries are EU members, with free movement within the EU. The same visa regime should apply to them as the other EU countries. With hundreds of thousands of Canadians with family ties to these countries, Canada's onerous visa regime is a throwback to the days of the Iron Curtain and should be changed.

• (1005)

AGE OF CONSENT

Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, it is my privilege to stand in the House today and present a petition from my constituents regarding their support of raising the age of consent from 14 to 16 years.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

Points of Order

[Translation]

POINTS OF ORDER

BILL C-288—KYOTO PROTOCOL IMPLEMENTATION ACT

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, this point of order relates to my private member's bill.

It is with great pleasure that I rise to respond to points raised by the Leader of the Government in the House of Commons and Minister for Democratic Reform concerning my private member's bill, Bill C-288, An Act to ensure Canada meets its global climate change obligations under the Kyoto Protocol.

On June 16, the Leader of the Government rose on a point of order concerning my bill, saying that it would require royal recommendation. He said:

I find it difficult to see how this bill can mandate the government to fully meet existing Kyoto targets without also committing the government to additional significant expenditures in the billions of dollars.

I would like to begin by reminding the hon. member about the contents of my bill. It would require the Minister of the Environment to prepare a yearly climate change plan that describes measures to be undertaken to ensure that Canada respects its obligations under paragraph 3(1) of the Kyoto protocol.

The bill would also require that the government make, amend or repeal the appropriate regulations, in order to meet its obligations under the Kyoto protocol. It also calls on the Commissioner of the Environment and Sustainable Development to submit an evaluation of the government's annual plans.

The bill also allows the government, in making, amending or repealing regulations, to "take into account any reductions in greenhouse gas emissions that are reasonably expected to result from the implementation of other governmental measures, including spending and federal-provincial agreements".

Thus, while Bill C-288 allows the government to spend in order to meet the Canadian objectives in the Kyoto protocol, it does not require that it do so at all. In fact, it is the government's option. The government alone would decide whether to spend in addition to making regulations. It is therefore up to the government to decide.

I would like to address the question of how Canada would meet its Kyoto objectives without government spending.

To start with, I would assure the House that it is perfectly possible that Canada will meet its Kyoto obligations by the regulatory route alone.

• (1010)

[English]

For example, consider the broadest practical domestic emissions trading system described in the 2002 Government of Canada discussion paper on Canada's contribution to addressing climate change. The system would require all fossil fuel suppliers to hold permits equivalent to the greenhouse gas emissions produced by burning the fossil fuels that they sell. Such a system would cover most emissions from industry, electricity generation, buildings and transportation.

In total, the report estimates that this regulated emissions trading system would cover in the order of 80% of Canada's total greenhouse gas emissions. Using this approach, the government could adopt regulations to obtain any desired amount of reductions from sources, making up 80% of Canada's emissions. Most or all of the remaining 20% of national emissions which come mainly from agriculture landfills and some industrial processes could also be reduced by granting offset credits that would be bought and sold by the private sectors.

Regulations to increase the energy efficiency of vehicles, equipment, appliances and other consumer products will round out the approach. Thus, Canada could certainly meet its Kyoto target through regulations alone.

[Translation]

The six greenhouse gases covered by the Kyoto protocol are already listed in Schedule 1 to the Canadian Environmental Protection Act, which gives the government broad powers to regulate them.

[English]

CEPA also allows for a domestic emissions trading system under section 11.

[Translation]

In other words, the government already has everything it needs to regulate greenhouse gas pollution right now. Its powers are more than sufficient for Canada to be able to meet its Kyoto obligations without spending any new public funds.

The report I have just quoted sets out the results of economic modelling of the approach I described. According to that economic model, meeting our Kyoto objectives by relying essentially on an extended emissions rights trading system would mean that we could increase our GDP by more than if we just maintained the status quo. By achieving our Kyoto objectives in that way, we would create jobs and increase both real disposable personal income and real investment. We must therefore stop seeing the Kyoto protocol as a threat, and instead look at it as a business opportunity.

Despite these advantages, my bill would not require the government to take that approach. The government could choose, for a variety of reasons, to combine regulations and spending. The provisions of my bill leave the decision entirely up to the government.

[English]

Canada ratified the Kyoto protocol in December 2002 after receiving support from the majority of members of Parliament. That support was affirmed in May when a motion in the House calling on the government to meet its Kyoto targets won overwhelming support from members of Parliament.

[Translation]

In spite of the failure of the present government to provide any leadership on emissions reduction, Canada is still a party to the Kyoto protocol. We are bound by it. Under international law, we are still required to meet our national objective.

As well, in the 2006 budget, the House also approved \$2 billion in appropriations for measures relating to climate change. So even though my bill does not call for any spending by the government, there are substantial funds available to combat climate change.

To sum up, the Kyoto objective that Canada has agreed to meet still applies, and Canada has an obligation to the entire world to meet that commitment. I will say it again: Canada has the resources and the powers that it needs to meet its obligations under the Kyoto protocol simply by taking the regulatory route.

Consequently, my bill does not call for any recommendation to authorize new spending. I would hope, Mr. Speaker, that when you consider this information you will come to the same conclusion.

[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, on the same point of order, we too in the NDP caucus are somewhat confused and perplexed by the reasoning that goes into whether or not a bill shall in fact be allowed to be debated at second reading as a private member's bill and when the Chair rules that there has to be a royal recommendation.

We have wrestled with this issue. Recently, there has been a rash of these rulings on bills that have come forward that the Chair has deemed as necessary to rule out of order. However, others seem to slide through that clearly have dollar figures attached to them.

I speak of the Kelowna accord, the bill that was put forward by the member for LaSalle—Émard and I listened to the reasoning thereto. However, we are getting confused and kind of frustrated that some of our bills are being ruled out of order and not allowed to come up for debate when others that clearly have a dollar figure, even a price tag of \$5.2 billion, attached to them are allowed to come forward.

I speak of one specifically that I would ask you to take into consideration when you are dealing with the intervention by my colleague, the hon. member for Honoré-Mercier. One of the bills that was denied dealt with plugging a tax loophole where businesses could get a tax deduction for fines.

I know that we are not allowed to call for a tax cut as such, but how could it be considered a cut in taxes to plug a loophole that exists that we believe is a wrong interpretation of the Income Tax Act?

Therefore, I think there is going to be a need in the near future for some kind of a helpful guide, if you will, to be put out to members so that they will not waste their time crafting private members' bills that, after waiting for the lottery and for their opportunity to come up, will be simply ruled deemed undebatable at second reading for some mysterious logic.

I believe that the private member's bill put forward by my colleague should in fact stand because there is no direct dollar figure attached to the wise use of our energy conservation and so on,

Government Orders

whereas there is a direct dollar bill attached to the Kelowna accord. We have to have some consistency if we are going to have confidence in the private members' system.

• (1015)

The Speaker: I appreciate the remarks of the hon. member for Winnipeg Centre. I urge him to read the statement from the Chair on May 31 on this issue which was a beacon of light on the subject and will make all things clear to him I am sure when he has read it.

With respect to the Kelowna ruling yesterday, he can have a good look at that too. It is now in *Hansard* and he will be able to re-read it and perhaps it will be clearer on second reading than it was on first reading to him.

However, I think it was fairly clear that the bill yesterday did not specify how the Kelowna accord was to be implemented. It simply said that the House authorize its implementation and how it was to be implemented would be the subject of other bills which might require a royal assent if as and when that happens.

So it was left to others to come up with those recommendations when bills were brought forward to implement the accord which was not done by the bill yesterday. Clearly, there has to be a means of implementing it and those were not in the bill.

I do not think the situation is as confused as the hon. member for Winnipeg Centre has suggested.

[Translation]

With all due respect to the hon. member for Honoré-Mercier, I have considered his arguments, but I do not believe that they really relate to points of order.

I will consider what he said when I give my ruling on the point of order raised by the government concerning this bill.

[English]

I thank hon. members for their submissions.

GOVERNMENT ORDERS

[English]

SOFTWOOD LUMBER PRODUCTS EXPORT CHARGE ACT, 2006

The House resumed from September 25 consideration of the motion that Bill C-24, An Act to impose a charge on the export of certain softwood lumber products to the United States and a charge on refunds of certain duty deposits paid to the United States, to authorize certain payments, to amend the Export and Import Permits Act and to amend other Acts as a consequence, be read the second time and referred to a committee, of the amendment and of the amendment to the amendment.

Government Orders

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, I am glad to have this opportunity today to talk about my concerns and the concerns of so many others in my riding that have been expressed to me about how this softwood lumber deal is bad for Canada.

I think everyone wants a softwood lumber deal, but the tariffs and the court challenges that have been plaguing the softwood industry for many years now have had a negative effect on forest dependent communities in my riding and across this country, and they were court challenges that the Canadian industry won over and over again.

The Conservatives campaigned on getting tough with the Americans, on standing up for Canada and Canadian interests, but instead they got tough with Canadian lumber companies. With the signing of this deal, they have negotiated away all of Canada's wins at the NAFTA tribunal and have put workers and communities in jeopardy.

Canadians should be very worried about this deal and what it means, not just for the softwood industry, but for all industry. When the U.S. can take Canada to court and it is proved that Canada is innocent at every level of appeal and tribunal, that Canada does not subsidize the softwood industry, and still the Government of Canada signs off on a deal that gives away the very thing we won, full compensation, the precedent this sets must have implications for every industry in this country that does business south of the border.

How can anyone agree to a precedent such as this? It sells out our ability and our credibility in the international courts, not to mention world public opinion.

This deal leaves more than \$1 billion on the table. That is a lot of money. That money should be coming back to Canadian softwood lumber companies to invest here in impacted forest communities. Because of the length of time during which the softwood crisis has dragged on and because of inaction by the previous government, forest communities have suffered. There has been a serious under-investment in mills in this country because it is cheaper to send raw logs across the border than to pay the tariffs on processed lumber.

In my riding on Vancouver Island North, where I have heard very little support for this deal, workers, community leaders and small lumber companies are telling me that this deal will spell the end of their existence. Without the prospect of seeing a 100% return of the illegally taken tariffs, no hope of loan guarantees and, if a company does not sign on to this deal, a 19% levy, they are feeling pressure to support this softwood sellout.

The NDP called on the government for loan guarantees for affected companies to get them through the litigation process that they were on the verge of winning. Loan guarantees would have allowed cash-strapped companies to continue operating to possibly upgrade their mills instead of downsizing and maybe shutting down, but the government refused to assist those companies. In so doing, it refused to assist the workers and the communities in which they live.

When it becomes cheaper for the industry to export raw logs to the U.S. than to process them into lumber in our small communities, it effectively closes those mills, mills that provided good paying, family supporting jobs in coastal communities. There is nothing in

the softwood deal which will ensure that mills will once again flourish, and communities along with them.

Not only are the lumber mills disappearing, but pulp mills are having a hard time getting fibre to make their product. Fibre in the form of wood chips from sawmills used to be plentiful and easily accessible, but with the closure of those mills not any more. Pulp and paper operations have to seek out fibre supplies from outside the province and the country, in fact sometimes buying the very wood chips of logs milled in the U.S. that grew in the same area as the pulp mill. It makes no sense.

The value added sector in this country is quickly disappearing and the government is doing nothing to stop the export of raw logs and processing jobs.

How do I tell those workers and those communities affected by this deal that it is in their best interest when we all know it is not?

• (1020)

The fact that over a billion dollars is not coming back to Canada is one thing, but let us take a look at where it is going and what it could be used for. Of the billion dollars Canada's softwood industry workers and communities will never see, \$500 million will go to subsidize the U.S. Coalition for Fair Lumber Imports.

Canada is giving away \$500 million to the very aggressor of this trade war, which purported unfairly that our industry was subsidized, to use against us in the future. If ever there were a schoolyard bully in this situation, and there seem to be two, the U.S. Coalition for Fair Lumber Imports is one of them.

As for the other \$450 million, that is going directly to the George Bush administration to use at its discretion without congress approval or accountability. How can anyone justify it, no matter what it might be used for?

The other bully in this situation is the Conservative government, which is giving away Canadian dollars to the U.S. even though the Canadian softwood lumber industry won every NAFTA dispute and was awarded full compensation. It is like taking lunch money from little kids and giving it to the bullies who beat them up at recess so the bullies can buy bigger sticks to whack them in the future. How can this possibly be good for Canada? How is this fair?

The government may say that it has the support of industry and the provinces, but much of that support was conditional and the provinces were pressured to sign on. We know that less than 95% of the companies signed on by the government's due date. Much of that support was on the condition that the government in fact met its 95% threshold.

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That did not stop the government from implementing punitive taxes of 19% on those who refused to sign up, another bullying tactic. It says that if they do not sign up and give 20% of company returns away, the government will take it away when they win 100% at litigation. How is that showing support for industry? That 19% just might be the straw that breaks the camel's back for some in the industry, yet the government will not support them with a process that they have every right to engage in and were about to win.

Then there is the issue of stability and certainty for the softwood lumber industry. The government has said that this deal will give seven to nine years of certainty in the industry, but if we look closely at this deal we see that it can be unilaterally cancelled at any time after just 18 months. Therefore, it does not provide predictability or stability to the softwood lumber industry.

The U.S. can also terminate the agreement immediately if it feels that Canada has not complied with the terms. Given its track record of imposing illegal tariffs in the first place, how can we be sure that the U.S. will not unilaterally decide to end the deal, regardless of a side letter that says it will not casually terminate it? There is no guarantee. Unfortunately, because of the events of the last several years, it will be difficult to trust the U.S. Coalition for Fair Lumber Imports once it has that \$500 million of our money.

Supporting Bill C-24 means we would be voting confidence in the government. We are not prepared to do that, since we are not convinced that this deal is the best deal we can get. If the government had let the extraordinary challenge committee review panel do its job, instead of cancelling it, Canada would have won once and for all a 100% return of the illegally taken tariffs and all that money would now be flowing back to Canadian industry, communities and workers, not into the pockets of U.S. lobbyists and George Bush.

By undercutting our legal victories, the government has set a dangerous precedent that Canada will capitulate to American industry despite having a winning case. This precedent is as troubling for the lumber sector as it is for any other industrial sector. This deal is a betrayal of resource communities in British Columbia and across Canada.

●(1025)

In fact, just yesterday the government added to its list of betrayals of resource communities by cutting over \$11 million from the pine beetle initiative. Ironically, on the same day, the government produced a press release saying the beetle knows no bounds and is threatening the boreal forest.

Also, \$20 million has been cut from the DFO, money that could have been used for enhancement, enforcement and upgrading infrastructure.

The government has also cut money from western diversification, money that has not yet been allocated. The government is calling it unused program funding, but it is hard to allocate funding when everything is frozen.

It is an ongoing list. These betrayals of rural communities are becoming a shameful pattern in this minority Parliament. The sooner it ends, the better off Canada will be.

I have said it before and I will say it again: this is the same bad deal that was introduced months ago. It is the same bad deal that workers refused to support because they know their jobs are at stake. It is the same bad deal that industry refused to support until it was bullied by the government into signing on. It is the same bad deal that the NDP did not support in the beginning and will not support in the end.

It is our job as members of Parliament to defend Canadian interests, to defend Canadian jobs, and to defend Canadian communities, not sell them out.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the fact of the matter is that both the NAFTA and WTO panels have ruled continually that our softwood industry has not been subsidized. In fact, the current provisions of Bill C-24 are going to create an export tax that at current price levels will actually be higher than current U.S. duties. It also would create a problem down the road, obviously, with regard to future deals.

Does the member have the same view we do that this is a sellout and that the industry has been bullied into switching its position from being opposed initially and then suddenly miraculously and out of the blue turning around and deciding to go for this sellout?

●(1030)

Ms. Catherine Bell: Mr. Speaker, to reiterate much of what I said in my recent remarks, yes, I absolutely agree that this deal is a sellout. It is a sellout on so many different levels that it is unconscionable anyone could present it in this House and then support it.

We are talking about \$1 billion that should be reinvested in Canada. We are only going to see half of it. Where does that \$1 billion go? What is it going to be used for? It is a sellout on that point.

It is also a sellout of jobs and a sellout of small communities. I feel the effect of this in my riding, where so many small resource-based communities depend on the forestry sector for their livelihood. They are disappearing. They are losing their tax base. They are losing workers at an alarming rate. It is unconscionable that anyone could support a deal that sells out workers on this scale.

This deal also sells out the industry at so many levels. Industry knows this is not a good deal. Small industry especially is going to get gobbled up by larger corporations that do business on both sides of the border. We are then going to see our future in the export of raw logs disappear, because it is going to be cheaper for corporations to take those logs to the U.S. to be milled instead of processing them here in Canada where they should be processed.

This deal is a sellout in so many ways. I thank the hon. member for his support.

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Mr. Colin Carrie (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, first of all, being a part of the new Government of Canada, I am very proud of this deal. This deal offers stability. It offers a stable, practical, immediate solution. The member says this is a sellout. This is not a sellout. This deal is actually supported by the major lumber producing provinces and a clear majority of the industry.

I come from Oshawa, where we are known for quality hard work and are proud of our communities. Because of the softwood lumber dispute, communities are failing. Mills are closing and thousands of jobs are being lost. Families are being challenged. Their finances are in jeopardy and mortgage payments are not being made.

This is a negotiated settlement as opposed to continued, prolonged litigation. The NDP fails to see the human cost of this continued litigation. The hon. member says her party wants loan guarantees. This deal gives producers back their own money, a far superior solution. By not supporting this deal, the NDP is guaranteeing more job losses and litigation.

What will that NDP member say to the thousands of workers and the thousands of families who are on the verge of losing their future right now if this deal does not go through?

Ms. Catherine Bell: Mr. Speaker, I absolutely feel the effects of the softwood lumber crisis in my communities but I do not think it will end with the signing of this deal. In fact, it will probably get worse, which is what small industry in my riding is telling me.

As far as stability goes, 18 months is not a very long time. Eighteen months is the amount of time that it will take for either party to possibly end this deal and it can be unilaterally ended at any time by the U.S if it feels that Canada is not complying. As I have said before, how can we trust the lumber lobby in the U.S. when it has taken us to task over and over again saying that we had illegal tariffs when we did not?

Ms. Helena Guergis (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, if the premier of her province is asking her to vote in favour of this legislation, why is the member choosing to ignore that request? Why is she choosing to ignore that 90% of the industry is in support of the deal and wants the deal?

A lot of the comments she has made today about the state of the situation of our softwood lumber industry in Canada are a direct result of the past 13 years and the inability of the previous Liberal government to come to the industry's aid, to help it with the issues and to actually reach an agreement. It is this Conservative government that was able to negotiate a deal, which our Minister of International Trade, having been on the other side before, knows full well surpasses anything that the previous Liberal government had on the table.

I am curious to know why the hon. member is ignoring what her province is asking her to do in support of this agreement.

• (1035)

Ms. Catherine Bell: Mr. Speaker, I do not agree with anything that the hon. parliamentary secretary said.

Ninety per cent of the industry in British Columbia was bullied and did not support this deal and yet the Gordon Campbell government in British Columbia did support it in the early days. It was only after the industry was pressured that it came on board and supported it.

Again, it comes right down to the fact that the industry knows that this is not a good deal, that there is no stability and that it is a sellout. It is loath to support it but it feels that it has no other option because of the bullying tactics of the government.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I thank the member for her very well thought out presentation on the softwood sellout. She is part of an NDP caucus that is the only caucus actively opposing this sellout and all the negative repercussions to the softwood industry and the softwood communities across the country.

I would like to ask the member a question about what just transpired at the international trade committee, where the three other parties from the other sides of the House refused to hold hearings to actually get from the softwood communities that are impacted the kind of feedback about how this bill would impact them negatively and what alternatives the government should be looking at.

[*Translation*]

The Bloc just cancelled the sessions that were supposed to take place in Saguenay—Lac-Saint-Jean. Saguenay is the area most affected by this bill, yet the Bloc just cancelled the sessions. The Bloc said it was not interested in consulting Quebeckers.

[*English*]

The Liberals just killed the hearings that were going to be held in northern Ontario, when we know that northern Ontario is most impacted by this, and the Conservatives wanted to kill the hearings in British Columbia. We understand why. It is obviously because they are scared that British Columbians might actually find out what is in the deal. The more British Columbians know, the less likely they are to vote Conservative.

Since the NDP is the only party standing up for the majority of Canadians who oppose this sellout, why does the NDP need to carry the ball for the entire country? Why are the other three other parties letting this country down?

Ms. Catherine Bell: Mr. Speaker, the NDP seems to be the only party opposing so many things that are going on with the government because we are the real opposition in this minority Parliament.

Going back to the member's points on the hearings, it is amazing that this is going ahead without hearing from people in the industry, from communities and from workers across the country who are adversely affected by this deal. If the hearings keep getting cancelled, which is just wrong, we will never hear those voices. It would have been better, in a matter of process, to put off the vote on the deal until we had heard from Canadians across this country about the impacts, so they could have a broader understanding of what this holds for their future.

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Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I am pleased to participate in this debate for many reasons, aside from the fact that the deal is a bad deal. I will explain why I and the Liberal Party believe it is a bad deal.

There is an historical side to this. I cannot help but open with a comment because of the closing comment that was just made by the member from the NDP saying that it was the only party that stood for this. That is absolute rubbish. That is wrong and unfair, and I will explain why.

I had the honour, if I may say, to chair the subcommittee on international trade, trade disputes and investments for Canada under the Standing Committee on Foreign Affairs and International Development. We put together a report. The most in-depth issue we covered was that of the softwood lumber dispute. We heard witness after witness.

What is odd is that the New Democratic Party is trying to portray to the nation that nobody cared. Mr. Speaker, you know very well that we were close to making this deal work.

I will outline the witnesses who came before the committee. We had people from the Canadian Lumber Trade Alliance, the Free Trade Lumber Council, the Québec Forest Industry Council and the Department of International Trade. We heard from Mr. Grenier as an individual and people from Cassels Brocks & Blackwell as a firm specializing in international trade. We had people from the University of Ottawa. We heard from Mr. Donald McRae, Professor of Business and Trade Law, and from people with the B.C. Lumber Trade Council, Canfor Corporation, West Fraser Timber Co. Ltd., Weyerhaeuser, and the list goes on.

Those individuals, on behalf of their companies, said that they appreciated the support that the then Liberal government was providing but that they needed more financial support to see this through until the end. They knew they were right and that the ruling would be in their favour. In the committee report, which was brushed aside, was the recommendation that the government would provide the needed support that the industry was asking for.

What happened? The NDP forced a premature election and everything went down the drain. That is my comment on the NDP. My colleague from British Columbia knows very well that we worked together.

Why is this deal a bad deal? Recently I just happened to read an article that states:

“Non-profit bodies to manage softwood proceeds”, U.S. says.

It goes on to say that over half a billion Canadian dollars will go to various non-profit organizations for housing, et cetera.

I would not mind having that half a billion dollars here in Canada for people who need affordable housing, for seniors or for students to pay for post-secondary education. We do not know where the other half a billion dollars will go.

It says in this article that a couple of weeks ago several Washington trade lawyers told the *Toronto Star* that they were worried that the nature of the agreement would allow President Bush and his administration to direct the money to districts where

republican politicians are in trouble in this fall's election. Where will the other half a billion dollars go? We do not know and that is Canadian money.

We know, through the dispute mechanism, that tariffs were lowered. When people say that this is a good deal and Canadians want it, that is hogwash. Canadians do not want it.

● (1040)

Not only is the government muzzling the industry, but it states here that—and I always tend to put my statements forward not because of what I say but because of what others say in bringing the facts forward—“Ottawa”, meaning the new Conservative government, “plans to tax holdouts”. In other words, if people do not agree with the government, this is what it will do to them. It says:

The federal government plans to levy a 19 per cent special tax on lumber companies that withhold their cooperation with the newly signed softwood lumber deal with the United States.

I am dumbfounded. I have never heard of this before. The government is saying that if a company does not agree it will be punished worse than it was being punished by the Americans. That does not make sense.

We are supposedly trying to resolve this issue for which we have been in the right ruling after ruling. This is the importance the Americans put on this issue. We have a picture here. Delegates at the signing of the softwood lumber deal in Ottawa yesterday included the Minister of International Trade and the Minister of Industry. Canada sent two senior ministers. The Americans were kind enough to send their trade representative. What an honour. Why did Canada not send its trade representative? That is the importance the Americans put on this issue.

What is wrong with this deal? The deal sends a wrong signal. It sets a precedent. In putting together the report that I showed the House, we also put a report together on emerging markets. Part of the discussion within that report was how Canada could protect Canadian companies and investors that do business with the international community. We need to ensure that the mechanism is there so that when Canadians go abroad their investments and efforts are protected.

Surely we would think that a nation such as the United States of America living in the 21st century would adhere to rules and regulations. This is all we asked for, nothing more and nothing less.

Some people said that this half a billion dollars would go to support the unfortunate incident of the Katrina disaster. I remember the day, and I know you were there as well, Mr. Speaker, when we went out and in just over an hour and half during the noon hour we raised I believe about \$120,000 that would go to the Red Cross relief for the Katrina disaster. Canadians know how to show our brotherly love and our support for our neighbours to the south. In times of need, no matter where it is around the world, we have been there and I am confident we will continue to be there.

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Therefore, I do not buy the argument that the Americans fouled up with trailers sitting in parks somewhere in the United States. If that country blundered and wasted over \$1.5 billion that it cannot allocate for, that is their problem.

What this softwood lumber deal is saying is that the Americans have stolen \$5.4 billion from Canadians. The courts have now ruled in Canada's favour but the Americans will only give Canada \$4 billion of that money back. I thought we lived in a civil society that was governed by rules and regulations. I thought the NAFTA deal was there to ensure it was a free, transparent and equal trade process. The deal we have before us, where Canadians in the industry have been muzzled, it is not a free, transparent and equal trade process.

I have another concern about the Minister of International Trade and the Department of International Trade. We know very well that in the last Parliament, when our party put forth a motion to create the Department of International Trade, the Conservatives voted against it. That party did not want a Department of International Trade to exist.

● (1045)

Nevertheless, after the deal was signed with the trade commissioner from the United States, the minister appeared on television with Mr. Newman in a segment called *Politics*. When Mr. Newman asked the trade minister how this would unravel, he had some very ambiguous responses. He could not really give him an answer. However, of all the answers he could give, and the one that stuck in my mind, was, "How are we in Canada going to get our money back?" He could answer that. He mumbled and jumbled about EDC, about borrowing from here and getting from money there.

On behalf of each and every Canadian, because these are Canadian dollars, I want to ensure, as soon as possible, that the \$4 billion cheque is handed over because I am suspicious that money will not be there. The government will borrow through different government organizations, EDC, insurance, et cetera and Canadians will never know if that money was indeed returned. I challenge the new government, as it wishes to be called, to show Canadians that the cheque has arrived in Canada. I am willing to bet a dime for a dollar, and I am not a betting man, that the money will never arrive in Canada.

It is a sad day in terms of our trade partnership with the United States. What members have talked about in the report is the abuse that is to unfold. We get elected to this honourable House because we are supposedly forward looking people. We can be creative. We can bring ideas. We can look to the future. We all bring respective experience, applied in this chamber, so we can fine tune our system and create a better environment for our citizenry. That is why this deal sends the wrong signal for the future. If the government can do that today with the lumber industry, then who says to every Canadian that it will not do it tomorrow and anything else?

One of the members on the committee at that time was quite upset and rebutted in a way that she was, in essence, to some degree criticized. Today we can say that was unfortunate because she was right. All members on the committee said that we had to take a tough position. When our men and women are needed in the theatre in Afghanistan, we say that Canadians can do it. Of course we can do it, and we have showed our toughness there. We will continue to show

our toughness. Why can we not show our toughness in this instance? We have a product that is in demand. We managed to invest in our mills and make them modern, effective and efficient and put out a product that is very competitive. Why should we then be paying the price for it? I do not think that is right.

I will review some of the comments in the report. Mr. Potter, who came before the committee, said:

What we now have is the U.S. administration saying that because you are a privileged NAFTA partner, you will be treated less well than if you were Korea. If you were Korea and did it under their domestic tribunals and won, you'd get your money back. But because you're a privileged NAFTA partner the U.S. is going to keep your money, and not only keep it but give it to your competitors, by the way. That hardly seems very principled

This is not coming from members of Parliament where people could say we are being biased and political and trying to rally the troops. This is from witnesses from the industry. We were simply hearing testimony. Another witness said:

If the U.S. parties succeed in obtaining even part of these deposits, the U.S. will have a great incentive to launch new litigation, because even if it loses a case, it will be rewarded twice—once by the investigation itself, which is a costly and time-consuming impediment to Canadian lumber exporters, and then by the illegal distribution of duty deposits, which actually belong to us, the competitors in Canada.

● (1050)

This is testimony. This is quoting the professionals in the industry.

I come from a community in the greater city of Toronto, Scarborough. It does not have a lumber industry, but does it affect me? Yes it does. It affects me in the businesses that run in my community, but it does not affect me as it affects other communities across our country, in British Columbia, Ontario, Quebec and in other provinces.

It affects me as an individual, as a Canadian, and I speak on behalf of my constituents and I believe I speak on behalf of all Canadians. My rights are impeded upon. We have an American partner and we have a deal. The Americans have decided, in the middle of the game, to change the rules to suit them. Yet again they come back and say that they know they are wrong, that all the rulings have been in our favour but that does not matter.

It typifies what has happened in the United States in the last several years. It is either "my way or the highway". No wonder there seems to be such an anger on the international scene. They go to the United Nations and bring forward a resolution. They force the mechanism to seek compliance and enforcement of a resolution. They are right in doing so, but the question is, what has happened to so many other resolutions in years past on other issues?

There were other resolutions in years past, whether it be on the Cyprus issue, on the Palestinian issue, on so many issues. Why did we not ask for enforcement and compliance on those issues?

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The question becomes this. Why are we not asking for enforcement and compliance of the rulings from the trade courts? The courts are there to govern us as a civil society. They are not courts or panels that favour Canadians or favour the Americans. They are independent. They are occupied by professionals who know the industry.

I am not expert on the lumber industry, but I have certainly heard enough testimony from the presentations of so many witnesses to try to understand the industry. One thing I understood over and over again was that we were right. Canadians did not subsidize. Canadians did not cheat. We did not have to cheat. We have a good product, we have a competitive product and we were doing our job as anyone else would.

My concerns are many. First and foremost, it is unfair that this industry has been muzzled. I know we have all followed it closely. We heard reports of backroom get togethers. We heard of muzzling, as I pointed out, and to tax the smaller players in the industry upwards to 19%, which is unheard of. We hear that the money will be spent not here in Canada but in the United States. Maybe the Americans have a problem because they are reaching record deficits and they are scrambling for money. I do not know. Our country over the past 12 to 13 years has put its house in order, has managed to provide surpluses and balanced budgets. Our trade increased, although most recently I was upset because I also heard that our trade surplus was unfortunately dropping. The record deficits in the United States to some degree will affect us as well at some point in time.

Therefore, what is the remedy? In my humble opinion, the remedy was, and should be, that we should have stood firm as a nation, as we have stood firm in many other situations, and said that we were right because the courts ruled in our favour.

The new government came here with a law and order attitude. This is a law and order attitude. It believes in the courts as do I. We all believe in the judiciary. The judiciary and the courts ruled. If the government believes in what it says, it should stand firm with the rulings of the courts and say that it wants all the money back.

•(1055)

My concern is this. I do not believe the Americans will cut a cheque for \$4.7-something-billion to Canadians. It will go through different circles. Canadians will lose sight of it eventually. They will not even know what has happened. I heard that on *Politics* with Mr. Newman. I challenge the minister and ask him to give Canadians a clear accountability of where that money will come from.

Ms. Helena Guergis (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, I point out that the Liberal Party seems to be all over the map on the softwood lumber deal.

We have some members voting for it, some who have the courage, and some who have been around long enough to know that this is a great deal for Canada, that it is time we put things behind us and work together with the United States to build a stronger softwood lumber industry.

The hon. member speaks of numerous witnesses who came before the trade committee when he was a participant. As a parliamentary

secretary, I sit on the trade committee. We have had numerous witnesses come before us. Every witness has told us that they can no longer continue in the state they are in. They must have a deal, they must have stability and they need predictability. Many of them are on the verge of going bankrupt. Many of them have been gobbled up by the larger industry. This deal provides the stability for which they have been looking.

The hon. member also talked about litigation. I do not know if he has a crystal ball, but I do not. Perhaps we could win this final court case, but there is nothing to say that we will. The U.S. lumber coalition has told us clearly that there will be more litigation without this deal. Without coming to a final settlement, they are going to launch more lawsuits.

He commented on the duties. He said that with this agreement and the export tax that we would be introducing, they would be paying more with the new deal than they were now. That is not true. An administrative review is expected this fall and we will see that go up to possibly 14%. Without this deal, we will have continued litigation. We will also have new duties, which could be as high as 20%.

The hon. member is forgetting the simple fact of the matter. This has gone on for 24 years, and there is no end to litigation. There is only an end to litigation with this deal, which will give us stability for seven to nine years with a possibility of having it even longer with the binational council working together to build a stronger industry.

Could he comment on that, please?

•(1100)

Mr. John Cannis: Mr. Speaker, the Americans can keep fighting because they are fighting with the money of Canadians, and it is a never-ending story. Maybe what we should do is turn the tap off on the oil and electricity going south. We are showing weakness here. We were near the end of this arrangement.

The parliamentary secretary referred to the witnesses, and I see my good friend, who sat on the committee, laughing and I know why. We know what the witnesses told us. Today they are singing a different tune. Why? Because the government took them behind the doors and said, "Listen, shape up. It's my way or the highway". That is why they are flexing their muscles with the small players in the industry. It is saying that they should cooperate or the government will levy a 19% tax.

You guys should be ashamed of yourselves. Instead of helping these guys, you are going to levy a higher tax if—

Some hon. members: Oh, oh!

The Deputy Speaker: Order, please. The hon. member for Scarborough Centre has been around a while. He knows he is not supposed to use the second person.

I let him away with it once. He did it again. I let him away with it a second time. He did it again. Do not do it again.

Mr. John Cannis: I apologize, Mr. Speaker. I got carried away. I have nothing further to add.

Government Orders

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, we have heard this morning that the Conservatives and Liberals worked together to kill the trade hearings which would be held in British Columbia.

We certainly understand why the Conservatives are afraid of going into British Columbia on softwood in that we have a trade minister who has absolutely no credibility, who has betrayed his riding in Vancouver Kingsway, and who could not get elected dog catcher in Vancouver Kingsway if he tried. So he has no political future in B.C. though obviously the other Conservative MPs from British Columbia as well are running very scared. They do not want hearings in Vancouver because they know what British Columbians will be telling them.

What I do not understand is why the Liberals would kill the hearings in northern Ontario. It makes absolutely no sense. Northern Ontario along with British Columbia are in the epicentre of the impacts of this bad deal. We are looking at 20% job loss in northern Ontario and the only MPs who seem to be standing up for northern Ontario are ones such as the MP for Sault Ste. Marie and the MP for Timmins—James Bay. But the Liberals moved to kill hearings in Thunder Bay to hear back from northern Ontarians about this softwood sellout and the impact.

I will agree with the parliamentary secretary on one point, the Liberals are all over the map. They say they are opposed to the softwood sellout. They follow the NDP religiously, any time we raise opposition, two days later they will say the same thing, but they voted to kill hearings in northern Ontario.

Absolutely despicable that any party would say that most Canadians are opposed to the sellout, so we do not want them to come into northern Ontario or we do not want the trade committee to go to British Columbia because we do not want to hear from real Canadians.

• (1105)

[*Translation*]

The Bloc just cancelled the sessions that were supposed to take place in Saguenay—Lac-Saint-Jean, even though everyone knows that this area is the most affected by the bill.

[*English*]

My question is very simple. Why did the Liberals kill the hearings in northern Ontario? Why did they refuse to hear back from northern Ontarians on a sellout that is going to cost them hundreds if not thousands of jobs?

Mr. John Cannis: Mr. Speaker, when I chaired the committee, and he knows very well because the hon. member was a very active participant and brought some very good ideas and questions forward, I had encouraged and invited all to come before our committee and give testimony.

I cannot comment on today's committee and its activity, and its decision as I no longer sit on that committee, so I am in a weak position to respond to that. However, he knows very well that during the time I chaired the committee, we were more than receptive to do all that was needed to address this most important issue.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, the new Canadian government's successful resolution to the 24-year-old softwood lumber dispute will have refund cheques sent out to forestry businesses before the end of this year. Given that any Canadian success in court challenges would have been appealed, when would the lumber companies see refund cheques under the member's course of uncertainty, that is if the companies were still in business at that time?

Mr. John Cannis: Mr. Speaker, I will provide an answer to the hon. member when she is able to track down for me where that money is coming from. I believe it is not coming from the Americans, it is coming from Canadian sources. So when she gives me that answer, I will give her the full answer to her question.

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, I wanted to bring up something that the hon. member brought forward where he was suggesting that we turn off the oil or electricity. I felt that was such an irresponsible comment. Is he suggesting that we get into a full trade war with the United States?

I want to stand today and say that I am proud of the trade minister because after 24 years he has come up with a negotiated settlement. The member says this is unfair, however he knows that the trade minister was on the other side and this deal is far superior to any deal that was put on the table by the former government.

I would like the hon. member to stand in the House and say what he is going to say to the families who right now, if they do not have a deal, are going to lose their mortgages and their kids are no longer going to be able to attend university. This settlement provides security and stability for this entire industry. What do we say to the families right now who are losing their whole future?

Mr. John Cannis: Mr. Speaker, that is not what I was saying in terms of turning off the tap or shutting down the grid. I merely used it as an example. We should not get into this type of agreement, but respect the law as it is there and respect the guidelines as they are presented to us. We signed the North American Free Trade Agreement, so let us respect that agreement. Our American neighbours are not respecting that agreement over and over again.

He asked me what I would say to those families. The answer to his question is really right in the report where the industry itself thanked the Liberal government for its support and guidance. We were near the final decision and again the ruling would have been in our favour. I will tell those families that a deal is not a deal when it could be cancelled overnight. That does not provide stability.

There are ambiguous responses that could change the rules overnight. The Americans could decide to walk away from it overnight. There is nothing concrete saying we have a deal. We had a NAFTA deal and the Americans reneged on it. Who is to say they are not going to renege on this one?

Mr. Mike Allen (Tobique—Mactaquac, CPC): Mr. Speaker, I am proud to rise to speak in support of Bill C-24. I will be splitting my time with the hon. member for Macleod.

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My riding has a significant component of forestry operations, actually running along the entire east section of my riding all the way from the Grand Falls area all the way over to almost Boistown in the middle of New Brunswick.

It has to be understood that forestry is an important aspect of the New Brunswick economy as well as my riding of Tobique—Mactaquac. I have some statistics from the New Brunswick Forest Products Association. In New Brunswick, forestry accounts for 23,400 direct and indirect jobs with \$1.1 billion in wages and salaries. It is significant that 40 rural communities depend on some aspect of the industry for their existence. In Tobique—Mactaquac communities like Juniper, Plaster Rock, Bristol, Napadogan and Hainesville are all impacted.

When we think of the impact, what do these revenues get us? Forestry revenues cover 200 hospital beds, 20 schools and 400 teachers. That is the kind of thing that forestry contributes to the economy in New Brunswick.

For example, this past Saturday, I was in Plaster Rock for the 100th anniversary of operations of the Fraser Company. At the ceremony a Fraser executive stood to state how appreciative the company was of the government's stance to get this deal done. It wanted the lumber deal to go through and for it to happen now.

Make no mistake about it, the industry in Atlantic Canada wants this deal. It was appreciative of what we have done and felt that this was a chance to pave the way for its next 100 years of operations, the certainty that this deal will give it for the next seven to nine years.

I have heard many statements about winning the next legal challenge, that this would be over, let us wait it out, and see what is going to happen. I can say that the industry people in my riding are under no illusion that this would be over with any next legal challenge. The only certainty that they see with the continued battle in the courts is that more money is going to be spent on lawyers, not on the industry, not the communities and most of all, not on the people in these communities who need the support.

The Atlantic provinces have been fortunate to have the support of the Maritime Lumber Bureau under the leadership of Diana Blenkhorn in this whole escapade over the last 20 years. The bureau has presented a united front for maritime lumber in protecting our industry as a non-subsidized industry. During the past summer, Ms. Blenkhorn provided testimony to the Standing Committee on International Trade where she talked at length about the maritime exemption, how hard the Atlantic provinces have worked for the exemption, the tracking of lumber and the certificate of origin processes. All of those have exempted our Atlantic industry from issues and problems.

At the same committee, the industry critic for the Liberals, and the member Beauséjour, praised the agreement for protecting Atlantic Canada's interests. As an Atlantic Canadian, I am certainly pleased that the agreement protects the rights we have fought hard to ensure are protected.

I am not sure how industry can reconcile the comments made by the hon. member for Beauséjour in July to his lack of commitment to the industry that he demonstrates by opposing this deal and going on at length yesterday in his speech in this place.

I asked a representative from Fraser, why would Atlantic Liberal and NDP MPs not back this deal? I do not understand. In fact, there are reams of paper in letters sent to every Atlantic MP asking us to support this deal, that it is a good deal for Atlantic Canada. They come from all over the riding. They asked us to support this and get behind it. The representative had no idea. He could not understand it, but he did assure me of one thing, that he would hear about it from his industry representatives coming forward.

• (1110)

As my colleague from Cumberland—Colchester—Musquodoboit Valley stated in the debate yesterday, the industry in Atlantic Canada has worked hard to gain efficiencies in its operations. The industry has striven to identify value added opportunities and the kinds of value and investment it needs to do that. People in the industry have worked hard to keep our rural communities alive. They want resolution. They want the certainty that this deal provides. They want to move forward. They have gotten their exemption.

I point to a relatively small sawmill in the Hainesville area of my riding. The owner wants to explore new business opportunities. He knows that in this down market he needs to be able to do things and create value added opportunities. An accelerated rebate is a key for him. Like other mill owners in my riding, he has no false illusions that the next court case or continued legal action will produce the results that he is expecting or will get him his money any faster. That accelerated rebate is a key.

This deal will deliver financial results mere weeks after going into effect. That is what these people are looking for. In fact someone from a sawmill called me yesterday saying, "We are going to need the money. I have deferred my investments. I want to put in a new saw operation. As well, I might be looking at a new pellet mill in my operation". All these kinds of things are important investments that folks in my riding want to make to create value, not only for their sawn lumber but also for their low grade fibre.

I also want to applaud our Atlantic members who, with the Maritime Lumber Bureau, discovered the need for a minor wording change to ensure that Bill C-24 guarantees the exemption for Atlantic Canada. As my colleague pointed out yesterday, it is an important recognition by the Minister of International Trade to ensure that we say exemption and not zero rated. It may be minor but it is a very important and key thing for Atlantic Canada.

I want to conclude with a few comments and examples of support that I can point to over the last little while. The provincial governments in Atlantic Canada support the agreement. Many questions have been asked in this House over the past couple of days of whether people have checked with their premiers to see if they were taken out behind the woodshed and browbeaten to support this deal. I have not heard an answer to any of those yet.

Government Orders

The industry in Atlantic Canada supports this agreement. How could Atlantic Liberal and NDP MPs vote against it? The Maritime Lumber Bureau is a strong supporter of the agreement. How could Atlantic Liberal and NDP MPs vote against it? The new Liberal premier of New Brunswick is on record as supporting this agreement. How could Atlantic Canadian and New Brunswick MPs vote against this?

In contrast, not so long ago the Liberals were prepared to accept much less of a deal. As the minister has pointed out, he cannot believe how much of a better deal we have. The Conservative government ensured the Atlantic Canada's lumber industry was protected and its exemption maintained. The Liberal trade minister at the time admitted that the Liberals had been ready to trade away Atlantic Canada's interests as a bargaining chip. I guess Liberal MPs have to toe the party line. They do not have to vote for what is good for Atlantic Canada.

This is a good deal for Atlantic Canada. It is a good deal for Canadians. Two governments support it. The Government of Canada supports it. The industry strongly supports it. I urge members of this House to throw the partisanship aside and get behind this deal.

• (1115)

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I listened to the member say that this is a good deal for Atlantic Canada, for all of Canada. I want the member to explain to me how this is a good deal for my hometown of Hamilton.

Hamilton is a steel town. Hamilton has a very strong and vibrant steel industry. Can the member guarantee that the steel industry will not be next?

We just saw a government that threw out four and a half years of litigation. We saw a government that with one stroke of the pen eradicated the most important part of the free trade agreement which was basically a binding mechanism for arbitration. We have seen the government allow the American industries to come in and attack Canadian industries.

Can the government tell me with absolute certainty that the steel industry in my hometown of Hamilton is not going to be next? If that is going to be the case, how is the government going to protect my community?

Mr. Mike Allen: Mr. Speaker, the hon. member has asked a good question. When we look at the relationship we have with the U.S. at this point in time, 95% of our trade with the U.S. is dispute free. I am expecting there will be no issue on that and that it will be covered.

Regarding this deal, this has been going on for over 20 years. This is the first time that our government took an opportunity to go face to face, toe to toe with the Americans to get this resolved. I can assure the member that a government that stands up for Canadian interests will stand up for steel.

• (1120)

[*Translation*]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, my question is for the hon. member for Tobique—Mactaquac, who just spoke. The Bloc Québécois supports this agreement, but with great reluctance. Quebec industries decided to support this agreement after a long process that was not supported by the Conservative

government or the Liberal government, in the sense that they did not consider the Bloc Québécois' request for loan guarantees.

Despite the agreement signed, we learned from Radio-Canada yesterday that Quebec businesses are facing another threat in the form of competition from China, which is exporting more and more wood chips to Quebec.

What can the Conservatives do to prevent a new structural crisis? For nearly a year and a half now, the Quebec industry has been denouncing the problems it has with the American industry in relation to softwood lumber, and now it must also deal with competition from Asia. Can the hon. member for Tobique—Mactaquac tell us if the Conservative government will also act in this area?

[*English*]

Mr. Mike Allen: Mr. Speaker, any time we get into these international trade things that is a great question.

An aspect I noted in the deal is protection on third party imports that come into the U.S. and for Canada. Also, we have to realize that we are living in a world of trade. The only way to create new wealth in our economy and new wealth in our country is to encourage the kind of trade we are talking about, but not at the risk of our industry.

I know the Minister of International Trade is worried about industry and will not enter into any agreement that puts our industry in jeopardy. We have to have the full win of Canada in creating the wealth for all our industries. That is what we want to try to do.

With this agreement we have done that. We have encouraged those moneys to come back. I encourage the member to look at the industry and mills and whatnot in Quebec for these dollars that will be coming back to invest in value added products. That is where the competition is going to be. We cannot compete just on sawn lumber any more. We have to do better. We have to do more value added.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of International Cooperation, CPC): Mr. Speaker, it is a great pleasure to rise in the House today to talk about Bill C-24, which will implement Canada's obligations under the softwood lumber agreement. I ask all members of the House to recognize and support this bill.

Clearly, this softwood lumber agreement is good for industry, good for lumber communities and good for Canada. The previous member spoke about examples within his riding that speak volumes to how good a deal this is and how it will support local industry. It eliminates punitive U.S. duties. It ends costly litigation which has gone on for far too long.

Government Orders

I have listened to many members in the House during this debate talk about how close we were to an agreement, that with one more judge's ruling we would have it beat. My argument to that is that I have met lawyers whose entire careers have been based on negotiating softwood lumber.

Under this agreement the U.S. will immediately dismiss all trade actions against our companies. It takes our lumber producers out of the courts and puts them back where they belong, in communities across this country, growing their enterprises and contributing to Canada's economy.

It provides stability for an industry hit hard by years of trade action and drawn out litigation. For the next seven to nine years no border measures will be imposed when lumber prices are above \$355 per thousand board feet.

When prices drop below this threshold, the agreement gives provinces the flexibility to choose the border measures most beneficial to their economic situation. I should add that all export charge revenues collected by the Government of Canada through these border measures will stay in Canada, in direct contrast to what these lumber companies have been facing up until now.

The agreement returns more than \$4.4 billion U.S., a significant infusion of capital for the lumber industry and the workers and communities that rely on it. We have even developed a unique deposits mechanism to ensure that lumber companies receive their money as quickly as possible, within four to eight weeks of filling out and returning the necessary legal and administrative documents after the agreement enters into force.

This is an agreement to be proud of. It is a practical and flexible agreement that ends this long-standing dispute on terms that are highly favourable to Canada. Moreover, it directly responds to the specific issues and concerns raised by industry and the provinces. For instance, it recognizes provincial market based reforms and preserves provincial authority to manage their forest resources as they see fit.

It also excludes from border measures the Atlantic provinces and the territories and 32 companies, including Quebec border mills that were found by the U.S. Department of Commerce not to be subsidized. It ensures that independent lumber remanufacturers do not have to pay an export charge on the value added component of their products. It establishes a process for Canada and the U.S., in consultation with the provinces, to determine the steps regions can take to qualify for exemption from the border measures.

I am pleased to say that the agreement has the support of two national governments and all the key lumber producing provinces, as well as an overwhelming majority of industry players. The next step belongs to parliamentarians.

Bill C-24 will implement Canada's commitments under this agreement. In particular, it provides authority to impose export charges when lumber prices are below \$355 per thousand board feet and it gives provinces the flexibility they need to choose the right border option for their economic situation.

The bill also seeks to amend parts of the Export and Import Permits Act to bring into operation the mechanisms we need to meet our commitments under the agreement.

● (1125)

I am happy to be part of a government that has done, in short order, what no other government could: put an end to this dispute and start directing our full attention to building a stronger, more competitive North America. I would ask all members of the House to join me in supporting this bill and putting this dispute behind us.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have heard that speech at least 10 times in this debate. Those members are passing it around.

Notwithstanding that, the member will know that this bill would create an export tax that at current price levels is actually higher than the U.S. duties. Let us think about that. This is short term gain for long term pain.

The issue here is the fact that the industry has been bullied. It was a sellout and the industry has been bullied. I want to give some examples to the House.

The government offered an ultimatum to the industry. The industry minister told the industry to either accept the deal or the government would abandon it. That is exactly what the minister said. He said the industry would be on its own if it did not accept this deal. He went on, saying that loan guarantees put in place before the last election were taken off the table. Now that is a real bone for businesses to chew on.

Actually, suddenly it was that if the government wanted to put the industry in jeopardy, it just needed to threaten the industry. It said it would take loan guarantees off the table. Then the government threatened to abandon the industry if it chose to pursue its legal rights. Whatever happened to the opportunity for businesses to express themselves? Some of those in the industry will continue to pursue their legal rights over accepting this deal.

The government has also demonstrated that it will punish companies in the industry that refuse to sign this deal. Now that sounds like good leadership from a government. This includes the imposition of a 19% levy on all refunded duty deposits on the holdout companies.

This is not a government that is representing the interests of the industry. This is a bully government. This is a government that has sold out. It is ignoring the NAFTA and WTO trade panel decisions. This is a very bad deal.

● (1130)

Mr. Ted Menzies: Mr. Speaker, the hon. member has brought up some very interesting words. Let me work a bit with the hon. member's words, if I may. The hon. member refers to the industry being bullied. I would prefer to refer to this government as bullish. We are bullish on softwood. We think it has a future. We know that it now has a future. Yes, this government is bullish. It is bullish on the Canadian economy and the softwood lumber industry is a fundamental piece of our economy.

Government Orders

The member talked about abandonment. That is what we heard from the industry in committee appearances. Businesses in the industry told the committee that the previous Liberal government had abandoned them. The Liberals allowed them to have to take this dispute to court. The former Liberal government was never there to provide the leadership to bring a settlement to this industry, so the industry had to litigate. One of the first things this new Conservative government did, even though we had not been in power very long, was to bring an end to this longstanding dispute that frankly was going nowhere under Liberal leadership.

[*Translation*]

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, as I have only one minute, I will be brief.

The Conservative member mentioned earlier that the agreement would run for nine years. What he forgot to say—and I would like him to elaborate on this—is that the final wording contains a clause that allows Washington to terminate the agreement at any time after 18 months. It seems to me that we do not often hear about that. It is all well and good to say that we have a nine-year agreement, that we will be able to do something and that industries in Quebec will be able to continue doing business with the United States, but after 18 months, Washington can terminate this agreement. What does the hon. member think of that?

[*English*]

Mr. Ted Menzies: Mr. Speaker, I would like to clarify that. Most people understand that in international agreements the standard length of an agreement, the standard opportunity length of time for any agreement to be opted out of, if I may term it that way, is six months.

I think we did exceptionally well to get this length of agreement so that this industry has some strength and something on which to base its future monetary investments. It is a seven to nine year agreement. That is better than most industries have to base their forward decisions on and to base their investments on. I think this is an excellent negotiation on behalf of this new Conservative government.

[*Translation*]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, I am pleased to speak today about Bill C-24, Softwood Lumber Products Export Charge Act, 2006.

The purpose of the bill is to give effect to the softwood lumber agreement that the Conservative minority government and the Bush administration reached on July 1. The bill sets terms and conditions for the repayment of countervailing and anti-dumping duties to companies. It also sets terms and conditions for the return to Washington of the billion dollars that Quebec and Canadian companies have to leave on the table.

Lastly, this legislation sets trade barriers that will govern the softwood lumber trade between Canada and the United States, including the export tax and export permits, and authorizes the payment of export tax revenue to the provinces.

As some of my colleagues have already stated, the Bloc Québécois will vote in favour of Bill C-24, but without enthusiasm.

It is important to remember that the industry stated nearly unanimously that this agreement was not satisfactory. However, given the catastrophic situation in which the Quebec and Canadian forestry industry finds itself, the industry concluded that it was better to accept this bad deal than to continue fighting in the courts.

The unreasonable attitude of the Conservative minority government, in its refusal to listen and support the interests of our industry, certainly contributed to weakening the industry and forcing it to accept this agreement.

Unlike the Conservatives, we consulted the industries and the workers in Quebec's forestry sector. We came to the conclusion that we had no choice but to accept this agreement because this industry had its back to the wall and could not keep up the fight. With no support from this government and a number of its businesses in serious financial difficulty, the industry and representatives of the forestry workers reluctantly chose to accept this agreement and thereby recoup some of the countervailing duties and anti-dumping charges it paid to Washington.

Let us not forget that it was our industries' money that was paid out and is being given back. They asked us to support this agreement and we will do so. To do otherwise would have been irresponsible of the Bloc Québécois and disrespectful to our industries' requests.

When we look at how the negotiations have unfolded since it was announced on July 1 that a deal had been reached, we can understand how the Conservative government's attitude toward the forestry industry and workers leaves a bad taste.

On July 1, 2006, when the international trade ministers from Canada and the United States initialled the text of the agreement to indicate that their governments approved it, something absolutely unbelievable happened. The Conservative government had not even consulted the industry before initialling the text of the final agreement. The industry ended up with an agreement signed by a government that had not even checked whether the industry was happy with it.

We quickly noticed, when the Standing Committee on International Trade met this summer, to what extent a number of Quebec's and Canada's forestry industries and unions were unhappy with the softwood lumber agreement reached between the Conservative government and the Bush administration. It is not surprising that several of them considered this agreement incomplete and asked for improvements to it.

Unfortunately, this government did not see the importance of the demands and needs being expressed, and decided not to provide them with help or support.

Instead of giving the industry ultimatums, and stubbornly imposing a botched agreement, the Conservative government should have endorsed the industry's requests for improvement and thrown all its weight into efforts to obtain those improvements.

Government Orders

•(1135)

Instead, this government decided to back the industry into a corner and force it to accept this agreement with the Bush administration, the Conservative Party's new best friend. It is obvious, I think, that the government was much more sensitive to other interests and more anxious to please them than to serve the interests of our industries and workers. Yet the improvements requested by our forest industries and unions were perfectly legitimate and deserved to be considered.

I would like to talk briefly about some of the improvements requested in particular by the Quebec Forest Industry Council. One of the council's concerns had to do with making the export charges and quotas more flexible, that is to say, Option B. The industry in Quebec was quite rightly concerned that the agreement provided for monthly quotas—one-twelfth of the annual quota. In case of major shipments, the restrictions on exceeding their monthly quotas were so tight that companies might not be able to honour their contract or even reach their full annual quota.

It is important to remember that the construction industry is cyclical and lumber deliveries can easily vary considerably from month to month. Unfortunately, this issue was not resolved and the government has not made any particular commitments. At best, the binational council that is supposed to oversee the agreement will deal with this. The Bloc Québécois hopes that the government will attempt to make the monthly export ceilings more flexible through the binational council.

The Forest Industry Council raised other concerns about the termination clause. The agreement is theoretically for seven years and can be extended for another two years if both countries agree. At least that is what the agreement in principle said. To the surprise of many, however, the final text says that Washington can end the agreement at any time after it has been in effect for 18 months by providing six months' notice, as the hon. member for Shefford pointed out in his last question.

If the agreement is cancelled, the U.S. government cannot institute procedures to impose antidumping and countervailing duties for a period of one year. This means that the industry is assured of only three years of trade peace. We are far from the lasting trade peace claimed by the minority Conservative government. It is easy to see why the industry was so concerned about this provision in view of the fact that it is leaving a billion dollars on the table in order to obtain lasting peace. But the final agreement does not guarantee it.

It is very apparent, therefore, that the concerns raised by the Quebec Forest Industry Council in particular were perfectly legitimate and deserved to be taken seriously by the government.

This morning, the Quebec Forest Industry Council also raised the problem of Asian competition that is going to challenge our softwood lumber industry and hurt our companies.

I have spoken about the fact that the attitude of the Conservative government had left a bitter taste with many people. I listened with interest to the hon. members from the Liberal Party and I must confess that their remarks also left me puzzled. From the start of this dispute in 2002, the Bloc Québécois called for the introduction of a support program that provided loan guarantees to enable companies

to avoid bankruptcy. For more than four years, the Liberal government, like the Conservatives now, refused to do so. During the last election campaign however the Conservatives made a promise to issue loan guarantees for companies.

I imagine that the Liberals, now that they are in opposition, have begun to see all the damage they caused because of their lack of political will, while the Conservatives have probably forgotten the promises they made during the election campaign.

•(1140)

For those of us in the Bloc Québécois, only sovereignty will enable us to be masters of our own economy.

In addition, our plan also proposed measures for greater flexibility of employment insurance to facilitate access and extend the benefit period to ensure income for workers affected by this crisis. Our plan offered support for transition programs to encourage new directions in the Quebec forest industry.

Finally, the Bloc Québécois called for Ottawa to assume the legal costs of the companies who were victims of this legal harassment by the United States. Those costs to date have exceeded \$350 million. It has never been proven that our softwood lumber was subsidized or that we engaged in dumping.

We are convinced that these measures would have enabled those workers and industries to survive this dispute. If the Bloc Québécois supports the agreement, it is not because we believe it is a good one. It is only because the industry no longer has any choice and has asked us to support this agreement.

The government—as we saw this morning in the media—has a surplus of \$13 billion, which will be applied against the debt. Not one cent will be spent to support our industries, either in textiles, furniture or softwood lumber. The government is too far removed from the needs of the people.

Between 2002 and 2005, more than 10,000 Quebec workers were affected, sometimes permanently. Recently, the situation has again deteriorated.

According to data from the Quebec Forest Industry Council, no fewer than 7,000 jobs have been lost in the forestry and furniture industries since April 2005, while another 5,000 jobs continue to be threatened. Business failures have multiplied and those companies that have survived are in serious financial difficulty.

Considering these figures and the attitude of the federal government, we understand why the industry had no other choice and has decided to stop fighting in the courts and to accept this agreement.

Contrary to what the Conservatives say, the Bloc Québécois is convinced that even though the bill must be adopted, the government cannot claim to have solved the problems that the industry is facing.

The industry is having structural problems and the softwood lumber agreement does not solve them. Moreover, the president of the FTQ, Henri Massé, has clearly indicated that, in view of this agreement, the Conservatives now have an obligation to take real action to help the industry get through the major crisis it has been going through for many years.

Government Orders

This is why the Bloc Québécois wants the federal government—this fall—to present a series of measures to help the forest industry, which is facing serious difficulties at the very time it is emerging from a lengthy trade dispute in a weakened state. The measures would also support the furniture industry before it gets caught up in a catastrophe it cannot get out of—like the textile industry.

In particular, these measures include an income support program for older workers. Such a program would be designed for workers aged 55 who are unable to re-enter the work force and were victims of mass layoffs. It will bridge the period between employment insurance and pension for numerous people who have been victims of the softwood lumber crisis.

Also, the measures we are putting forward contain proposals directed towards the communities.

We are proposing an increase in the community economic adjustment initiative for forest-dependent communities. We believe, however, that such funds should be transferred to the Government of Quebec to avoid overlapping and so that the program is better adapted to Quebec's needs and so that it is, of course, closer to these needs. We have seen how removed Ottawa is from the industries' needs.

This program should be accompanied by an increase in the funding for Canada's Model Forest Program run by the Canadian Forest Service and special tax status for the 128,000 owners of private woodlots in Quebec.

• (1145)

Finally, we are proposing a series of measures to help businesses. These measures include a special tax treatment for the \$4.3 billion in countervailing and anti-dumping duties that will be refunded by the American authorities to take into account the damage suffered by the companies; a program to stimulate innovation within the forest industry and improve its productivity; and policies designed to support diversification of the markets and marketing of wood.

Some of these measures will become pointless if they are not presented this year and if they are not supported by the minority Conservative government and by all representatives in this House.

As everyone knows, this year is a decisive one for the forest industry. Let us hope that this time the government will pay attention and will take advantage of its economic and fiscal update to announce these measures.

• (1150)

[*English*]

Ms. Helena Guergis (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, I appreciate the good work that the member does as we sit together on the international trade committee. I know that he, like our Conservative government, has been very focused on small families, the communities, the industry, and those who have been devastated by this dispute. I do want to thank him for the good work that he does do at committee on behalf of his constituents and on behalf of those in the softwood lumber industry.

The member did pass some comments though, suggesting that perhaps we as a Conservative government did not keep our promise.

We did keep our promise. We made a commitment to be there for the softwood lumber industry during the election and that is exactly what we did. We delivered this deal. We delivered the return of \$5 billion in Canadian dollars back into the industry. The industry has told the government that it can no longer continue, that it has been devastated by the lack of support from the previous Liberal government over 13 years. Now we see a return of money coming into the industry.

In the past we have also heard this member advocate for loan guarantees. I want to comment on loan guarantees for a moment. We are giving back to the industry its own money. It is by far better than just saying "here is some more debt for the industry. Let us give the softwood industry another loan to keep its head above water".

I was a small business person and I was raised in a small business family of over 40 years. I can say right now I would rather have my own money back. The industry would rather have its own money back, so it can reinvest and go forward.

Would the hon. member comment and actually see a benefit in returning the industry's own money, rather than continuing to give it further debt?

I would also like to speak a little bit about next steps at committee and next steps for our government. The hon. member has rightfully talked about that we do need to look to the future. Our Minister of International Trade and our Prime Minister have made a commitment to do that.

Within this agreement there is a binational council where there will be representatives from both Canada and the United States who will work together over the next seven to nine years to build and go beyond the next seven to nine years, but to even talk about how we can fine tune the agreement.

I am hoping that at committee we will be able to sit down and work very closely together on how this council will play out and what its role will be. Some of the things that the council's initiatives could include are expanding the market for wood products and the non-residential construction market, developing new methods and markets for the use of wood, and defending wood use in existing residential markets.

The council would talk about where the softwood lumber industry will go into the future jointly, build trust between the two countries, build a strong industry, so that when other countries try to come in and bring in their exports that we are looking out for Canada's industry, as well as the North American industry as a whole. If the hon. would care to comment and perhaps let me know if he is willing to work together at committee to see if we can go forward, I would appreciate that.

[*Translation*]

Mr. Guy André: Mr. Speaker, I appreciate the question from the Conservative member for Simcoe—Grey who sits with me on the committee, even though we are do not always have the same points of view.

Government Orders

I would nevertheless like to clarify some of the member's comments. She talks about money being returned to the industry as though this money were a gift. It is not a gift; the industry paid this money in countervailing duties.

Court decisions were all in favour of Quebec and Canadian companies. The Americans were not able to demonstrate that our softwood lumber was actually subsidized and that we were dumping our goods. It is understandable that we support this agreement. It is as if workers who have been on strike for several months return to work after losing ground in the areas of working conditions and benefits.

The industry is not satisfied with this agreement but it does not have a choice and that is why the Quebec industry took a stand. It has been bled to death, it has lost thousands of jobs and mills are closing.

Therefore the Bloc Québécois is asking members to support this agreement. The government refers to it as a seven-to-nine-year agreement. We will keep our fingers crossed because we know it could be a \$1 billion loss, for an agreement that lasts only 18 to 24 months. That would be a catastrophe for the forestry industry.

• (1155)

[*English*]

Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.): Mr. Speaker, I have a question for my hon. colleague. It has been quoted that 90% of the industry is in favour of this agreement. The last time I read the agreement there were 32 litigations against the American government. Those companies would have to sign off before the agreement takes effect. If we look at only 32, 90% of 32 is about 27 or 28. That leaves about three or four litigants outside the panel.

I would like to ask the member what he would think of the current new government looking after 90% of Canadians as opposed to 100% of Canadians. Is it the government's responsibility to look after everyone or only 90% of the Canadian population?

[*Translation*]

Mr. Guy André: Mr. Speaker, I would like to thank my colleague for his question. As he pointed out, we are talking about 90%. I think the Prime Minister said in the House that the industry, by and large, supported the agreement but that 10% had not yet decided. Undecided parties will be subject to a punitive tax for failing to sign on to the agreement. In answer to your question, I think it should be 100%.

The first thing we need to do is listen to the industries. With all due respect for the member who asked the question, what the Conservative minority government has not done—and what the Liberals failed to do for years—is listen to the needs of all industries involved. This is why it has come down to this agreement, which is unsatisfactory for 100% of the industries.

Here in Ottawa, we are accumulating billions of dollars in surpluses, while the provinces are being bled to death. We have the means to support the industry because there is plenty of money here in Ottawa. Yet we refuse to help. Loan guarantees would hardly have cost a fortune. We could have enabled the industries to turn things around and helped them in their legal proceedings. We did not. In the end, we are signing an agreement that will hurt the entire softwood

lumber industry. Yes, 90% of the industry supports the agreement, but it does so against its will because it had no other choice.

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, those of us on the NDP benches cannot understand how the members of the Bloc can vote for this bill. There is any number of good reasons, which I do not have time to go through, but there is one reason I am not sure that even my colleagues are aware of.

I know that my colleagues from the Bloc are very concerned about issues of jurisdiction and even sovereignty. In actual fact, when this deal is ratified there would be an unprecedented clause which would require provinces to first clear any changes to forestry policy with Washington, not with the Government of Canada but with Washington. The Province of Quebec, if it were interested in changing its own forestry policy, would have to ask permission from the United States government first.

Does the member not think that is an affront to Canadian sovereignty and an affront to the sovereignty of the Province of Quebec to have its jurisdiction trampled upon? Should that alone not be reason enough for my colleagues to get angry and vote against this softwood lumber sellout?

[*Translation*]

Mr. Guy André: Mr. Speaker, the NDP member does not understand why the Bloc Québécois is voting in favour of this agreement, despite its convictions. The NDP does not understand why it has never managed to have a member elected in Quebec. That is because their party does not listen to the Quebec industries and the people of Quebec. That is why the member does not understand—and I can see he does not understand—and that is why the NDP has no seats in Quebec.

The Bloc Québécois consulted Quebec businesses. We participated in the debate. We know that the anti-circumvention clause could be harmful to our industry.

The president of the Quebec Forest Industry Council, Guy Chevette, is very structured in his thinking. He has analyzed every angle of this agreement. We know how a sovereignist government could get trapped in the management of our forests but, of course, we would be very careful. This is why the binational committee would play a role. If, at any time, the Americans were to invest more in our forest policy, Quebec could, at that time, terminate its part of the contract.

I would point out to the NDP member that this is another reason for our desire for sovereignty. To be master of our own international agreements that are not now in Quebec's best interest would be another reason.

We saw how Ottawa managed the softwood lumber crisis. The government has billions of surplus dollars that we Quebeckers have sent to Ottawa, and that will not come back to us. When we need our money to support our industries, we do not have it.

I would tell the NDP member that this is why the Bloc Québécois, while awaiting Quebec sovereignty, must make concessions and must listen to its industries.

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He can rest assured that we will make certain, within the binational committee, that this agreement harms Quebec industries as little as possible by continuing to listen to them.

● (1200)

[*English*]

Hon. Joe Comuzzi (Thunder Bay—Superior North, Lib.): Mr. Speaker, I represent a riding that has over 50% of the product of softwood lumber within the confines of my riding. Therefore, I trust I am qualified to make some of the remarks that I am planning to make today.

I have phrased my remarks around what I call a tale of two cities. More precisely, I think this is a story of two small, single industry towns in northern Ontario, Schreiber and Terrace Bay, about 10 miles apart. They are on the Trans-Canada Highway and border the north shore of Lake Superior.

Although I use those two communities as examples, I think that I am also talking about 350 other communities right across this country that are dependent on the forestry industry and are single industry towns. When I talk of Schreiber and Terrace Bay, it is not exclusive.

Both are majestic little communities in a wonderful setting with all of the natural beauty of any community located in this scenic area. Schreiber had its genesis about 100 years ago as a railway town and has serviced the CPR since that time. Even today the CPR passes through Schreiber, but with a greatly reduced labour force. Some years ago, Schreiber relied on several mining companies, which were successful for a short time, but when the mines were depleted they closed and the miners and their families left the community, leaving only one major industry, that being Kimberly-Clark, a producer of kraft paper.

The reason for Terrace Bay's existence was the Kimberly-Clark organization in the United States. Its most famous product, as we well know, is Kleenex. The raw material, known as kraft, was produced in Terrace Bay. Kimberly-Clark decided to build this plant on the north shore of Lake Superior right after the second world war, mainly because there was an abundance of natural resources, with plenty of trees and a lot of water, which were so necessary.

Terrace Bay became the showplace on the north shore, an almost perfect single industry mill town employing almost 1,000 men and women from Schreiber and Terrace Bay. Terrace Bay developed because of this a great school system, a small well-run hospital, beautiful parks, a hockey rink, which we know is so important to every small town, a curling rink and a community hall. It developed a devoted and dedicated town council to run its affairs. There was everything a small community needed. Terrace Bay became home to many families. After working there throughout their careers, as in Schreiber, the people decided to retire there to stay in Terrace Bay and they left their assets within the community.

Kimberly-Clark, over the 50 years it operated, was an enlightened and empathetic employer and kept investing in the progress of the mill over those 50 years. As it is in all businesses, the forestry industry was going through some change. There was a marketing change. Costs were increasing. There was an ownership change. There was more offshore competition. About five years ago,

Kimberly-Clark decided to sell its Terrace Bay operation to Neenah Paper. Neenah Paper was a company with its head office in Atlanta, Georgia.

Neenah ran the Kimberly-Clark operation for about five years. Then its board of directors decided to sell the Terrace Bay operation. It was not a good time to sell the forestry business. Markets were being devastated with high costs, offshore competition, the high cost of fibre and the high cost of energy. The value of the Canadian dollar was going up, making our product less competitive.

Although there was interest shown by the softwood producers, they were having their own problems of liquidity and were fighting for survival because of the ongoing softwood lumber dispute with the United States. Most of the softwood industry in Canada was simply out of money and had exhausted all lines of credit with the banks.

● (1205)

About a year ago, Neenah Paper announced, because it could not find a buyer, that it would permanently close the Kimberly-Clark paper mill in Terrace Bay and issued layoff notices to its employees in both Terrace Bay and Schreiber.

Devastation and despair settled into those communities. Men and women who had worked for years were out of a job. They had absolutely no prospects of any future jobs in those particular areas. Some left the communities for prosperity in Alberta and some returned.

The town councils, led by able, competent mayors, Mike King in Terrace Bay and Donald McArthur in Schreiber, did everything within their power to keep these communities together. We owe both mayors a tremendous vote of appreciation and gratitude. Can anyone imagine trying to run a small community where the largest property owners are vacating? How do they continue to provide the services, education, health care, policing, maintenance and public utilities without a proper tax base?

The residents of those communities, from firsthand knowledge, were devastated. Their life savings, mostly in the homes they had bought over the years, were now worth a small fraction of their original cost. Unfortunately, even if they wanted to sell their homes, there were no buyers within these communities. Everything they had worked for all their lives was lost. It was a disaster.

About six months ago there was a glimmer of hope. The government announced a break in the longstanding softwood lumber dispute with the United States and began negotiating a settlement with our friends in the United States. It stopped the lengthy, expensive litigation process and decided to negotiate a deal, a return to the softwood lumber producers in Canada of almost 80% of the \$5.2 billion paid by the Canadian producers to the Americans.

Government Orders

On the announcement of that, private negotiations were resumed between Neenah Paper and a company called Buchanan Forest Products, which owns several mills, the largest softwood producer in Ontario as a matter of fact and the largest private employer of men and women in northern Ontario. The rest is history.

Last Thursday the Buchanan group of companies officially took ownership of Neenah Paper in Terrace Bay. Last Saturday, for the first time in six months, the first shipment of Kraft left Terrace Bay and was shipped to the United States. Orders are starting to come in on a daily basis.

The first shipment left after six months. It was a sight to behold, with the Ontario minister of natural resources present, the family owners, Kenny and Ken Buchanan, and their board of directors, made up of local people with a local interest, Russell York, Yves Fricot, Wolf Garrick and Hartley Multimacki all on board. All the inside workers at this mill were present at the opening of this mill.

There were tears of joy. I have never seen this in my life. There were tears of joy at the opening of the new mill in this single industry town. This would not have happened without the agreement with the United States on softwood lumber. That is why, along with some other reasons, I supported, voted for, still approve of and will continue to vote in favour of the softwood lumber agreement with the United States.

I am very proud to have represented the overwhelming desire of the constituents I represent in Schreiber, Terrace Bay and, indeed, throughout northern Ontario.

● (1210)

My only hope is that some of that same good fortune that we have experienced in Schreiber and Terrace Bay, because of the industriousness of these folks and the willingness to negotiate, will happen in the other 350 communities across the country that depend on the forestry industry for support and for existence.

That is the end of my story on the *Tale of Two Cities*.

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, as the hon. member knows, his comments are reflected in the sentiments shared by our party and by the Government of Canada.

I thank him for his courage in standing up in support of this softwood lumber agreement against some considerable opposition, not only from other opposition parties but from within his own party as well. Members of his community can be proud of him. He is actually doing what MPs should be doing, which is standing up for the interests of their residents and their working families.

I trust that the prospect of recovering from the devastation of the lumber dispute will carry over into many other communities across Canada that depend on the softwood lumber industry for their survival.

It has been suggested by many that somehow Canada simply has to win a couple of more appeals and court battles and the United States will cave in and gladly return the outstanding duties, which are well over \$5 billion U.S. It has also been suggested that this softwood lumber agreement is unnecessary because we would receive immediate compliance from the United States and that it would cooperate with us. I take a different view.

If the softwood lumber agreement did not carry in this House, would my colleague expect our neighbours to the south to quickly return the outstanding duties if the next couple of court decisions go Canada's way?

Hon. Joe Comuzzi: Mr. Speaker, I have worked on the softwood lumber file for the last 10 years. At one time I was as optimistic as everyone in the House that we would eventually win at the World Trade Organization under section 19 of the NAFTA. As it turns out, we were not going to win. We could not continue to negotiate because our companies could no longer exist because they were out of money and had no more bank credit. The government had to make this deal. It is unfortunate, because I would have liked to have seen a better resolution, but we were faced with making this decision now.

The member asked a very important question. I think we should broaden our horizons, having gone through this softwood lumber dispute, and take a closer look at the NAFTA, especially the dispute resolution mechanism under section 19 which favours the Americans. Decisions are made under American law. After this debate is over, we should be applying our minds to correcting that situation.

To answer the question by an NDP member a short while ago about what will happen the next time if it is a steel dispute or something else we do not know about, let us really put our minds to getting this section straightened out so that NAFTA will be operative as it should have been when it was first signed.

● (1215)

Hon. Gary Lunn (Minister of Natural Resources, CPC): Mr. Speaker, I too want to commend the hon. member. Many times in the House he has voted on principle and he has obviously voted on principle by supporting the softwood lumber agreement. The member, obviously, has great experience on this file.

Now that this softwood lumber dispute will be resolved in the coming months, what suggestions and ideas could my colleague provide with respect to best helping the forestry sector move forward to ensure that we see a revitalization of the industry and improve its competitiveness in today's market?

Hon. Joe Comuzzi: Mr. Speaker, one would almost think I wrote the question for the minister because I have the answer for him, but he did not.

In my judgment, which goes to the heart of every community, especially in the forestry industry or the single industry communities, when we come from a smaller community, other people are making decisions on our behalf.

Government Orders

After the experience in the softwood lumber industry, which has affected all of Canada, I would like to see each community taking over more of its own decision-making. It is important for a single industry community to have some direct control over the cost of energy and the cost of fibre. When communities realize that they do have some say in energy, in fibre and in other costs, we will begin to see the forestry business in Canada get back on a solid footing, whether it is softwood, kraft or newsprint. We would then get local representation at the table bargaining, rather than some steel company in Pittsburgh, Pennsylvania, dictating what the forestry industry in northern Ontario or northern British Columbia should be doing. When we get those three components in place we will start to see a rebirth of the forestry industry.

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, I commend the member for Thunder Bay—Superior North, because what I heard from him is compassion for the families in his constituency.

In northern Ontario, as well as many communities in Canada, there are single industry communities. What happened after the mine closed in my father's community in Kirkland Lake? Families were hurt irreparably. The real estate dropped in price. People who worked in the same place for their entire lives lost their retirement savings, their self-esteem after the job losses and had social problems with unemployment. From his speech, I can tell that the hon. member is really listening to his constituents.

If this deal does not go through, which is what the NDP is pushing for, what is the hon. member hearing from the families in his riding? What would be the outcome for them if this did not go through?

• (1220)

Hon. Joe Comuzzi: Mr. Speaker, I appreciate the hypothetical question. If the deal did not go through, I am glad we do not have to face what we would have to do. However, I have to be very frank that we were at the edge of the cliff and I did not like looking down and I did not want to go back to those families. Cascades closed down in the last six months. Red Rock closed down about three or four months ago and we are trying to revive it. It is really very difficult on the families.

I hope the government passes the older worker adjustment program very soon. It is difficult for people who have worked in a mill for 25 or 30 years. They are at an age where they cannot be retrained because by the time they are retrained they are close to retirement. They need a bridge from what they are getting now through their pension plan and so on to carry them over to their retirement.

We developed the older worker adjustment program some 12 or 13 years ago with the present government members. The sooner the government implements that the better off these people will be because there still has to be a soft landing for some of these people in the forestry industry in Canada to help them over the hurdle.

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, it is a great pleasure for me to rise in the House today to speak to Bill C-24 which will implement Canada's obligations under the recently signed softwood lumber agreement.

Two weeks ago, the hon. Minister of International Trade joined with his American counterpart to sign the softwood lumber

agreement. I have been in the House for almost 13 years and for all the time I have been here this softwood lumber issue has been a real serious bone of contention between the United States and Canada. It has been a serious irritant between our two countries and it has affected not only the lumber industry but trade generally in a very negative fashion between our two countries.

I am delighted to see this agreement finally reached. For those who have been following this dispute, I am sure many of us really thought it would be something we would never see in our time in politics, certainly in my case, or in our lifetime. There simply had not been any progress made on this issue until the past few months when our trade minister and the Prime Minister, and our Canadian Ambassador to the United States took this issue and paid special attention to it and finally made things happen.

Is everyone in the industry happy with this agreement? Absolutely not. There could never be an agreement quite frankly which would satisfy everyone in the industry, but does the industry recognize that this deal is a good deal? Yes, it does. It realizes that it is simply better than anything that has been talked about in the past seriously and certainly anything that has been agreed to in the past.

This agreement has left Canada's lumber industry, which has been in an extremely unstable position for a long time, finally with an agreement that it can count on for the next several years. I am delighted to be here speaking to the implementation of the bill which would actually implement this agreement.

Working with our American counterparts, Canada's new government was able to accomplish something that governments have not been able to accomplish in the past and this agreement is one which is highly favourable to Canada and to Canadian industry. Some others in the House have talked about the specifics of that. Some others have certainly talked about the importance of the money which will flow to the industry at a time when the industry is having serious problems. Lumber prices have dropped quite dramatically and the industry is in trouble. We recognize this. A lot of jobs depend on this industry.

This is an issue which is not just talking about the financial situation or finances, it is talking about jobs in the softwood lumber industry. There are tens of thousands of jobs in this industry and this agreement will allow most of those jobs to be kept where otherwise they would not, they would be lost. This is an agreement which is clearly good for the softwood lumber industry. It is good for the lumber communities, for workers in those communities, and it is good for our country. The softwood lumber industry is a huge industry in this country. The importance of this industry is not to be understated.

This agreement ends costly litigation which has been going on for the 13 years I have been in the House. It ends that costly litigation. It takes our lumber producers out of the courts and provides stability for the industry and it returns \$4.4 billion roughly to Canadian businesses, to companies involved in the softwood lumber industry.

As I said, it is such a vital time for the industry, a time when the industry is in a serious state of decline with prices declining, many companies on the brink. I would suggest that this money will keep many of those companies from going out of business and those jobs being lost.

● (1225)

Clearly, this is a good agreement for Canada. Bill C-24 will allow Canada to fully implement its commitments under the softwood lumber agreement. That is what Bill C-24 is all about. As anyone watching would know, it is not about rewriting a deal. That is not on the table. The deal has been signed. The deal has been finalized. This is simply about implementation. Both governments have agreed to this deal. It is an agreement between Canada and the United States. This is about the implementation of the deal.

Bill C-24 will permit the government to impose a charge on the export of certain softwood lumber products to the United States and on refunds of duty deposits paid to the United States, to authorize payments to amend the Export and Import Permits Act and to amend other acts as a consequence of this deal. That is what this agreement is all about, to make it clear.

When listening to some others in the House and their presentations, we would never know that. Members would think that this bill was somehow about the agreement itself, about renegotiating the deal. Of course, that is not at all what it is about. That is not on the table. That is not going to happen. It is a good deal. I think we should be delighted that that is not going to happen.

As parliamentarians consider the merits of this bill, I would ask that they also consider the alternative to this agreement. This is something that I think is worth every one of us considering. The fact is we do not have to look too far into the past to see what life would be like without this agreement.

Our lumber producers have spent the better part of the last two decades engaged in a number of drawn out legal battles with the United States. We have had some that have said that we are going to win these and we should go ahead. I will talk a little bit about that in just a minute.

These members have missed firsthand the deep influence of the protectionist voices in the United States. They know the toll, both human and financial, that this dispute has taken. These long drawn out battles have had an extremely negative impact on the industry. Despite the clear cost of letting this agreement slide, some will continue to say that Canada was on the verge of a complete legal victory and should continue down the path of litigation.

Let me be clear on this point, even if, and it is a big if, even if Canada were to be ultimately successful when it comes to litigation, the United States industry could file a petition and request the imposition of new duty orders immediately thereafter. If we were successful in this round, the Americans would refile and would continue with the litigation.

I might add that this possibility was raised by the U.S. trade representative Susan Schwab herself when she was in Ottawa to sign this agreement. It has been raised by many others in the past. We have seen from the history of what has happened over the past two

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decades that the Americans would do that. That is exactly what could happen.

Any members of the House who are suggesting that we should just carry it through and finish with this agreement, and we will win and we will get all the money back, the \$4.4 billion plus almost another billion dollars, they are not being realistic. I would ask parliamentarians to consider those people working in lumber communities right across this country, to consider what taking this risk and what taking this course of action would do to them, and what they would prefer, a continuation of this dispute, all the time, effort and money that this path requires, or the practical and immediate solution offered by this hard won agreement.

I would ask the members of this House to carefully consider these two alternatives. Those are the only alternatives. They are the only real alternatives that are before this House, to either take this deal, which is a deal many in the industry have said is not exactly what we want. It is not a perfect deal and we know that, but it is a good deal. It is good for the industry, good for companies involved, good for workers and good for the country. So do we take that deal, or do we take our chances on litigation? I would suggest that continuing litigation is really good for lawyers, but it is good for no one else.

● (1230)

I would say that the odds are extremely high that the litigation would continue for some time down the road, new challenges would be brought forth, and in the end we would have an industry in turmoil. I would suggest that a lot of companies would go out of business over the next year or two under that scenario, and this agreement will prevent that for many of them. Because of that, this deal will save a lot of jobs for people in the softwood lumber industry.

After careful consideration of the facts, I am confident that parliamentarians will come to the same conclusion that the provinces and the industry have come to, and that certainly I and members of my party have come to, that this agreement is in fact the best option for our country.

Today I ask all members of the House to support Bill C-24. This bill will help us to write the final chapter in this dispute. It will put it behind us and get us back to the business of making a more competitive North America and a more competitive and prosperous Canada for generations to come. That is what this deal will do.

For members who are talking like they will not be supporting the deal, I am confident that after they have talked to people in the industry in their areas and considered the consequences of this not going through, we will get enough support in the House. I am confident that this implementation legislation will pass and we will move on to some other critical issues facing our country right now, issues that we should be dealing with on an urgent basis.

I am looking forward to any questions that members opposite may have.

[*Translation*]

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, I have listened to the Conservative member's speech and I am perplexed by what he had to say.

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I find it hard to understand why he says today that this is the best possible agreement. It may be a good agreement, in the circumstances we find ourselves in. However, I do not understand why, last October, the same party was calling on the party in power to give loan guarantees. But as soon as it is in power, it is no longer talking about giving loan guarantees.

I do not know where it got its mandate to negotiate on behalf of the industry. I cannot understand why an industry would have given this government a mandate to negotiate and then leave a billion dollars on the table. And \$500 million will be paid directly to the White House. The Americans will have 18 months in which they can go back on the agreement, and we are told that it may work for a year or two and we will start the process over again of going back to hearings to win the case. I think we should have been able to see the case through. The dispute is not over and will not be over, because in 18 months it may start all over again. If we had been able to see the case through, we could have put an end to it once and for all. As well, all of the tribunals say that there was no such thing in this agreement and that softwood lumber was not subsidized by Canada. I think that much is clear.

I do not understand why we did not see the case through. That is my question. Where did these people get their mandate to negotiate on behalf of the industry? I understand that the industry in Quebec is asking that this agreement be signed, now that they find themselves up against the wall, with no money left and no people left.

I think that the government could have supported the industry, here in Quebec, and the Canadian softwood lumber industry. It did not do that and has allowed the Americans to control our forests.

For any government that represents its country's industries, it is unacceptable to allow another country to dictate how things will be done in an agreement, in addition to leaving a billion dollars on the table, money that belongs not to the government, but rather to the industry. I think that the government has exceeded its mandate and that it would have been just, reasonable and fair to the Canadian softwood industry to give it the loan guarantees and to continue the battle so that one day it would be over.

•(1235)

[English]

Mr. Leon Benoit: Mr. Speaker, I would suggest that much of the member's question was answered in my presentation and in presentations made by other members.

I want to point out that it is not \$1 billion that is left on the table. Certainly part of that \$1 billion has been allocated to what we believe are noble purposes. Canada quite happily supported some of those. Let us make that clear.

It is interesting that the main argument the member made against signing this deal is that the Americans may cancel it down the road. There is a contradiction in what he is saying. He is saying it is not a good deal, but he is concerned about having it cancelled. That contradiction is just so blatant and so odd. If it is a bad deal, why would he be concerned about cancelling it?

The member knows extremely well, as do the companies in his constituency, that this is a good deal. It is a good deal for the softwood lumber industry. It is certainly a good deal for the workers,

who will be able to keep their jobs. It is a good deal for the country. That is why he is concerned about cancellation.

The cancellation issue is a good question and I am glad the member brought it up. It is not going to happen. The only time there was a cancellation in the past was the cancellation by the Canadian government. That is what happened to the last softwood lumber deal.

This deal is a much better deal. It is a longer term deal. I believe that before the end of this deal we will have a solution that will carry on indefinitely, because we have set up the mechanism for making adjustments to the deal along the way. I chair the trade committee. I am sure the parliamentary secretary, the trade minister and the committee will work on making the bilateral council work. The bilateral council can make changes to the deal. We will make it work. We will make it a deal that will be better at the end than it is right now, and it is a good deal right now.

The member's concern about cancellation is a legitimate one, but it simply is not going to happen.

This is a deal between two governments. This deal cannot be cancelled by industry in the United States. If that were the case, then the member's concern would be legitimate. But it is not. It is a deal that can only be cancelled, on the appropriate notice, by one government or the other. That notice is adequate for the industry to deal with it. It simply is not going to happen. The member can rest assured that this deal will be in place for seven years, maybe nine. I believe probably changes will be made to allow it to go well beyond that.

•(1240)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I read recently that a beaver bites off its own testicles when it is threatened. If this is true, then I suppose the beaver is a fitting symbol if not for Canada, then for recent governments of Canada which, when faced with serious bullying and threatened and backed into a corner, have carved off pieces of Canada and voluntarily and unilaterally dismantled aspects of Canada that we value. I will give my colleague an example and ask for his views on it.

Is he and other members aware that under the current deal the supposedly sovereign nation Canada signed on to an unprecedented clause in the agreement that would require provinces to vet any changes in forest policy with Washington? I do not know if people are clear on this. We have surrendered the right to make our own internal domestic changes to foreign policy to Washington. We have to ask for Washington's permission. Maybe that is not biting off one's own testicles, but it is certainly hiving off an aspect of Canadian sovereignty.

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Is the member aware that this is the second time a Conservative government has done this? In 1986 under the GATT, Canada was on the verge of winning a ruling from GATT on unfair duties assigned by the U.S. The prime minister of the day, Brian Mulroney, was so eager to make the case that we had to have a free trade agreement he aborted the appeal to GATT even though we were winning, even though this was something we won, and buried the results until after the free trade agreement was announced. This is the second time a Conservative government has yielded to this kind of bullying.

I would ask for my colleague's comments.

Mr. Leon Benoit: Mr. Speaker, I certainly will not be commenting on the actions of any particular beaver or anything like that. I do not know about that. I will have to take the member's word for it.

What I will say is that the member's suggestion that we could ever end the litigation within my lifetime is simply naïve. It would not happen. It is not a real option, nor is a completely free trade agreement in softwood lumber with the United States. It is not on the table and is not going to happen. It is a naïve position to take. I would love that to happen. I would love it to happen in agriculture. It would solve most of the problems that farmers have. It would solve a lot of the problems that the softwood lumber industry has, but it is naïve, it is not realistic and it is not going to happen. Let us just put that issue aside and deal with reality.

The member suggested that by signing this deal Canada is giving up sovereignty. That is simply not the case. The reality is that if there are some major changes, for example if there are problems in the industry that require a high level of harvesting, and we have seen that with the pine beetle, it allows the flexibility to deal with that. It is as good as we could possibly have it. The deal shows its flexibility. I think the member has defeated his own argument in that area.

The Acting Speaker (Mr. Royal Galipeau): We have now debated on Bill C-24 actually for 20 minutes in excess of five hours, so from this moment henceforth all further interventions will be for 10 minutes plus five minutes for questions.

I now recognize the hon. member for Richmond.

Hon. Raymond Chan (Richmond, Lib.): Mr. Speaker, the Conservative government is set to ratify a softwood lumber agreement that is simply bad for Canada.

After removing all the support from the lumber industry by eliminating the loan guarantee, the Conservative government is trying to force companies to accept this flawed deal.

I cannot in good conscience support a deal that relinquishes \$1 billion to the American government and the American lumber industry, one that gives Canada's lumber companies an ultimatum to comply or be heavily taxed, one that sets a dangerous precedent that seriously undermines our rules based trading relationship with the United States. This agreement is simply not good enough for the Canadian lumber industry or Canadians.

The softwood lumber agreement is a prime example of the government's willingness to accept mediocre deals from the U.S. rather than stand up for Canadians. Since when did giving up \$1 billion to the United States equate to a good deal for Canada? Since

when did bullying Canadian companies to take this deal or face a 19% penalty tax equate to standing up for Canadians?

The fact is this deal leaves \$500 million in the hands of the American lumber industry which it can use to attack the Canadian industry by undercutting our prices or by launching future lawsuits. This deal gives the American government roughly \$450 million of the illegally imposed duties. This deal creates an export tax that is actually higher than the current U.S. duty. This deal has anti-surge provisions which will deprive the Canadian industry of the flexibility to deal with unexpected situations like the pine beetle infestations. This deal abandons each of our legal victories under the rules of international trade in exchange for only 24 months of peace.

The fact is this deal is a bad deal for the Canadian lumber industry as it sells out Canadian interests for political expediency and the Conservative election checklist.

I want the House, the lumber industry and all other industries in Canada to take a look at the larger picture that is at stake here. This Conservative softwood lumber agreement sets a dangerous legal precedent.

By ratifying this agreement the Conservative government sacrifices Canada's credibility and the credibility of the dispute resolution provisions of NAFTA.

By ratifying this agreement the Conservative government is encouraging other U.S. sectors to ignore trade rules and instead seek political decisions that will act in their favour.

By ratifying this agreement the Conservative government will create more trade uncertainty which seriously undermines Canada's international position in the export market and inhibits investment in our forestry sector.

By ratifying this agreement the Conservative government is saying that it is okay to force a 19% penalty tax on companies that are unwilling to sign on to this agreement.

By ratifying this agreement the Conservative government is saying to Canadian industries that they must accept this deal or the government will abandon them.

●(1245)

This deal carries with it the potential to establish Canada's long term trading relationship with the United States. Do we want that relationship to be based on selling out Canadian companies and accepting less than 100% refunds or should the Canadian government establish a relationship that sends out a clear message, a message that says the Canadian government will fight for the rights of our companies.

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Sadly this deal says to Canadians that losing \$1 billion to the American government and the lumber industry is okay. That is not good enough for me. I stand here to fight for a better deal for Canada's lumber industry, a deal that does not bully companies into a flawed agreement.

Canadian companies have the legal right to the full repayment of the illegally imposed import duties and the right to opt out of the Conservative softwood lumber agreement.

Forestry companies should be able to pursue their legal rights, both under NAFTA and in our domestic courts. The government should be there to support these companies, not dictate to them.

The government should immediately make loan guarantees available to these companies so as to provide them with the credit worthiness that they will need to enable them to reclaim the money owed to them. From the onset, Conservative the softwood lumber agreement has been more about politics than what is best for Canada and our producers.

The government owes it to Canadians to achieve nothing less than what it promised: free trade and 100% refund. The Liberal Party has long been a staunch supporter of the lumber industry. We are steadfast in our commitment to a resolution of the softwood dispute that is based on the rule of law in international trade and one that seeks full compensation of the \$5 billion in illegal lumber duties.

We call for the American government to fulfill its NAFTA commitments so as to lawfully resolve this dispute and set a clear precedent that Canada stands behind our industries.

The Liberal Party believes in a long term solution to the softwood lumber dispute. This is why we have developed and proposed a supplementary aid package that better meets the needs of the industry. This package is modelled on the very same package that was introduced by the former Liberal industry minister, David Emerson. This industry—

• (1250)

The Acting Speaker (Mr. Royal Galipeau): The hon. member is experienced in the House and knows that he cannot identify other members by their given names, but by their constituencies or their office.

Hon. Raymond Chan: Mr. Speaker, this industry needs a better deal and investment in the long term forestry strategy that helps build a profitable and sustainable industry. This is why I cannot support this agreement. I want a better deal for Canadians.

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, I appreciated the comments from my colleague from Richmond. He is a good friend of mine. I notice he did his part for the softwood lumber industry by having every sentence on a separate sheet paper.

My question is a B.C. focused question with regard to this deal. He used very strong language in his presentation. I know the member from West Vancouver has also used very strong language with this deal in terms of what it means to British Columbia and what it means to our future.

B.C. Liberal Premier Gordon Campbell is in Ottawa right now. He arrived yesterday and gave a great speech yesterday to the Canadian Club of Ottawa. He is still in town today, meeting with our government and with members of all parties on the softwood lumber deal.

Gordon Campbell supports the softwood lumber deal. Finance Minister Carole Taylor, a federal Liberal out of B.C., supports the deal. Rich Coleman, the minister of forests, supports this deal. The Liberal MLA from the member's Richmond riding, Linda Reid, and others support this deal. They believe it is in the best interests of his constituents and in the province of British Columbia.

Is Gordon Campbell abandoning British Columbia? Does Gordon Campbell not know what is in the best interests of B.C.? Does Gordon Campbell not know what is in the best interests of the softwood industry? If he is going to vote against this deal, if he is going to continue with the language he has been using, he must believe that Gordon Campbell does not know what is in the best interests of B.C.

I look forward to hearing his answer and whether he believes that Gordon Campbell knows less than he does about what is in the best interests of B.C.

Hon. Raymond Chan: Mr. Speaker, the problem is that the provincial government has no choice. The Government of Canada, under the Conservative leadership, has abandoned the industry. It has withdrawn all the support, the loan guarantees that are so important in this battle with the Americans on this issue. The government denied its support to the industry and in effect, if it does not support this deal, it will be hung out to dry. The industry has no other methods of staying in the battle.

A few weeks ago, Premier Gordon Campbell issued a statement to support the deal. He outlined all the difficulties with the agreement and asked the federal government to renegotiate. The government turned him down. It turned down every request from the provincial government and the industry.

I have talked to people in the industry in my riding. They are telling me that, with the price going down as it is, with this agreement, they will be facing a tax duty that is higher than what it is today. The court has ruled that the Americans cannot charge more than 10.8% on our exports, but this deal would allow the Americans to set a 15% tax duty on our exports. With the price going down, companies have no means to survive. They have no choice but to be bullied into accepting the deal.

It is amazing that the federal government, the Conservative Party, is now blaming the provincial government for this deal. The provincial government is not at the negotiating table. The federal government has negotiated this deal and it is forcing and bullying the provincial governments and the industries to accept the deal, and that is the sad part of that government.

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• (1255)

Mr. Bradley Trost (Saskatoon—Humboldt, CPC): Mr. Speaker, I have been listening to this debate with quite a bit of interest. I wonder if my hon. friend, the member for Richmond, listened to the remarks from one of his colleagues in the Liberal caucus, the member for Thunder Bay—Superior North, about how this would impact his riding and how the Conservative government's agreement with the United States has impacted it.

Does he understand just how many individual jobs are being saved in ridings such as his colleague's from the Liberal Party?

Another question is this. It is not between \$4 billion and \$5 billion. It is between \$4 billion and zero. With this agreement, the Conservative government got the industry \$4 billion—

Ms. Helena Guergis: Five billion dollars Canadian.

Mr. Bradley Trost: —that is \$5 billion Canadian. Does the hon. member not agree that this is better than zero? With the promised litigation, even after we win a couple more rounds, this would have continued on and on.

Hon. Raymond Chan: Mr. Speaker, the fact is we were winning in the court and producing results. This is why the tax rates have been reduced. The court forced it to be reduced down to 10.8%.

The problem is we are not saving jobs. I bet with the member opposite that there will be layoffs. Industries already have to restructure because of the possibility of this agreement being passed. Many jobs will be lost, and I will bet that this will be true.

Mrs. Betty Hinton (Parliamentary Secretary to the Minister of Veterans Affairs, CPC): Mr. Speaker, it is a pleasure to rise in the House today to talk about the softwood lumber agreement and add my support to Bill C-24, which will bring it to life. I ask all members of the House to join me in supporting it.

As the Minister of International Trade indicated in his speech yesterday, the softwood agreement is good for industry, good for lumber communities and good for Canada. This is particularly true in my riding of Kamloops—Thompson—Cariboo, which relies heavily on the softwood lumber industry.

This agreement eliminates U.S. duties, ends costly litigation, takes our lumber producers out of the courts, provides stability for industry and returns more than \$5 billion. It is a practical and flexible agreement that ends the dispute on terms that are highly favourable to Canada and will put Canada and the U.S. back on track for making North America more competitive for the future.

I am pleased to note that the agreement has won a wide base of support from both industry and the provinces. There are a number of good reasons for this support, but perhaps one of the more significant reasons is that this agreement respects the diversity of Canada's lumber industry.

As the House knows, the lumber industry across the country is varied and different regions have unique challenges and opportunities. Today I would like to highlight some of the regional benefits of the agreement and explain how it responds to a wide variety of needs across the country.

First, the agreement gives provinces flexibility in choosing the border measure that best suits their particular economic needs. Exporters will pay an import charge when lumber prices are at or below U.S. \$355 per thousand board feet. When prices reach this threshold, Canadian regions, as defined in the agreement, the B.C. coast, the B.C. interior, Alberta, Saskatchewan, Manitoba, Ontario and Quebec, can select one of the following two export charge regimes: option A, an export charge with the charge varying with price; or option B, an export charge plus volume restraint, where both the rate and volume restraint vary with the price.

This innovative mechanism will allow provinces to choose the export charge that is right for their individual economic and commercial situation. I should point out that funds collected under either option will stay in Canada.

Provinces and industry also asked for flexibility in export quota rules to be able to meet their U.S. customers' requirements. In response, the government negotiated provisions allowing companies to carry forward or carry back up to 12% of their monthly export quota volume from the previous or next month. This is a significant improvement over the current environment.

Under the current system, the duties imposed by the U.S. are reassessed annually. The industry never knows from year to year what duty rate will apply. Under the agreement, they will know and can take full advantage of a stable, predictable business environment.

The agreement also contains a provision allowing provinces to seek an exit from the border measures based on a process to be developed by Canada and the U.S. in full consultation with provinces within 18 months of the agreement entering into force.

It provides for reduced export charges when other lumber producing countries significantly increase their exports to the U.S. at Canada's expense.

It protects provincial jurisdiction in undertaking forest management policy reforms, including updates and modifications to their systems, actions or programs for environmental protection, and providing compensation to first nations to address claims.

It includes an innovative mechanism to ensure that the \$4.4 billion U.S. in returned duties will be back in the hands of our exporters within weeks of the agreement's entry into force. It also ensures that independent lumber remanufacturers, which do not hold tenure and are independent from tenure holders, do not have to pay an export charge on the value-added component of their products. This represents a significant improvement in treatment compared to previous agreements.

In addition to these benefits and the flexibility built in for provinces, the agreement also addresses region specific concerns that were raised by different provinces and stakeholders throughout the negotiation process.

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• (1300)

For example, the agreement provides a limit on the export charge imposed on high value lumber products such as western red cedar lumber, which is primarily produced on the B.C. coast.

Through the agreement's anti-circumvention provisions, it also recognizes the importance of B.C.'s forest policy. B.C.'s market pricing system and any updates or modifications to the system have been given a full exemption under this agreement.

In response to Canadian industry concerns regarding the exemption of coastal logs and lumber and running rules that govern the administration of export measures, the U.S. has also confirmed that it is prepared to engage in early discussions to ensure the agreement operates in a commercially viable manner.

The agreement also directly responds to concerns expressed by Quebec, Atlantic Canada and the territories.

For instance, the border measures will not apply to the export of lumber products manufactured at Quebec border mills, a key position supported by the government of Quebec and its industry. In fact, the government achieved exclusions from border measures for a total of 32 companies in Quebec and Ontario, including the Quebec border mills.

The agreement ensures that lumber produced from logs harvested in the Atlantic provinces which are certified by the Maritime Lumber Bureau will not be subject to border measures. It ensures that lumber produced in the Atlantic provinces from logs harvested in the state of Maine is exempt from the border measures, a key component of bilateral trade in that region.

Also, it exempts from border measures lumber produced in the territories.

These elements of the agreement respond directly to the concerns raised by the provinces and industry throughout the negotiation period. They have helped garner a broad, substantial base of approval for this agreement in regions across Canada.

I am proud to lend my support to this hard-won agreement and to Bill C-24, which will bring it into force. Today I ask my fellow parliamentarians to do the same.

In conclusion, let me echo the words of Premier Gordon Campbell from my home province of British Columbia:

It's time for the costly litigation and instability experienced over the last decade to end and for a new chapter in British Columbia's ongoing forestry revitalization to begin.

I could not agree more.

• (1305)

[*Translation*]

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, earlier, I listened to the Liberal member asking for loan guarantees and saying that the Conservatives should have given them. I must point out that the Liberals had the opportunity to do the same thing, that is to provide loan guarantees, and they never did. That the Conservatives have not done so either is another story. I do not understand why they wanted to negotiate—I spoke about that previously.

When we talk about leaving a billion dollars on the table, it must be remembered that \$500 million of that amount will be paid to the American softwood lumber industry. Personally, if someone were negotiating on my behalf with a third party over my money, and if that money were paid to the other party, the one who started the dispute, I would not be happy. It would be as though I were robbed in my own home, as though, like everyone else, I knew who the robber was and as though a Conservative member negotiated with the robber and told him he could keep the television set and the cutlery. They did the same thing. The Conservatives were elected and they stuck their nose in this issue. There remains \$500 million for the softwood lumber industry and \$500 million handed over to the White House, which can do whatever it wants with that money. Everything is fine; and they say that it is a good agreement. Really. Where are we headed? If we agree to a loss every time the Conservatives negotiate on behalf of Canadian companies, we will be in the hole in no time at all.

As far as the agreement is concerned, I admit that in fact the Quebec industry has agreed to sign the agreement, but the dispute results from the inaction of the Liberals and the Conservatives, who failed to provide loan guarantees to firms in the industry. Now, the Conservatives are giving them back their own money and in addition they are leaving a billion dollars of industry money with the Americans. I do not know where they are heading, but if that is the way they want to negotiate, we will not be negotiating for long.

Can the Conservative member think of any other solutions, such as POWA? When I mention POWA, I am not thinking only of softwood lumber but of all Quebec and Canadian industries. Because of the Conservative government's inertia, there is no such program for the industry. They want to allow free enterprise. Considering the 90¢ dollar and the 94.3% increase in the cost of gasoline, electricity and propane gas, we have a small problem with free enterprise. If they leave industry to fend for itself, we will soon be without industry in Quebec and Ontario. Moreover, with respect to negotiators like those opposite, we can do without them.

[*English*]

Mrs. Betty Hinton: Mr. Speaker, I always enjoy any remarks from passionate members of the House of Commons. The member who just spoke is obviously one of those very passionate members.

I do not remember hearing an exact question, but I do remember thinking to myself that he sounded an awful lot like a lawyer for a moment, because only the lawyers are going to benefit from this going on and on.

In the meantime, there are going to be communities, families and whole areas of the country that will be totally devastated. The longer this goes on, the longer the opportunity is there for big companies to do what I call the Pac-Man game. They come along and gobble up all the little companies and pretty soon those little companies that used to be the mainstay of small communities and were considered players in the industry suddenly have disappeared.

Government Orders

I am not certain if the member opposite has ever had any experience in negotiations, but I have. In negotiations, there is give and take. The rule of thumb is that one side asks for the moon and the other side offers the dirt on the floor. Somewhere in between an acceptable agreement is found, one that actually benefits both sides, and everyone walks away, saves face for another day, and we go on to do what we are supposed to be doing.

In the case of this lumber agreement, there are a couple of things that the member opposite is mistaken about. We are not leaving money in the hands of the United States. There is actually going to be a group of people from both Canada and the U.S. who will use part of that money to which the member referred.

• (1310)

[*Translation*]

Mr. Robert Vincent: Fifty million, that is it.

[*English*]

Mrs. Betty Hinton: Mr. Speaker, I would ask the member to hold his passion. I am trying to answer him as best I can. When we negotiate a deal, as we did in this case, and we get more than 83% of what we asked for, that is really good negotiation.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, it is with considerable frustration that I join this debate concerning the bill on the softwood lumber agreement with the Americans.

Let us recall the free trade crusade initiated by the former Liberal government. It said: "We are going to win the legal battle and in the end we are going to impose free trade for softwood lumber".

However, the Liberal government and the Conservatives, who later took their place, forgot one important thing, namely helping and supporting the forest industry and the forest sector workers, for example, with guaranteed loan programs, which we asked for for nearly 36 months before the agreement.

We listened to the entire softwood lumber industry, which told us that this sort of assistance was what was required for us to come out winners in the end and have free trade, because we were going to win the legal battle.

The governments stubbornly did not grant this assistance and today we have before us an agreement with the Americans that is very frustrating. The outcome is nothing to celebrate. There is no glory to be had from it.

Obviously the Americans won with their strategy designed to drag out the dispute as long as possible. Today we are faced with an agreement that the Quebec's industry and unions are asking us to support, because they lack the financial resources to weather the crisis, because the federal government did not do its work when it was time.

Now the agreement is before us. It will not settle the crisis once and for all, but it makes it possible to recover a significant share of the amounts paid by the Canadians to the Americans. In this regard, the Bloc Québécois has a very responsible attitude. We must not forget that, without its support for the agreement, we would be looking at an election right now. There would not be an agreement

and the entire forest industry would be left to its own devices, as would the workers.

God knows we need security in this sector nowadays. We saw it again yesterday in the news on Radio-Canada: the forest industry is in a crisis throughout Canada.

The softwood lumber agreement with the Americans is only a small part of the solution to this issue. It buys us some time for a while, but other forms of action are also required.

The Bloc Québécois decided, as a responsible party, to support the agreement because we absolutely have to have some help so that our companies can keep their heads above water, continue to operate and keep job losses to a minimum. At the same time, though, an assistance plan is needed to help the industry. In this regard, the Conservative government has proved itself so far to be flagrantly irresponsible. They went to negotiate with the Americans and came back with an agreement that is not very good but which we have no other choice than to accept. On the other hand, though, they close their ears and turn a blind eye to the problems of the forest industry, which has appealed repeatedly to the governments in both Quebec City and Ottawa to do something and hopefully institute an action plan that could help it.

In my riding, whether in Saint-Pamphile or Saint-Just-de-Bretenières, we cut American wood. This agreement will ensure that these people are not affected by the imposition of duties. From their perspective, therefore, there is a significant gain. It is the same in L'Isle-Verte. Les Produits Forestiers Dubé cuts wood in a private forest and will be exempted from duties. So there is a benefit here too.

More broadly in my region, a company like Groupe G.D.S., which is a solid firm that been around for a number of years, unfortunately has severe financial problems, largely because the softwood lumber crisis was allowed to drag on for too long and there was no well structured assistance plan to help the industry.

I remember four years ago when the debate was at its height. We received requests for loan guarantees from executives at G.D.S. But the government never provided them. The result is that the company is now under the protection of the Bankruptcy Act because of this situation.

So we have to sign this agreement, and I challenge NDP and Liberal candidates everywhere in Quebec to go around the forest towns during the next election campaign claiming that we should not have signed the agreement. Actually, I would tell these candidates not to go to these towns because they may have a problem getting out in one piece.

These parties have acted irresponsibly, as has the Conservative Party if there is no assistance plan. If they confine themselves just to signing the agreement, we will not have what we need and the companies will close all the same.

Government Orders

•(1315)

The Liberals and the New Democrats will say that the agreement should not have been signed because, ultimately, the result is the same. To remedy the situation, to get back on track, we need an assistance plan, like the plan proposed by the Bloc Québécois. It contains some fifteen proposals. Let us quickly review a few of them. First, it proposes an income support program for older workers employed in the softwood lumber industry, and in all manufacturing industries, as well. In Quebec industry as a whole, people 55, 56 or 57 years old are being laid off today. They have no chance of finding other jobs and we are still waiting for the program that is going to allow them to bridge the gap until they retire.

As members of Parliament, we have pension funds. When we leave our job after a certain number of years, this provides a reasonable way to bridge the gap. We must not imagine that everyone is in that situation. People who have worked in a plant for 25 or 30 or 35 years find themselves, at the end of the line, with a maximum of 45 weeks of employment insurance, and then it is over. And yet those people have paid in for 25 or 30 or 35 years and have never claimed employment insurance benefits. We need an assistance program for older workers.

We are asking for an economic diversification program for forestry-dependent communities. The Minister of the Economic Development Agency of Canada for the Regions of Quebec has just announced an \$80 million program. If we dig a bit deeper, we see that there is not one cent of new money in that figure. They have brushed off the suit and turned the jacket inside out, and handed it back to us. There is nothing new, nothing in addition. This is not what we need. We need real action with additional money to allow for economic diversification in our regions.

In this plan, we are also asking for special tax status for the 128,000 owners of private woodlots in Quebec. That is the only way to consolidate our forestry industry. We are also asking for accelerated depreciation on equipment. That is important, because the companies are going to be getting \$4 billion that the Americans will be giving back to them. They will have to pay their debts and lines of credit with that money, but with the rest they must be able to buy the equipment they need to get back in the race and be able to compete with the Americans. We believe that improving the tax treatment in terms of depreciation is the kind of help they need. I think this is a useful, constructive and dynamic proposal, and the Conservative government should include it in its program.

We are also talking about financial compensation for maintaining the forest access roads. In the United States, forest access roads are maintained by the army on the pretext that this is a matter of security, so that tanks can get through. We could have a plan that would allow us to help our industry get re-established by doing this too.

We are also proposing a program to stimulate innovation and improve productivity in the forestry industry.

This is a set of measures that we need. The softwood lumber agreement signed with the Americans is going to provide for reimbursement of \$4 billion. But that will have to be supported by other measures. These measures are not superfluous, they are

essential so that the forestry industry can get through the crisis it is currently experiencing.

This is obvious to the people who represent rural ridings. It can be seen in industrial villages today. Yesterday, we saw reports about some villages in Abitibi. The same thing could have happened in my riding. If there is no assistance plan to help these industries get through the current forestry crisis, then in six months or a year or two years we are going to continue seeing villages close down.

I know this is diametrically opposed to the approach of the current Minister of Industry. He believes that only the marketplace counts and that the state should not intervene. The cuts announced yesterday to the Technology Partnerships Canada program bear witness to this. However, I urge all his colleagues to make the minister understand that fundamental ideological principles have no place in this issue. We must find appropriate solutions to the problems that arise. In terms of developing the forestry industry, we expect the federal government to provide an action plan that will enable our communities to rebuild, to make it through the current difficulties and to continue to contribute to the Quebec and Canadian economies as they did in the past.

It is true that the natural resources sector and the forestry sector have been impacted by the new economy and the energy sector. However, we should never forget that this basic resource makes it possible for people to live in these areas and represents the lifeblood of communities. It also provides employment to those who are not necessarily very educated but who are vital to any economy, whether that of Quebec, Canada or North America.

Given the situation, yes, the Bloc Québécois will act responsibly and vote in favour of the agreement. However, it expects the Conservative government to have the same sense of responsibility and to come up with an assistance plan for the forestry industry, a plan necessary for the recovery of the forestry industry.

•(1320)

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, I want to commend my colleague, the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup for his speech on softwood lumber. I think he was quite thorough. The Conservative member said earlier that 83% of Canada's forestry industry's money is coming back to it and the other 17% is going to the Americans. If that is how the Conservative member used to negotiate, I am glad she did not have a hand in this negotiation.

After making the Canadian and Quebec industries lose money, does the government intend to implement new strategies? We see that the Bloc Québécois has proposed alternative measures to support the industry. It is not just a matter of negotiating and pulling out. There also needs to be a new plan.

I would like the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup to say a few words about other ways that could help the Quebec and Canadian industries get new machinery and develop new procedures.

I recently read that an older worker support program would be implemented but that it would not apply to the softwood lumber sector. In my opinion, this should go further.

Government Orders

The hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup spoke earlier of the Minister of Industry's inertia, which did not help the industries and allowed free enterprise to rule. Can the hon. member tell us what concrete measures the Conservative government should apply in order to support the softwood lumber industry?

Mr. Paul Crête: Mr. Speaker, I want to thank my colleague for his very wise comments.

First the Conservative government needs to acknowledge that this agreement is not perfect and that it has flaws. In my opinion, no Canadian would voluntarily give \$1 billion to the Americans, \$500 million of which will be allocated to the U.S. softwood lumber industry so that it can compete with us. This is one of the flaws of the agreement. That does not mean it should not be signed. It means there is a major flaw in the agreement.

However, it is in response to these flaws that an assistance plan comes into play. With such flaws, there needs to be compensation that allows our industry to face increased, somewhat undue, competition, which was financed with our very own money.

Our assistance plan suggests offering preferential tax treatment for the \$4.3 billion of countervailing duties and anti-dumping charges that will be reimbursed by the U.S. authorities, in order to take into account the loss the companies have suffered.

This money will be refunded to companies early in December and will be considered revenue. It is being repaid at a time when the Canadian dollar is worth 90¢ American, whereas the payment to the Americans was made when the Canadian dollar was worth 65¢ American, which means that the companies are losing out.

Yesterday, we saw that the Conservative government can announce sudden cuts at the same time as it announces last year's \$12 billion surplus. When making economic statements, the Conservative government could decide to give our industries a break by allowing them to declare the revenue for the year in which they paid out the amounts to the Americans. These companies must not suffer an additional loss with the repayment in 2006, when they paid these amounts in 2003, 2004 and 2005.

This is the sort of practical measure we would like to see for the industry. For the sake of older workers, we also hope that the Conservative government will realize that the agreement it signed will continue to have a highly detrimental impact on the economy, the forestry industry and the rest of the manufacturing sector.

It would therefore be appropriate to table a plan to help older workers who lose their jobs. Such a plan would cost \$75 million annually, but Canada had a \$12 billion surplus last year. This is disproportionate when we consider the individuals who are suffering the consequences of the softwood lumber crisis. The worker in St-Pamphile did not cause the crisis, the federal government did, in the way it negotiated with the Americans.

In the end, the government is forcing us to signed a flawed agreement. But plant workers and their families will suffer the consequences of that agreement every day. That is why our repeated calls for an older worker assistance program are appropriate and justified. It is time for the Conservative government to put older

workers front and centre in an assistance plan for the entire forestry industry, in order to deal with this crisis.

• (1325)

[English]

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, thank you for the opportunity to speak on this important issue, the softwood lumber agreement, or should I say disagreement.

I had the opportunity to listen to the Minister of International Trade start off the debate in the House yesterday. I heard, as all Canadians did, how the agreement in his opinion would provide for years of stability and again in his opinion we would have eight or nine years of harmony and stability in our industry. To me that is a joke. I do not know if the minister was guessing, praying or just dreaming.

Thankfully, the next speaker was the member for Beauséjour and he put some facts on the table, facts like how the government left over \$1 billion of Canadian companies' money in the hands of those who started and perpetuated the lumber trade dispute. What a sellout. Even worse than a sellout, we have to pay for being right. We are financing the very groups that caused all the problems. What a sad day for Canadian companies to have to pay those groups that do not want free trade in the lumber market.

All Canadian companies wanted was fair and open access to the markets of our largest and closest trading partner, our friends in the United States. To be sold out and then threatened by our own government shows just how desperate the government is to ram through this project.

Before I continue, I would like to make it clear that I believe that industry especially in my riding needs some of this money. There are people in my riding who feel we should take this deal. They are scared for their immediate future in an industry that is evermore precarious.

People in Kenora riding also recognize that this is a bad deal. I am voicing their frustration that the government was unable to deliver a better deal for their families. I am against supporting this deal because I have to stand up for the people who have been forced to take it.

Canada has repeatedly won favourable rulings at WTO and NAFTA. We are members of these international trade tribunals to ensure that trading practices are executed in a fair manner. We have a responsibility to accept the decisions that tribunals make, as does any other member, including the United States. By accepting a deal that is contrary to the rulings that have been made, our credibility and standing will be seriously undermined in any future trade disputes.

The forestry industry is the most important industry for the people of Kenora riding. Our communities are dependent upon these jobs. Just as they are dependent, our communities are devastated when the industry is in decline.

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The industry has been faced with many obstacles. Very high energy costs, transportation costs because of the huge distances we have to travel, and the lack of ability to invest in research and development are just some of the examples. With those obstacles came job loss. In December last year the Abitibi mill in Kenora was shut down causing a loss of over 450 jobs. Days later, hundreds of jobs were lost in my home community of Dryden. These are jobs lost in a community where there is only one industry. It is totally devastating to the community.

Our way of life is in jeopardy in northern Ontario. We need the federal government to step up and stand up for us, not sell us out at any cost to get a photo op with the American president.

One of the biggest challenges our industry has faced is the softwood lumber dispute. As I have said before in the House, the forestry industry in my part of the world is an integrated industry. Every type of mill, be it a sawmill, pulp and paper mill, or value added, depends on the others for success. When the sawmill operations were forced to pay the illegal tariff, the financial repercussions rippled throughout the industry and throughout the communities.

We have been negotiating this deal for years. In that time the effects of the tariff have devastated every sector of the industry. The money that the industry receives from this deal will only go so far. The federal government must recognize the industry needs more support, more assistance simply than the money that is being returned to them. Many of our mills have not had equipment upgrades in years and they are unable to look beyond the current markets they access for new ones. They have been financially choked to the point where they are desperate. What does our government offer them? A bad deal, "take it or we will impose a 19% export tax and crush the rest of your company".

We must look beyond the optics of the negotiation of the deal and look at the industry in its entirety. That is what the former Liberal government did. It recognized the softwood lumber dispute was only part of the problem and it set out an aggressive plan to help the industry overcome some of the other obstacles caused directly and indirectly by the dispute.

We must help the industry enhance its competitiveness. Funding research and development initiatives is key. Considering the growing bioeconomy, this is the opportunity for the Canadian industry to be a world leader with support from its federal government.

We must support companies that are willing to expand their operations. The Kenora Forest Products sawmill for example has been working hard to create more jobs in its plant in order to assist the community impacted by other mill closures. The Prendivilles are community leaders and they want to help Kenora. They are ready to accept this so-called deal because it is this or nothing. What kind of choice is that for a government to force on a hard hit community?

• (1330)

We must also support economic diversification projects for communities with a dependence on this industry considering the tough times they are having. The mayor and city councillors in Kenora along with other stakeholders have worked tirelessly to develop an action plan to help Kenora's economy. The city has

enormous potential in other economic endeavours but requires the full support of the federal government to achieve its goals.

The industry is already at a disadvantage and now the government will force the deal on Canadian lumber producers that again will see \$500 million left in the hands of the American lumber industry; those very people who lobbied and were successful against ours. That is not to mention that if a company decides not to support this deal, it will in fact face a 19% levy on all refunded duty deposits.

Without the return of 100% of money taken by the American government and the commitment by the Conservative government to assist the entire industry long term, more jobs will be lost. This take it or leave it attitude will hurt confidence in the sector. What other industry in Canada has had to put up with the heavy hand of the government that says it is this way or no way? Whose side is the government on, the Canadian industry or the American lumber lobby?

Northern Ontario is a very beautiful, wild and abundant place. We work hard, we play hard, and we want the best for our families, for our communities and for our country. Give us the support and the tools to build our industries. Give us the confidence that our government will defend our rights to manage our forests for our future, not sell us out to lobby groups funded by our own money.

In northern Ontario we want a softwood lumber agreement that protects us, our future and our forests. In this agreement we have nothing, nothing but more problems in the future, less control of our forests and our industry, and clearly a government that will sell us out.

I cannot support this deal knowing that more jobs will be lost. I cannot support this deal knowing that we are selling out to the American lumber lobby. I cannot support this deal knowing that hundreds of millions of dollars will be left in the United States in the very hands of the people who did this to us. I will not support this deal because I need to stand up for the workers in the communities of Kenora riding.

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, I listened with interest to my colleague's comments.

Perfect deals exist in dreams. There is an old Japanese proverb that says "vision without action equals daydreams". I think the member opposite and perhaps his party have been daydreaming since the time that they were prepared to accept a deal that was much less beneficial to the industry than the deal that we have negotiated.

Even if Canada were ultimately successful in this round of litigation, which is far from a certainty, without a negotiated agreement, does the hon. member not realize that the very next day that U.S. interests could very easily launch another set of suits that would delay this again? We would be facing an interminable list of these kinds of actions without a negotiated agreement, which we have today and which is better than the one that the Liberals were prepared to accept not that long ago.

Government Orders

•(1335)

Mr. Roger Valley: Mr. Speaker, part of the challenge in politics is to make sure one does not believe one's own press releases. That is clearly happening on the other side of the House because this deal is not better than what we had before.

We have been successful in winning many times at the tribunals. The courts believed in what we were doing.

I want to explain for a minute that the softwood lumber dispute was not the majority of trade in Canada. The vast majority of trade in Canada is very successful. However, when two good friends and family, like Canada and the United States, have a disagreement they have to go somewhere to get it solved. We had to go to the courts.

We were rapidly nearing the end of the first test case. Once we had a decision on it, on which we had been successful every bit of the way and once we had a decision on that, we were going to fare far better in any future cases. However, when friends cannot get along, we had to get someone to help us and that was the courts.

The Acting Speaker (Mr. Royal Galipeau): I recognize the hon. member for Winnipeg Centre, mindful of the fact that there is another questioner. We have three minutes for two questions and two answers.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I will try to be brief.

I first want to thank my colleague, the member for Kenora, for the courageous position that he has taken. I know the impact that softwood lumber squabbles have had on the riding of Kenora. I know the Prendiville family. I know the industry in that area that neighbours so closely my own province of Manitoba. I also know that my colleague, the member for Kenora, is a trapper.

Earlier, I used the analogy that I read somewhere that a beaver when cornered or when trapped chews off its own testicles. I use the analogy that while the beaver is certainly an apt symbol for Canada in that way because successive Tory governments when backed into a corner and bullied by the Americans have bit off big chunks of Canadian sovereignty as they have with the deal signed today.

I ask my colleague, as a trapper, does he know for a fact if this is true, that a beaver will bite off its own testicles? And, does he think the analogy is appropriate and accurate that the Conservatives are biting off big chunks of their ability to defend themselves when they signed this softwood lumber deal?

Mr. Roger Valley: Mr. Speaker, this is a very serious place and I try to remain serious at all times, so I will be careful as to how I answer this question.

We talk about desperation and this was a government that was desperate to get a deal. Many years ago when the free trade agreement was negotiated, we saw a prime minister intervene directly and was not able to get the deal we needed in softwood lumber. Again at this point we see a Conservative Prime Minister that is desperate to have a deal done. He has an agreement and made a deal that is going to hurt us in the future. It is not going to protect our sovereignty or our ability to decide the future of our forests with sustainability in mind.

Mr. Blair Wilson (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Mr. Speaker, I know my colleague, the hon. member for Kenora, takes the discussions and debates here seriously and I know he cares deeply about his constituency as well. What are the people in his riding saying? What are the employees and employers in the softwood lumber industry in his riding telling him to do with this deal?

Mr. Roger Valley: Mr. Speaker, when I meet people on the street, they are not upset with the Americans in any way. In my part of the country there is a lot of tourism traffic and business for the Americans. People do not blame the Americans for this deal. They blame the Conservative government for not standing up for us and not protecting us.

One of the most basic values was getting the money back. This money was collected illegally, these billions of dollars. The government should not brag about getting 83% back. That is not a good deal. We needed 100%. We needed to ensure we brought this money back to Canada to provide jobs in the future, to allow companies to grow and expand, and use technology to enhance what we do in northern Ontario.

It is not a good deal. The people on the street are mad, but they are mad at the Conservative government.

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Mr. Speaker, it is an honour and a privilege to rise in the House this afternoon to speak to Bill C-24. I know I only have a short time to address the bill. I want to speak about the myth that the status quo will suffice.

The status quo will not suffice. It is simply not enough that Canada is right. Canada wins the disputes and the tribunals find in our favour again and again. In practical terms, being right is an anti-victory if it does not bring resolution. What good is it if we win the battle but lose the war? Without this agreement we have no resolution.

The opposition is suggesting that the status quo will suffice. The status quo does not suffice for this government. Canada's new government has opted for moving forward. It has opted for an agreement that spells an end to the status quo, an agreement that returns over 80% of losses to be invested back into our industry, instead of the millions more that will leave Canada if the current situation prevails.

I applaud and accolade the Prime Minister, Minister of Industry, and the Minister of International Trade who have worked so hard to develop this agreement. I know the ministers have taken a lot of heat over this. I want to personally thank the minister on behalf of all Canadians. He has shown that his diligence, wisdom and expertise has shone brightly for all Canadians. We should all be proud of him.

The government has opted for an agreement and a future that will allow our lumber producers to get on with business free from non-stop litigation, which to many is an American pastime. If anyone has ever studied south of the 49th parallel, they will understand that Americans take their lawyers and litigation very seriously. I think it is just a road to nowhere to continue that path.

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Members on the other side called the agreement a sellout. The real sellouts are those who opt to do nothing. The hard fact is that the future of our lumber industry is in trade and the stronger trade agreements we have the more stable our industry will be.

Business cannot survive on a diet of hope. Business relies on stability and certainty. Like it or not, wish for a perfect world, but this agreement will keep industries from shutting down. The agreement keeps people working, puts food on the tables and that is no myth.

As the member of Parliament for Kelowna—Lake Country in beautiful British Columbia, I am acutely aware of the importance of moving forward on softwood lumber. This agreement has been accepted by the province of British Columbia, by the minister of forests, by the lumber producers in my riding and, more importantly, my constituents have overwhelmingly supported this agreement. It is time to move forward. The opposition sits in the House and says it had no choice, that they were abandoned by the government. This is absolutely false.

As a matter of fact, I sat in a meeting this morning with Premier Campbell of British Columbia. I did not get the impression that he would say B.C. was forced to support this agreement nor that he had no choice. Premier Campbell was very happy. He got everything that he was looking for as far as a negotiated settlement. In a perfect world we like a perfect deal, but Premier Campbell being a realist knows this is great for British Columbia and all of Canada.

Premier Campbell worked actively to ensure that this agreement would serve B.C. lumber producers very effectively. I would like to thank Premier Campbell for his efforts as well. The fact is that B.C. is on side. B.C. is interested in strengthening freer trade and our softwood lumber industry. Unlike the opposition, B.C. wants to move forward.

It is time that Liberal and NDP members get behind B.C. Some 57% of Canada's lumber exports to the United States come from British Columbia. It is time these members got behind our communities and the lumber producers that employ them. In my riding alone there are over 1,000 people directly employed by the softwood lumber industry. Kelowna—Lake Country is in the heart of Canada's softwood industry. My riding is situated in southern British Columbia and the producers in my riding typically export between 70% to 80% of the product south of the border.

Kelowna falls under the Okanagan timber supply area which has an AAC or an allowable annual cut of almost 3 million cubic metres. This comprises 6.9% of British Columbia's total AAC.

Tolko Industries, which I would also like to congratulate on celebrating its 50th anniversary this year, produces 144 million board feet annually. Gorman Bros. Lumber, which is across the lake in Westbank, has an annual capacity of 96 million board feet. We also have a mill, Oyama Forest Products, and it has annual estimated capacity of about 4.8 million board feet.

• (1340)

These numbers are from 2001, but they at least demonstrate a capacity of over 249 million board feet being produced locally. When we compare this to the 21.5 billion board feet a year Canada exports to the United States, we find that the Kelowna—Lake

Country area produces almost 1% of Canada's total softwood exports. This is to say nothing of the additional Tolko veneer and plywood plant, which has an annual capacity of some 280 million square feet.

Therefore, I can speak confidently about the effects of this agreement on my constituents, and the effects will be positive.

Canada has worked closely with provinces and industry stakeholders throughout the softwood lumber dispute to secure a durable agreement with the United States that promotes a stable bilateral trade agreement in which Canada's softwood lumber exporters and industry can profit and prosper. The agreement has that stability and certainty the industry is looking for. It will see a return of most of their duties collected on softwood lumber. As I said, that will be over 80%.

The agreement maximizes the benefits to the Canadian industry and the workers and communities that depend upon it. That is the bottom line: the people of our ridings across the country. The 308 of us here represent the workers, their families and the industry.

The agreement will be for a term of seven years with an option to renew for two additional years. The legal text specifies those lumber products that will be subject to any export measures.

The agreement includes the full and complete revocation of the U.S. countervailing and anti-dumping duties and the return of over \$4 billion in duties collected by the United States since 2002 through a deposits mechanism that will ensure companies receive this money as quickly as possible. Once again, our new government is creating ways of trying to bring that money back into the industry's hands as soon as possible.

The agreement includes the safeguarding of the provinces' ability to manage their forest services and a choice for provinces of the border measure that best addresses their individual economic and commercial situations. The key word there is "choice". Also included is the establishment of a range of initiatives to enhance binational cooperation and the development of a North American lumber industry.

The softwood lumber agreement is good for Canada and good for the softwood lumber industry. The agreement eliminates U.S. duties, returns more than \$4.3 billion to producers, provides stability for industry, and brings an end to this long-running dispute and costly litigation between Canada and the United States. The return of more than \$4 billion U.S. marks a significant infusion of capital for the industry and will benefit workers and communities.

Canada and the United States can now turn the page on this dispute and we can direct our full attention to building a stronger, more competitive North America. That is the key. We can move forward now. We can turn the page and continue to move forward rather than hashing out the dithering that went on in regard to this file for the last 13 years and specifically for the last five years.

In closing, I agree with Tolko president and chief executive officer Mr. Al Thorlakson, who said:

Government Orders

This Agreement is a long way from perfect, but the realities of the U.S. industry and the U.S. marketplace have to be considered.

Once again, he is a realist. We are living in a real world. We do not have a perfect world and we have to come to a compromise. It reminds me of Preston Manning, who sat in this House for many years, and of his perspective on Canadians and working on and negotiating deals. He once said, "Why did the Canadian cross the road? It was to get to the middle".

I think this agreement is a great compromise for Canadians and North Americans in general. We can work in harmony together as we move forward.

Canadian companies can compete and outperform American producers. This is because of the quality and abundance of our timber resources as well as the ingenuity, efficiency and dedication of our rank and file workers. Our softwood lumber companies, because of the past five years, have been forced to be leaner and more efficient. With this agreement about to be implemented, I am fully confident in the upcoming prosperity for our forestry sector.

•(1345)

Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.): Mr. Speaker, I listened with enthusiasm. I wanted to make sure that I caught as much as I could of the words from my colleague across the floor.

Canadians across the country have said that the new Conservative Party is a principled party, a party of law and order. Maybe the member could tell us where he sees the law and order in this, in giving up so much money. Also, where is the principle and how is it upheld when so many tribunals and trade panels have ruled in our favour?

How are the Conservatives defending that when they are looking at being so principled and a law and order party?

Mr. Ron Cannan: Mr. Speaker, that is a great question from the hon. member opposite. I also congratulate him on his appointment as vice-chair of our international trade committee, where we have been able to discuss this for many hours and listen to witnesses from across the country.

The fact is that Canada's new government, under the leadership of our Prime Minister, has indicated that we will move toward freer and fairer trade. That is exactly what this agreement does, with over 81% coming back into the pockets of the industry, providing certainty and stability. It provides what is needed by the industry.

We have the support from the major industry producer provinces across the country. We have the industry onside. We have the constituents onside. I do not understand why the member opposite would not be onside.

•(1350)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, seeing as my colleague from the Conservatives who was speaking is from B.C., I wonder if he is aware of a *Vancouver Sun* article published earlier this year. It leaked the details of a leaked letter from the Bush administration to the U.S. lumber lobby. In it, the American administration confirmed that its objective was to hobble the Canadian industry for seven years. That was a letter from the Bush administration to the U.S. lumber lobby, printed in the *Vancouver*

Sun, which admits that the American administration confirmed that its objective was to hobble the Canadian industry for seven years.

I am wondering how a representative from an area that relies on lumber can simply be cooperating with this agreement when the best interests of Canada are not at stake here. The best interests of the Americans are being served.

Mr. Ron Cannan: Mr. Speaker, it is a privilege to answer that question. First of all, we have a very reliable research and development department. We do not rely on the media for the information. I spent over a decade working in the media. We cannot always believe everything we hear on TV or read in the paper.

Here are the facts. We have over 81% of the money going back into the industry. We have the industry onside, as well as the governments of B.C., Ontario, Quebec and the Atlantic provinces. We have over 90% of the industry onside. We are providing that certainty and stability for the industry. That is how I can support this deal.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, there has been a suggestion that the industry was bullied into accepting this deal after initially rejecting it. The industry minister himself warned the softwood lumber companies that they should either take the deal or the government would walk away from them. In fact, the government said that loan guarantees put in place before the last election would be taken off the table. The government demonstrated that it would punish companies that refused to sign on to the agreement. It also includes a 19% levy on all refunded duty deposits.

There seem to be some indications that there was some bullying on this sellout. Could the member confirm that in fact those conditions were presented to the softwood lumber industry?

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Kelowna—Lake Country has less than half a minute.

Mr. Ron Cannan: Mr. Speaker, very briefly, we had industry consultation from across this country. We heard anybody who wanted to come to the committee. We heard from every witness on both sides of the issue. I have met with individuals, groups and organizations. There was no indication at any time that they did not have any consultation.

All I can say is that this deal, with 81% going back to the industry, is far better than the agreement the member opposite in the previous government—

The Acting Speaker (Mr. Royal Galipeau): Resuming debate, the hon. member for Brant.

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, I am pleased to have an opportunity to speak to Bill C-24, a bill that has been described in various ways and in particular has been described as essentially the best deal under the circumstances.

This was definitely not the best deal under the circumstances for both parties, though it could forcefully and persuasively be suggested that it is truly the best deal in any and all circumstances for the United States. It is not the best deal for our Canadian industry and justifiably and not unfairly can be described as a capitulation on the part of our government to forces within the U.S. industry and within the U.S. government.

Statements by Members

What is abundantly clear and beyond dispute is that the United States improperly imposed duties in excess of \$5 billion, and the negotiated settlement will return to Canadian producers, whose hands are entirely clean, only 80¢ on every dollar or some \$4 billion.

If we were negotiating with an impecunious party, receiving only 80¢ back when fully one dollar is owed may be considered a good deal, arguably the best deal under the circumstances. However, in spite of the fact that President Bush, due to providing tax cuts for the wealthiest and due further to his ill-advised war on Iraq, is running annual deficits of some \$500 billion, with the result that the U.S. debt is in the trillions of dollars, to the best of my knowledge the fact remains that the United States is not an impoverished or impecunious party. Simply put, it has the means to pay back every dollar which is owed by it and this deal allows it to wiggle out of its obligations and, again, to repay only \$4 billion of the more than \$5.2 billion owed.

How that partial repayment to Canadians can be described as “the best deal in the circumstances” makes no logical sense. Of the \$1.2 billion that will be kept—kept in my view improperly—by the Americans, fully \$500 million will remain in the hands of the U.S. lumber industry and a further \$500 million will remain in the hands of the U.S. government.

Our government, unhappily, has seen fit to abandon or to ignore all of the legal victories we have achieved under the rules of international trade. We have essentially given up \$1.2 billion to the United States in exchange for, at best, 18 months of relative peace or relative harmony within the industry.

We should certainly be concerned about other industries, manufacturing or otherwise, which will then seek recourse under NAFTA. It is quite likely that other U.S. sectors will seek political alternatives in order to get around the clear rules of free trade. We have been bullied into this settlement by the Americans, and at some point the bully needs to be confronted, to be challenged, or we will be bullied again.

Canada's legal position was very strong. It was supported or confirmed by numerous decisions of international trade law tribunals and domestic courts, both here in Canada and also in the United States. It is most regrettable that the government has bullied Canadian industry with an ultimatum, saying that it must accept this deal, flawed as it is, or the government will abandon it. I am referring, of course, to the fact that loan guarantees, which were put in place before the last election, were taken off the table and the government threatened to abandon the industry if it chose to pursue its legal rights instead of accepting the deal.

The deal is flawed in various respects, including the fact that it directly abandons our long-held position that our softwood industry is not subsidized. The deal further creates an export tax, which is actually higher than U.S. duties. That is, the government intends to impose substantial crippling export duties on softwood, which will add billions to the government's general revenue stream within the next few years but will be punitive indeed for our producers.

• (1355)

The Liberal Party is committed to helping the softwood lumber industry. Our priority is to truly assist the industry on both a long and

a short term basis, and not to be bullied by or capitulate to the American government or to the American industry.

We are proposing a supplementary aid package that would result in, first, the provision of \$200 million over two years to enhance the forest industries' competitive position, to improve its environmental performance and to take advantage of the growing bioeconomy; second, the provision of \$40 million over two years to improve the overall performance of the national forest innovative system; and third, the provision of \$100 million over two years to support economic diversification and capacity building in those communities affected by job losses in the forest industry.

• (1400)

The Acting Speaker (Mr. Royal Galipeau): It is unfortunate that I must interrupt the hon. member but the time allotted for government orders has now expired. When we next return to the debate on Bill C-24 there will be four minutes left for the member.

STATEMENTS BY MEMBERS

[English]

HOCKEY

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, for weeks the great Canadian pastime has been getting into high gear. Girls and boys, the young and the not so young, have been dusting off their skates, wiping off the rust and airing out their equipment. It is hockey time in Bruce—Grey—Owen Sound.

In every town, minor hockey associations are gearing up for another great season of hockey. Also ready to go for the season are our senior A Durham Thundercats, our junior B Owen Sound Greys, the junior C Hanover Barons and, of course, the OHL's pride and joy, Owen Sound Attack.

The Attack start the season ranked sixth in Canada by *The Hockey News*. With the return of stalwarts like Bobby Ryan, Bob Sanguinetti, Theo Peckham and other NHL draft picks, the Attack will be a force to be reckoned with. They defeated the Soo Greyhounds 4-3 Saturday night in their home opener.

Mr. Speaker, I would like to invite you and my colleagues to Vancouver in May to watch the Attack, of course after they mow down the OHL, win their very first Memorial Cup.

I wish good luck to all participants in the great—

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Yukon.

*Statements by Members***DALAI LAMA**

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, His Holiness the Dalai Lama described himself as just a simple Buddhist monk, no more, no less.

Modest words for a man who has repeatedly been a shining example for peace and compassion and has worked tirelessly all his life in promoting positive values around the world, regardless of being a refugee in exile.

The Dalai Lama has been honoured with peace awards and doctorate degrees in recognition of his writings in philosophy, leadership, human rights and global environmental problems.

In 1989 the Dalai Lama was awarded the Nobel Peace Prize and received worldwide praise.

On Saturday, September 9, the Dalai Lama was personally awarded an honorary Canadian citizenship in Vancouver, only the third one in history.

As a member of the Canadian Parliament. I would like to congratulate His Holiness in being recognized as a world leader in peace, kindness and mutual understanding. I am very proud to say that His Holiness the Dalai Lama, like me, is now a Canadian citizen.

* * *

[*Translation*]

LIONEL GRENIER

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, the optimist movement and the residents of Terrebonne are in mourning.

Mr. Lionel Grenier, former president of Optimist International, has passed away. A chapter in the history of Terrebonne, and indeed in the history of the optimist movement, has ended.

For many of us, Mr. Grenier was a model of perseverance, dedication, optimism and success.

He was known for his social and community involvement. Founder of the Terrebonne optimist club, he worked his way up the ladder of the larger optimist movement and became the first francophone president of the international organization.

To his wife and children, to my friends in the Terrebonne optimist club, of which I am a member, I would like to extend my condolences on behalf of the members of the Bloc Québécois and the citizens of Terrebonne—Blainville.

* * *

[*English*]

ABORIGINAL AFFAIRS

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, yesterday the Conservatives killed the First Nations and Inuit tobacco control program. Overall, 25% of Canadians smoke but that jumps to 40% for first nations and 60% among Inuit.

People have e-mailed my office to say how the anti-smoking posters in the small communities in Nunavut are taken seriously and

do help people quit. This pilot to develop best practices in a few communities and then take those programs nationally is lost. Where is the value for money there?

The long term health effects of smoking, lung cancer and heart disease are known to everyone it seems but the Conservatives. Each person who stops smoking saves health care dollars and that is true value for money.

Other cuts include those to the public diplomacy program and this will scuttle chances for Métis representatives to travel to Washington for negotiations around the United Nations Declaration on the Rights of Indigenous Peoples.

There has been no consultation and no debate, another sign as to just how controlling the Prime Minister is.

* * *

ADAM ANGEL

Mr. Jim Abbott (Kootenay—Columbia, CPC): Mr. Speaker, I rise today to pay posthumous tribute to Kootenay—Columbia customs officer Adam Angel, who tragically died on October 17, 2004 while working alone at the Port of Roosville. During the midnight shift he was found in distress and, in spite of all efforts to assist him, emergency personnel pronounced him dead shortly after their arrival.

It is imperative for our customs officers to be safe at all times while protecting our Canadian borders. Every day we are reminded of the dangers our frontline workers face. They confront the most dangerous conditions putting their lives on the line to protect ours.

I am proud to say that the new Canadian government has responded with initiatives to strengthen our border security. We have committed \$101 million over the next two years to provide arms to all officers, proper training and abolition of work-alone conditions like that of Officer Angel.

We believe in secure, efficient borders and we thank these men and women for their courage, bravery and hard work protecting our communities.

* * *

● (1405)

OLD AGE SECURITY

Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, the World Peace Forum, held this past summer in Vancouver, called for the elimination of the 10 year residence requirement for old age security benefits.

Forum participants expressed concern that seniors from some countries have to wait for 10 years before they are entitled to receive OAS benefits. The forum passed a resolution advocating for equal access to services such as health care and pensions for all Canadians, regardless of race or country of origin.

I call upon the Government of Canada to take an in-depth look at the income situations of some elderly immigrants and their families in Canada.

Statements by Members

Finally, I would strongly urge the Minister of Human Resources and Social Development to review the latest rulings by the courts on this subject.

* * *

HOCKEY

Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, CPC): Mr. Speaker, I am pleased to tell the House about a special group of people who have put the community of Salmon River, Nova Scotia, on the hockey map.

Webb Deuville, builder and owner of the Salmon River arena, and Ellery Deuville, leader of the Salmon River Hockeyville committee, along with many more community members, showcased the town's great hockey spirit and were voted Hockeyville as part of a promotion by CBC and Kraft Canada in June.

Last night the community got to taste victory watching Montreal defeat Ottawa seven to three in an NHL pre-season game in the neighbouring Colchester Legion Stadium in Truro. The game was the culmination of a great weekend of excitement in the community as townspeople got the opportunity to see the Stanley Cup and get autographs from the Habs and the Sens.

Hats off to Webb Deuville and the team for years of volunteer efforts and contributions to hockey in Salmon River.

* * *

[*Translation*]

MAUDE-AIMÉE LEBLANC

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, I would like to congratulate Maude-Aimée Leblanc, from Windsor, who won the national junior girls golf championship this summer in New Brunswick.

Ms. Leblanc, who represents the Asbestos golf club, delivered a brilliant performance, finishing seven strokes ahead of her nearest competitor with a score of 288 after four rounds.

The 2006 season was very rewarding for Ms. Leblanc: she also won the Quebec junior championship and participated in the Canadian professional golfers' association women's championship.

I would also like to point out that she was awarded a bursary from Purdue University in Indiana, where she intends to continue her studies.

Maude-Aimée Leblanc, the new champion among girls under 18, has shown tremendous determination and I wish her all the best in her quest for success.

* * *

[*English*]

SAFIA AMA JAN

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Mr. Speaker, Ms. Safia Ama Jan, an active proponent of women's rights and education in Afghanistan, was gunned down on Monday by Taliban gunmen. Safia, a teacher for more than three decades, ran successful vocational schools for women and served as a provincial director of the ministry of women's affairs. She dedicated her life's work to

empower young Afghan women to participate in their government, as well as civil society.

Last week four of our soldiers were murdered when they stopped to give candy to children. This weekend terrorists killed Safia Ama Jan. If ever there was an example of exactly why are our brave troops are fighting in Kandahar, this would be it.

I call upon the House to remember Ms. Amajan for her tremendous spirit, her optimism and, most important, her vision. A fitting tribute should be the least we can do to honour her sacrifice. By working for peace and prosperity, Safia truly exemplified the courage of the best of Afghan society.

* * *

[*Translation*]

PETITCODIAC RIVER

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, I would like to draw the attention of the House to the current state of the Petitcodiac River.

● (1410)

[*English*]

The river deserves the immediate attention of all public office holders. However, the former Conservative government in New Brunswick and the current federal minority government have failed in their duties by choosing to ignore the plight of this once mighty river.

[*Translation*]

The construction of the causeway has had a negative impact on the Petitcodiac River. Fish have been disappearing, there has been flooding, and the tidal bore is no more. This has resulted in a loss of tourism and commercial revenue exceeding \$50 million.

[*English*]

The former Liberal government in Ottawa had offered up to \$27 million of the final cost of the project. That offer was promptly rescinded by the incoming minority Conservative government.

I urge the federal government to restore this vital resource and act promptly on the 2005 EIA. Any delay will compromise the condition of our community's environmental and economic health and show that the government does not care about the environment.

* * *

GOVERNMENT PROGRAMS

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, in budget 2006 Canada's new government promised to review all government programs. This ensures taxpayers' dollars are spent wisely on priorities for all Canadians.

Yesterday our government announced \$1 billion in savings, identified through our government expenditure review. The measures announced yesterday demonstrate our commitment to accountable spending. They reflect the prudent reallocation of money from programs that are either undersubscribed or have lapsed funds in the past budget years.

However, it is important to note, the programs that saw reductions still have sufficient funds to meet their mandates. The decisions made on these restraint measures represent sound fiscal management and leadership.

Our government is committed to using tax dollars efficiently and effectively. We promised Canadians that we would bring accountability and transparency back to Ottawa. Once again the government delivered on a promise made to the taxpayers of Canada. This is what Canadians expect from their government. This is what they deserve.

* * *

BORDER SERVICE OFFICERS

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, yesterday in the House the Liberal member for Scarborough—Rouge River made an appalling comment when he referred to our brave men and women who guard our borders as “wimps”.

His derogatory slur just displayed his ignorance to the fact that 17% of these workers are either veterans of the military or the police forces of this land. They have defended our country, protected our communities, and stand watch at our borders, continuing to put their lives on the line every day to enforce the laws of this nation.

To have from this chamber, the place where those laws are created, a member disparage and disrespect those charged with enforcing those laws is a disgrace and a shame brought on this House. He must apologize and admit he was wrong.

The fact that he has repeated his outburst brings into question his understanding that our borders are understaffed and our guards are not armed. We need more recruits and more training now, and not an interim plan. We need to have a long term solution. This 10 year delay is nonsense.

The Liberal leadership and the member must apologize for not only his outrageous attack but his own government's neglect and inaction on this file.

* * *

YOUTH INTERNSHIP PROGRAM

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, since 1997 the YMCA has been providing a great service to young people with the federal public sector youth internship program.

Delivered in partnership with the Government of Canada, the YMCA is creating the opportunity for thousands of young people to gain valuable employment skills, training and internship experiences.

[Translation]

This program targets the people who need it most: young dropouts and people transitioning from school—either high school or university—to the labour market.

[English]

Ten young people from Etobicoke benefited from this program and can see the path to a more secure future for themselves and their families. Without this program, they might still be struggling to find their way.

Statements by Members

The Minister of Human Resources and Social Development must renew this program today so the YMCA can continue to provide this opportunity to our young people for years to come.

* * *

[Translation]

SAFIA AMA JAN

Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, it was with great sorrow that we learned of the death of Ms. Safia Ama Jan, educator and provincial head of the Women's Affairs Ministry in Afghanistan.

Known as an advocate for the rights of women and their education under the Taliban regime, Safia Ama Jan helped open six vocational schools and other institutions for Afghan women. Safia Ama Jan believed in the reconstruction of her country. She was assassinated in front of her home yesterday morning.

Leaving home to go to work seems perfectly innocuous, yet it was the last thing Safia Ama Jan did. Violent interruptions to daily activities cause complete confusion. This is why my Bloc Québécois colleagues and I support all efforts leading to lasting peace in Afghanistan.

We would like to express our sincere condolences to Ms. Safia Ama Jan's family and the Afghan people.

* * *

[English]

ATLANTIC CANADA

Hon. Andy Scott (Fredericton, Lib.): Mr. Speaker, Atlantic Canadians take exception with the government's decision to cut \$7.7 million in ACOA's funding for not for profit organizations, credit unions, co-operatives and community economic development organizations.

The economy is not limited to private enterprise. These groups contribute to the economy just like private sector companies.

The government is cutting seed loan programs that provide direct funding for youth entrepreneurship. These are a successful mechanism for organizations to provide that first job and work experience for youth across the country.

Yesterday's cuts highlight the Conservatives' lack of creativity and understanding of this reality.

The elimination of \$20 million aid package for New Brunswick's aquaculture industry is shameful. These cuts verify what we have said all along, that the fisheries money was clearly budgeted and that Canada's new government simply let New Brunswick down once again.

Oral Questions

●(1415)

BORDER SERVICE OFFICERS

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Mr. Speaker, yesterday during question period the member for Scarborough—Rouge River criticized Sunday's job action by border service officers in my riding. He called these constituents of mine, "a bunch of wimps". His remarks are incredibly offensive to the brave men and women of our border services whose own personal safety is often put at risk in defence of Canada's national security.

Our border service officers do not suffer from any form of cowardice. The officers seize more than a thousand firearms every year. That is an average of three per day and they do it unarmed because of the negligence of the previous Liberal government.

Canada's new Conservative government is spending an additional \$101 million to fix the problem. We will train and arm our officers and eliminate work-alone posts.

The member should be ashamed of himself. I hope that he will personally find the courage to apologize to our front line officers.

ORAL QUESTIONS*[English]***GOVERNMENT PROGRAMS**

Hon. Bill Graham (Leader of the Official Opposition, Lib.): Mr. Speaker, the vindictive, meanspirited cuts targeted at the weak, the needy, the vulnerable and the marginalized in Canada could only have been dreamt up by the insider group of Conservative Mike Harris holdover ministers in the government. Conservatives have continued their them versus us mentality. People without money or clout get clobbered by them.

How in a country as blessed as ours does the Prime Minister justify cuts to funding for immigrant youth, aboriginal women, adults with literacy problems, housing for the disabled and vulnerable workers?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the hon. member asserts, for example, that we are cutting funding to immigrant youth, and of course no such thing is true.

The government has reviewed government expenditures to ensure we get value for money and that we fulfill the commitments we made in the budget to reduce expenditures and bring the growth of expenditures under control.

The previous government did that in its last several budgets and did not deliver. This government has delivered.

Hon. Bill Graham (Leader of the Official Opposition, Lib.): Mr. Speaker, when this party inherited the Government of Canada, we had a \$42 billion deficit that we managed for the people of our country. That party has a \$13 billion surplus that it is squandering. It will not give a cent to poor people.

Why on earth is the Prime Minister eliminating research on the health of visible minorities, child abuse, trafficking in women, support for voluntary groups for soup kitchens and training for

Canadians with disabilities? Are they not Canadians too? Do they not deserve value for their money?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, in spite of all the sound and fury over there, all of the groups that the Leader of the Opposition mentioned will still have substantial and good programs delivered by the Government of Canada.

We are ensuring that we deliver money and deliver programs in a way that is effective. When we have to control expenditures in this government, what we do not do is slash \$25 billion from health care.

[Translation]

Hon. Bill Graham (Leader of the Opposition, Lib.): Mr. Speaker, affordable housing for our seniors—cut; the rights of minority communities—abolished; training for older workers—terminated; employment assistance for young immigrants—forget all that; equality of gays and lesbians—that is in the past.

Why is this government so set against the most vulnerable Canadians? Considering all the money they have received from Canadian taxpayers, do the Conservatives have no consideration for the human condition of Canadians?

●(1420)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the false statements and exaggerations of the Leader of the Opposition do nothing for the Liberal Party's image of being fiscally irresponsible.

I have listened to the comments of the leader of the Liberal Party and his members for the past two weeks. Their only priority for government expenditures is obtaining more money for the Liberal leadership convention in Montreal. This is not the priority of Canadians or of this government.

Hon. Lucienne Robillard (Westmount—Ville-Marie, Lib.): Mr. Speaker, the cuts by this minority government show its lack of awareness of social issues and reveal its true nature. We now see the real values of the Conservatives. They have chosen to abandon women, youth, aboriginal peoples, minority groups, and those who fight illiteracy and crime.

Why has the Prime Minister chosen to abandon those Canadians who need their government, when there was no reason to do so?

[English]

Hon. John Baird (President of the Treasury Board, CPC): Mr. Speaker, we believe as a government that we have a very important responsibility to ensure that every taxpayer dollar is spent effectively, is spent responsibly and is spent accountably.

The real concern is that the priorities of the previous Liberal government, the previous defeated Liberal minority government, were not being addressed. That is why this government in our budget has chosen to make new investments into health care, new investments into making communities safer, and new investments to ensure that we provide tax relief to seniors on pensions.

Oral Questions

[Translation]

Hon. Lucienne Robillard (Westmount—Ville-Marie, Lib.): Mr. Speaker, Canada would be quite a different country without the invaluable contribution of thousands of volunteers.

The minority Conservative government cuts have hit the voluntary and community sector with full force. Obviously the social values of the government are not the same as those of Canadians.

What does the Prime Minister have against those who give of their time and energy to build a better Canada?

[English]

Hon. John Baird (President of the Treasury Board, CPC): Mr. Speaker, I think all of us would agree that the Government of Canada and all parliamentarians support the good work that volunteers do in our communities, but it is important that we look at the priorities of Canadian families, the priorities of health care, the priorities of ensuring that our communities are safe, the priorities of ensuring that there is really meaningful tax relief for senior citizens and working families throughout this country.

The previous prime minister, the member for LaSalle—Émard said, “Do I think it is possible to make cuts in spending? Yes. Do I intend to make cuts in spending? Yes. Do I believe that we can hold spending as a percentage of GDP? Yes”. Did the Liberals do that? No.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday we had an illustration of the old methods of the “new” government. A \$13 billion surplus is going toward the debt, without debate. A billion dollars in cuts will be made to various programs, without debate. In order to save \$5.6 million, the government cut the Court Challenges Program of Canada.

Does the Prime Minister realize that this program allowed Franco-Ontarians to challenge in court the decision to close the Montfort hospital? Does he also realize that this very program allows Acadian communities to challenge the closure of their schools and that they will no longer be able to do so in future?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this government intends to behave in a constitutional manner. We do not intend to adopt unconstitutional legislation. We intend to respect the Constitution, including the division of power between the federal government and the provinces. We do not intend to pay Liberal lawyers to challenge unconstitutional laws.

Nonetheless, the decisions we announced yesterday were made according to our budget, which the Bloc Québécois supported.

• (1425)

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the budget was also supported by the two other parties, who were afraid of triggering an election.

That said, the Court Challenges Program of Canada also served the gay and lesbian community to challenge certain measures that infringed upon their rights.

Does the Prime Minister realize that through his ideological persistence he is in the process of considerably reducing access to

justice to an entire sector of the population that does not have the means to assume the costs of such challenges?

Does this government think justice is reserved for the very rich?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, again, this government is not acting in an unconstitutional manner. We do not intend to pay lawyers; we intend to direct the funds in the interest of the taxpayers.

The leader of the Bloc is acting like a defender of francophone minorities in this country. Well, they want a strong Quebec in a united Canada.

* * *

EMPLOYMENT INSURANCE

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the \$13 billion surplus includes over \$2 billion from the employment insurance fund surplus. It is deeply unfair socially to make Canadians, especially unemployed people who are denied benefits, pay \$2 billion of Canada's debt.

Does this unacceptable situation not compel the government to immediately set up an independent employment insurance fund where contributors' money will serve contributors' needs instead of swelling government surpluses?

[English]

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, as I am sure the hon. member is aware, we have a new procedure in place with a tribunal, with an EI commissioner and actuarial advice that will set new EI rates based on expected claims.

We had a better economy than we expected last year. That is something to celebrate. That is why the rates came down last year. That is why we expect them to come down this year.

[Translation]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the employment insurance fund surplus is enough to make a substantial improvement in the protection of the unemployed.

How can the government refuse to improve employment insurance for the sake of those who need it, when the plan still has a huge surplus, as we saw yesterday?

[English]

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, when the economy is good, jobs are good. We do not have as many unemployed. We are proud of that.

What we want to do is make sure that going forward we have EI revenues with the claims. We hope those claims are low because then we can reinvest in Canada.

*Oral Questions***GOVERNMENT PROGRAMS**

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the government has a \$13 billion surplus and it cut funding for literacy; \$2 billion for fighter jets in Afghanistan and it cut funding for women's programs; over \$1 billion going to its friends in the big oil and gas companies and what does it do, it cuts funding for aboriginals and young people. Total arrogance, no consultation, no debate.

Does the Prime Minister believe that with these record surpluses, the ordinary Canadians who benefit from these programs are merely fat to be trimmed?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, despite all the hot air down there, the reality is that the new spending that this government has introduced in all of those areas far dwarfs any reductions the government made yesterday. The fact of the matter is we have made sure that we are spending money effectively to benefit these groups and that the money of the taxpayers is used properly.

[Translation]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, this government has acted arrogantly and irresponsibly. It is Parliament's job to discuss what should be done with the surplus, and the Prime Minister said the same thing when he was in opposition. But now we see the arrogant attitude of this government.

In spite of this, the Conservatives, in their own way, have decided to trim the fat. Youth, women, aboriginal peoples: that is fat, to the Conservatives.

Why does the Prime Minister not hit his friends, the big oil companies, instead of punishing the people who need help the most?

• (1430)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the statements by the NDP leader are completely false. In this budget, this government intends to increase spending on aboriginal peoples, women, seniors and other groups in society. At the same time, however, it has made decisions to control spending responsibly, in order to achieve real results in a targeted fashion.

* * *

[English]

STATUS OF WOMEN

Hon. Belinda Stronach (Newmarket—Aurora, Lib.): Mr. Speaker, just as women's groups across the country have feared, the Prime Minister has broken yet another election promise. He said he would ensure that Canada fully upheld its commitment to women. Instead, the government cut 39% of their operating budget. This money means everything to organizations fighting for the equality of women.

Why did the Prime Minister break his election promise to the women of Canada?

[Translation]

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, let us be clear. We are not making any cuts to women's programs. We are transferring funds used for administration and bureaucracy, not for programs that benefit women directly.

[English]

Hon. Belinda Stronach (Newmarket—Aurora, Lib.): Mr. Speaker, an expert panel recommended to a parliamentary committee that funding for Status of Women of Canada needed to be strengthened significantly in order to be a better watchdog for women's equality.

Is the Prime Minister cutting their funding because these groups are promoting equality for women, rather than promoting his anti-choice, anti-gay and anti-equality agenda?

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, this side of the House does not have to take lessons from that side of the House on support for women.

Despite their alarmist fearmongering and accusations never based on fact, the facts are that we are not cutting support for programming to women. We are finding efficiencies and streamlining the delivery to those women who really need the help.

* * *

YOUTH

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, no thanks to them the Conservative government inherited one of the largest surpluses in Canadian history. Despite the surplus, the Conservatives are cutting programs which actually help the youth of this country find jobs, the visible minorities, the francophones and the aboriginals. The Conservative government cut the very program, the youth employment strategy, which helped over 50,000 youth find jobs this past summer alone.

How can the Minister of Human Resources justify cutting a program that is helping Canada's young people?

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, the hon. member really should stop mixing her words and wixing her mords, because in fact the youth employment strategy has not been cut. We will continue to provide help for youth at risk.

What we are doing is saving taxpayers' money on summer job supports and subsidies for corporations that would have hired the students anyway. We are going to help the students who really need help because of where they live or other barriers they face.

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, I think the minister needs to check her facts because the Conservatives just cut \$5 million in funding that was helping youth in this country.

Oral Questions

The bottom line is that the Conservatives receive an F because they have abandoned the young people of Canada. The Conservatives could have made a choice to make youth a priority, but instead they chose to cut the very programs that help them. The Minister of Human Resources had a choice to ensure that she invested in young people, but instead she chose to slam the door in their faces.

Why did the minister not stand up to her boss to ensure that she would protect the interests of young Canadians?

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, when the summer career placement program was brought in eight years ago, it was intended to help students who could not find jobs easily. Over eight years of Liberal government, that program just went crazy, so that corporations that could well afford to hire students and would have hired them without the program were hiring students.

We are going to help the kids who really need to get the jobs. We are going to help the kids, not the cronies.

* * *

•(1435)

[Translation]

OLDER WORKERS

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, older workers who are affected by mass layoffs are the ones who are hardest hit by job losses, since most of the time it is impossible for them to find employment because of their age.

How can the government take money from the unemployed and at the same time refuse to put in place a real income support program for older workers, to bridge the gap between job loss and pension plan eligibility? Why does it refuse to do this?

[English]

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, as we have said in this House many times, I suggest that the member check the record.

During budget 2006 we committed to a feasibility study on ways to help long term unemployed older workers over the long term. We will be proceeding with that in the very near future.

* * *

[Translation]

SOFTWOOD LUMBER

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the federal government's surpluses clearly show that the government also had available all the resources to put in place a real assistance program for the softwood lumber industry, which is in crisis. It has done nothing and the industry is experiencing very hard times.

What is the Minister of Industry waiting for to implement a set of measures to assist the softwood lumber industry, as the Bloc has proposed that it do, with an assistance plan that is complete, structured and even costed out?

When will the communities be getting some news from this insensitive minister?

Hon. Maxime Bernier (Minister of Industry, CPC): As soon as possible, I hope, Mr. Speaker, once this House has brought the softwood lumber agreement into effect. Companies in Canada, Quebec and Beauce will be getting more money than they ever got under the previous government, because the previous government never reached an agreement with the Americans.

The industry asked us to go and get their money. That is what we have done and we are proud of this agreement.

* * *

STATUS OF WOMEN

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, the 30% cuts announced in Status of Women Canada's budget is yet another example of this government making budget decisions that will affect the lives of millions of women, and making them behind closed doors. At the same time as the government is announcing surpluses it chooses to make cuts in activities that are already underfunded.

In making this ideological decision, has the Minister of Finance not allowed himself to be influenced by groups whose goal is to abolish Status of Women Canada, which works to achieve economic equality for women, to eliminate violence and to promote human rights?

[English]

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, I will reiterate that the women of Canada made their decision when they elected this new Conservative government and put it into power.

Members opposite have said that women are economically disadvantaged and that it is time for action. Canadian women agree with them, which is why they voted last January 23. We will act and we will deliver.

* * *

[Translation]

SOCIAL HOUSING

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, CMHC already has more than \$4 billion in surpluses that the Minister of Finance refuses to use, and in addition, he is announcing further cuts of \$45 million from the funds available for programs.

Rather than cutting \$45 million, would it not have been better for the government to use all of CMHC's revenues to build new, affordable social housing? Building instead of cutting?

[English]

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, CMHC, through its mandate, spends over \$2 billion each year on low income housing. We are very proud of that. This year we added \$1.4 billion in affordable housing right across the country, including on and off reserve.

*Oral Questions***HUMAN RESOURCES AND SOCIAL DEVELOPMENT**

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, it is hard to believe that the government would slash funding for literacy but it has.

We should not be surprised that it does not hold learning in high regard. It was its national campaign chair, Doug Finley, who said that one does not need a high IQ to join the Tory caucus.

The minister obviously fails to comprehend her duty to our most vulnerable citizens.

Why does the minority government insist on being so mean-spirited when it is sitting on a \$13 billion surplus?

• (1440)

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, we are spending over \$80 million a year on literacy programs for adults, which is something to be proud of. What we are learning to do is refocus on the federal jurisdiction.

I find it curious that the member opposite is defending the position of sponsoring post-secondary education when it was his government that cut \$4 billion from PSE.

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, the minority government should be using any savings to expand literacy, not slash it.

We have been down this road before. In 1992 another Conservative government cut the same program by 20%. It took a Liberal government to restore it. Once again we see the regressive Conservatives turning back the clock.

When will they restore full funding to literacy programs? What have they got against reading and writing?

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Yes, Mr. Speaker, for us it is very important to have a well educated and literate workforce, which is why we are investing \$80 million in literacy. We are also investing a billion dollars in PSE infrastructure. We are providing major incentives for apprenticeships and for apprenticeship employees.

We are investing in Canada's future. They destroyed it.

* * *

[Translation]

GOVERNMENT PROGRAMS

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, yesterday, without valid reason and without consulting the communities affected, the far-right government did away with the Canada court challenges program. This program has made it possible over the years for francophones all across Canada to get schools and services in their language. They succeeded in having their rights respected. For example, without this program, the Montfort hospital would have closed by now.

How can the government turn the clock back 30 years, brushing the Official Languages Act aside and slashing minority rights in our country. It is shameful.

[English]

Hon. John Baird (President of the Treasury Board, CPC): Mr. Speaker, it is important that every taxpayer dollar is spent effectively, responsibly and accountably. We believe it is inappropriate that government pass legislation that is unconstitutional, which is why we are making the choice not to do that.

[Translation]

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, in other words, they do not give a damn about minorities.

Last November, the ultra-Conservatives voted in favour of Bill S-3. It enabled communities to go to the courts if the government failed to meet its obligations.

Yesterday, however, in doing away with the court challenges program, the Conservative extremists deprived communities of the means to defend themselves and have their rights upheld. The Conservatives are taking away with one hand what they give with the other.

Why did they cut this program? Is it because they think they are above the law or is it just because they simply do not give a damn about the various communities?

[English]

Hon. John Baird (President of the Treasury Board, CPC): Mr. Speaker, at the end of the day we think it is important to have laws that are constitutional. Instead of giving grants out to Liberal Party lawyers, we think politicians should accept their responsibility and deal with any issues that are before Parliament to ensure they are constitutional.

We have to say that things like health care, education and ensuring our seniors feel safe in their communities are also priorities and they did not receive enough attention from the former Liberal government.

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CANADA-U.S. BORDER

Mr. Rick Dykstra (St. Catharines, CPC): Mr. Speaker, while the ghosts of the Liberal Party were being haunted again yesterday, the Government of Canada was continuing to work on behalf of all Canadians.

The western hemisphere initiative concerns many Canadians. Would the Prime Minister please comment on the decision by the United States legislators to extend the deadline of new identification measures at the Canada-U.S. border for 17 months?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, we understand there will be a vote tomorrow in the House of Representatives to extend this implementation, as my hon. colleague has just mentioned. We do not know how that vote will go but we are optimistic.

I will remind members that it was our Prime Minister who led the charge on this initiative a number of months ago. We are very pleased with the progress. We hope the vote tomorrow is a positive one.

Oral Questions

●(1445)

GOVERNMENT SURPLUS

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, despite its own demands of previous governments to debate how windfall surpluses should be spent, the government hypocritically spent \$13 billion on debt repayment yesterday.

Some hon. members: Oh, oh!

The Speaker: Order, please. Hon. members will not want to waste time in question period given the limited time. There is an outcry for more questions.

The hon. member for Winnipeg North has the floor to ask her question. We will hear the hon. member for Winnipeg North and no one else, please.

Ms. Judy Wasylycia-Leis: Mr. Speaker, I guess the Conservatives are proud of acting hypocritically, proud of breaking their promise to Canadians to consult, to debate and to have a dialogue on how surpluses should be spent. This is just another side of how arrogant and controlling the Conservatives and the Prime Minister really are.

At a time when Canadians are looking to politicians to keep their word, how can the government deny Canadians—

The Speaker: I remind the member for Winnipeg North that it is a time for questions, not speeches. The time was stretched on that one.

We will have the hon. Minister of Finance give his 35 second maximum reply.

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I am not sure what the question was. I am sure the NDP is in favour of debt reduction. I am sure most hon. members are in favour of debt reduction. Debt reduction means we pay less interest. Canadians understand that. Many Canadians have mortgages. Many Canadians have credit cards.

We will pay about \$650 million less in interest this year as a result of the reduction in the debt. That is money that can be used for social programs and other important priorities for Canada.

* * *

GOVERNMENT PROGRAMS

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, despite having a \$13 billion surplus, the government cut hundreds of millions of dollars from programs that help everyday Canadians. At the same time, it paid A.T. Kearney, an American consulting firm, a whopping \$24 million for nine months of work and no value.

At a time of record surpluses, why is the Prime Minister willing to waste tens of millions of dollars on high priced consultants from Chicago and yet unwilling to consult everyday Canadians before axing their programs and sending out pink slips?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, as we are finding out in area after area after area, Liberal mismanagement has cost taxpayers a lot of money.

That contract was signed and delivered by the former Liberal government. It is an example of things that this government will not do.

What we will do is find billions of dollars in savings in our procurements so we can reduce taxes for Canadians, pay down our debt and give Canadians the services they need and deserve.

[*Translation*]

Hon. Jean Lapierre (Outremont, Lib.): Mr. Speaker, the Montreal region is one of the worst victims of the ideological cuts of this government: draconian cuts to the Technology Partnerships Canada program, which is essential to the aerospace industry; killing of the CANtex program, which was the only hope of the textile and clothing industry; and the exclusion of Montreal from the future older worker adjustment program.

Why is Montreal being punished? Is it paying the price for not having elected any Conservative MPs?

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, our government announced in the Speech from the Throne that our priorities would include accountability, transparency and the efficient use of taxpayer money.

Furthermore, in the last budget—the 2006 budget—the government promised to review programs and ensure that every dollar went toward producing real results for real Canadians, for taxpayers. That is what we promised and that is what we are doing.

* * *

●(1450)

MINISTER OF PUBLIC WORKS AND GOVERNMENT SERVICES

Hon. Jean Lapierre (Outremont, Lib.): Mr. Speaker, my question is for the Prime Minister.

When will he make his unelected minister from Montreal seek democratic legitimacy?

When will he bring him out of his hideaway in the Senate so that Montrealers can judge this government's performance? Repentigny would be the first and best opportunity to test this government.

[*English*]

Hon. Rob Nicholson (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I am glad the hon. member is now interested in Senate reform. The Senate tenure bill is now before the Senate and I encourage him to see that it gets passed.

The minister the hon. member is talking about is doing an excellent job, as is his parliamentary secretary. The member should be very pleased about that.

*Oral Questions***ABORIGINAL AFFAIRS**

Ms. Tina Keeper (Churchill, Lib.): Mr. Speaker, once again the meanspirited minority government has demonstrated a lack of concern and respect for Canada's aboriginal people.

It slashed the Kelowna accord and it has frozen hundreds of millions of dollars for first nations health programs affecting women and children. Yesterday, it cut \$10.8 billion on the Inuit tobacco control strategy.

Why is the government condemning first nations and Inuit people to third world health conditions?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, I want to assure the hon. member and the House that spending for aboriginal health care under the new Conservative government went up by 12% in budget 2006 to \$1.985 billion to protect the health of our first nations and aboriginal people.

That is the commitment of the government and the commitment is to ensure that every dollar we spend is spent effectively, responsibly and accountably.

Ms. Tina Keeper (Churchill, Lib.): Mr. Speaker, it sure would be nice if that money would start flowing so that pregnant women, children at risk of suicide, and people who are at risk of diabetes or cancer could start to have some health benefits.

The Conservatives certainly cannot believe that refusing to help aboriginal people stop smoking is in the interests of Conservative voters.

Cancer, diabetes and health prevention is more cost effective than treatment and yet the minority Conservative government chooses to ignore the facts.

Why is the government condemning first nations and Inuit people in Canada to third world health conditions?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, nothing could be further from the truth. We have invested in maternal child health. We have invested in diabetes prevention. We have invested in human health resources for aboriginal people. We have made those new investments precisely because we want to have better health outcomes for aboriginal people throughout the country.

What we cannot do is spend money on programs that simply will not work. That is not the Canadian way and that is not the way of this new Conservative government.

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[*Translation*]

REGIONAL DEVELOPMENT

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Mr. Speaker, yesterday, the Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec announced an \$85 million plan for the regions. It is clear, however, that there is no new money in that announcement.

How can the minister justify that he has nothing to announce, when during the last election campaign he promised a Marshall plan for the regions? Where is his Marshall plan?

Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, in fact, since I began serving in government, I have worked for months to prepare a plan to really help the regions: resource regions, regions in difficulty and especially regions with declining populations.

We are announcing three programs. There is a venture capital start-up fund, where we are partnering with Desjardins Venture Capital. With \$5 million, we are generating \$20 million.

There is a second fund, the fund for business succession. With \$8 million, we are generating an additional \$30 million.

Lastly, yesterday I announced \$85 million for another program called—

The Speaker: The hon. member for Roberval—Lac-Saint-Jean.

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, given the \$13 million budget surplus, can the Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec explain why he could not persuade cabinet to allocate the funding needed for regional development, especially since he promised nothing short of a Marshall plan during the last election campaign?

How can he justify the fact that everything he announced yesterday is really no better than exchanging four quarters for a dollar?

• (1455)

Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, as a member from the Saguenay—Lac-Saint-Jean region who is quite familiar with economic difficulty, it was important to me that the tools provided by the Economic Development Agency of Canada for the Regions of Quebec be responsive to business people's needs. It should not be up to business people to jump through hoops to use these tools.

We have already launched three programs, and I can confirm that they are being very well received in the regions of Quebec. We have covered regions with declining demographics, and I have also gone, on my government's behalf, to the other regions to find groups facing difficulties and give them access to—

The Speaker: The hon. member for Markham—Unionville.

[English]

GOVERNMENT PROGRAMS

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, never have Canadians seen such meanspirited cuts at a time when Ottawa is swimming in money. This minority government cares only about its political base. As my colleagues have explained, these cuts offend the sense of fairness of the vast majority of Canadians and we Liberals will fight them with all our energy and at every step.

When will the finance minister do what is right for Canada and not what is right for the Conservative Party?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I hope the increased distance between our seats will not interfere with the warmth of our exchanges in the new session. It is good to see him again.

I was trying to educate myself on the position of the Liberal Party. I checked on what the position apparently was when it was the government. It stated, "As stewards of the taxpayers' money, we the government have the duty to continuously shift resources from the low to the high priorities, to continuously spend smarter and spend more efficiently, to put the money in areas where Canadians really are".

That was the member for Markham—Unionville. That is what we did yesterday.

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THE ENVIRONMENT

Mr. Mike Allen (Tobique—Mactaquac, CPC): Mr. Speaker, unlike the previous Liberal government which refused to take a position on the development in the United States of the production of LNG and specifically the use of Head Harbour Passage to deliver LNG into Maine, can the Prime Minister please update the House with respect to the government's position on this issue?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I gather there are some representatives of that project lobbying around the Hill today, so let me be absolutely clear. This government believes that the waters of Passamaquoddy Bay are Canadian waters. We have defended that position for a long time. We oppose the passage of LNG tanker traffic through Head Harbour and we will continue to do so.

* * *

YOUTH

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, despite having a \$13 billion surplus, the government cut \$55 million from youth employment programs. That means tens of thousands of young people, including 1,700 in the Toronto area alone, will not get summer jobs. There was no consultation, no debate, another sign of just how arrogant and controlling is this Prime Minister.

Does the Prime Minister believe that young people who want to work during the summer are merely fat to be trimmed?

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, the hon. member should get her facts right and the details too. It would help her understand.

Oral Questions

We are going to focus on helping students who really need help getting jobs get them. There is no point in subsidizing job creation in the major centres like Calgary. We want to help students who face real challenges because of where they live, perhaps in rural or small communities, or other barriers. We are going to help the kids who need it, not Liberal cronies.

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ABORIGINAL AFFAIRS

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, despite having a \$13 billion surplus, the government cut \$10 million from the first nations and Inuit tobacco control strategy, meaning that more aboriginal Canadians will get sick and die due to smoking. There was no consultation, no debate, another sign of just how arrogant and controlling is this Prime Minister.

At a time when this country has record surpluses, does the Prime Minister believe saving young aboriginal lives is fat to be trimmed?

● (1500)

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, obviously nothing could be further from the truth. Indeed, we have increased spending for our first nations communities and we will continue to do so, I am sure.

The question before this House is, can we deliver more effectively, can we deliver more responsibly and more honourably? In this case we are doing so because we believe that the taxpayer, including the aboriginal taxpayer, deserves no less.

* * *

HOUSING

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, I have not gone away yet.

A mean spirit may come naturally to two ministers from the right wing of the Mike Harris government where meanspiritedness was nothing less than a badge of honour.

Yet, as even he himself said, the Prime Minister's thinking has evolved over the years, from Attila the Hun to something approaching Genghis Khan.

However, in the case of the finance minister, do the cuts to affordable housing prove that his thinking has not evolved even one iota from the days when he advocated jailing the homeless?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I am very disappointed that the member is not reflecting the warmth that I am extending to him in the new session. It is very disappointing.

Government Orders

Having said that, I want to congratulate the member for his continued opposition to the GST. He was the president of the save the GST club. We reduced the GST by a full percentage point. Now he is the president of the raise the GST club for the next federal election.

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GOVERNMENT PROGRAMS

Mr. Merv Tweed (Brandon—Souris, CPC): Mr. Speaker, yesterday Canada's new government announced that it has cut \$1 billion in federal spending. Could the President of the Treasury Board tell this House, and all Canadians, how refocusing spending on the priorities of Canadians and trimming the fat in government is a benefit to all of us?

Hon. John Baird (President of the Treasury Board, CPC): Mr. Speaker, spending wisely and spending effectively is very important. As the member knows, we had a \$13.2 billion surplus.

Some hon. members: Hear, hear!

The Speaker: Order, please. It is very clear there is a lot of enthusiasm to hear the answer from the President of the Treasury Board, but I cannot hear a word. The President of the Treasury Board has the floor. We will have a little order so we can all hear his response.

Hon. John Baird: Mr. Speaker, the Liberal Party has not changed. The member for Wascana should know that is not his money; it is the taxpayer's money.

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POINTS OF ORDER

ORAL QUESTIONS

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I distinctly remember quite some time ago, the question of the use of the term “meanspirited” came up in the House. It was in the previous parliament. I believe at that time, Mr. Speaker, you ruled that it was unparliamentary. I heard the word very frequently today. I would ask that you review the issue and give direction to the House.

• (1505)

[*Translation*]

DECORUM

Mr. Christian Paradis (Mégantic—L'Érable, CPC): Mr. Speaker, I took part in the debate yesterday on softwood lumber and was unpleasantly surprised to hear the hon. member for Abitibi—Baie-James—Nunavik—Eeyou say the following about the hon. member for Simcoe—Grey: “The hon. member for Simcoe—Grey rose earlier to say that this is a good agreement. She may be pretty when she blushes, but she was blushing from shame”.

Mr. Speaker, such remarks are sexist, condescending and unacceptable in this House.

I demand an apology from the member to this House.

The Speaker: Would the hon. member for Abitibi—Baie-James—Nunavik—Eeyou like to address the House on this matter?

If so, he may now rise.

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Mr. Speaker, I do not believe that the hon. member should intervene on behalf of another member. If she was offended by my remarks, she can ask for an apology herself. I can then respond to her directly.

Mr. Christian Paradis (Mégantic—L'Érable, CPC): Mr. Speaker, I was very clear. Such remarks are not worthy of this House. This relates to the House and has nothing to do with the hon. member herself. That is why I am demanding that the member apologize to this House.

The Speaker: The hon. member has responded.

I will examine yesterday's *Hansard* and determine whether the Standing Orders were violated.

If they were, I will get back to the House shortly.

GOVERNMENT ORDERS

[*English*]

SOFTWOOD LUMBER PRODUCTS EXPORT CHARGE ACT, 2006

The House resumed consideration of the motion that Bill C-24, An Act to impose a charge on the export of certain softwood lumber products to the United States and a charge on refunds of certain duty deposits paid to the United States, to authorize certain payments, to amend the Export and Import Permits Act and to amend other Acts as a consequence, be read the second time and referred to a committee, of the amendment and of the amendment to the amendment.

The Speaker: When the debate was interrupted, the hon. member for Brant had the floor. I understand there are four minutes remaining in the time allotted for his remarks. I therefore call on the hon. member for Brant.

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, I was referring to various components of the Liberal Party supplementary aid package for the industry, and I listed three of those components.

Fourth, we propose the provision of \$200 million over two years to fight the spread of the pine needle in forests in British Columbia.

Fifth, we propose the provision of an additional \$30 million, again over two years, to develop new markets for our wood products.

Last, we propose the provision of \$30 million over two years to improve the competitiveness of the workforce, to promote the upgrading of workplace skills and to provide assistance to older workers who have been impacted by forestry industry layoffs.

With respect, the Prime Minister is incorrect when he asserts that we will get full and free access to the U.S. lumber market. In reality, under the terms of this negotiated deal, our market share is capped at 34%. Other countries, to which we have already lost market share since the imposition of duties and tariffs in May 2002, can export lumber to the United States completely duty free.

Government Orders

As have others, I wonder about the haste with which this deal was negotiated. Obviously one hopes that our so-called new government is not playing politics with the livelihoods of thousands of Canadians who expect to have positions in the industry here in Canada for many years to come, not just two years to come.

The deal has been trumpeted by the Prime Minister and members opposite as an achievement which eluded the previous government. Some achievement, a capitulation to the bullying tactics of the U.S. industry and the U.S. government.

The large question remains. Over \$5.2 billion was taken illegally from our producers by the U.S. government and the deal which our government wishes to accept would put \$4 billion back into the pockets of our producers, \$5 billion taken over the last few years and that amount with interest remains owing. How is it at all logical that we would accept \$4 billion only?

The government wants us to believe that the only logical, rational outcome is to give away \$1.2 billion of Canadians' hard earned money. Members opposite are sniping at the Senate for not passing, quickly enough in their view, the much vaunted accountability act. I am suggesting that the government should focus on its accountability, the accountability to the taxpayer to ensure that \$1.2 billion does not go missing from the pockets of our Canadian producers.

• (1510)

Mrs. Betty Hinton (Parliamentary Secretary to the Minister of Veterans Affairs, CPC): Mr. Speaker, I listened with great interest to what the member opposite said. There are a couple of things I would like to clarify for him, since he seems to be a bit confused. There is actually \$1 billion allocated to pine beetle and \$200 million of it will go out within the next two years. The \$1 billion itself will go out over a 10 year time period.

He suggests someone is playing politics. I suggest he look in the mirror. The politics that are being played in this room today are being played at the expense of the lives and the livelihoods of communities and industry workers. This is beyond contempt to do this sort of thing. The Liberals had a long time when they were government to implement something that would be helpful, and they failed to do it.

Is it true that the member opposite does not understand that this is a seven year minimum deal, that there is \$1 billion on the table and that \$5 billion Canadian will come back? The statements he just made are very contrary to the facts.

Mr. Lloyd St. Amand: Mr. Speaker, as others have said, and it is beyond dispute, my understanding is correct. According to every tribunal which has ruled on it, \$5.2 billion has been imposed improperly by the United States government. As I understand it, we are getting back some \$4 billion. Therefore, \$1.2 billion is not being returned. In my judgment, that is the essential unfairness of the deal.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I thank my colleague for the comments on the sell-out that we have been watching.

I heard the Conservative member from British Columbia talk about how great this was for communities. If she had visited the communities in my region in the northwest, she would clearly have seen that the last 10 years have been one devastation after another.

There have been huge consolidations and massive layoffs of the workforce. What certainty she has talked about is certainty that can be torn up in a moment by one party alone. In particular, the Americans can simply claim that some unfair and unjust practice has taken place in Canada and walk away from the deal.

Bullying tactics may have worked. I know the hon. member works hard on community support. However, I have a question about all those years when massive consolidations were going on across the industry. Small operators, in particular, were crying out for loan guarantees so they could improve their operations while we were being hammered by tariff after tariff. Those cries for those types of guarantees, which the Liberals had the capacity, the knowledge and the wherewithal to do when they were in power, fell upon deaf ears.

It is extremely difficult to suggest that the Liberals have any significant and strong support for those communities when all those loan guarantee requests, and lo and behold they even came from the Conservatives, were simply not answered.

• (1515)

Mr. Lloyd St. Amand: Mr. Speaker, I am very aware of the member's concern for environmental issues in particular and how well he advances those issues.

The Liberal Party wishes to move forward. We are not wanting to spend a lot of time revisiting the past 12 years or 13 years.

I will repeat for the benefit of the member opposite and others that our proposal would inject loan guarantees into the equation for our lumber producers. That is what is relevant and that is what we are endeavouring to focus on.

Hon. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, it is miraculous how the hon. member and his colleagues suddenly have this epiphany when they all of a sudden end up on the opposition benches. They had 13 years, by his own admission of a few seconds ago, which he does not care to revisit. There is no doubt he does not want to revisit it. That 13 year tenure was disastrous. It was a disaster in Canadian history.

Earlier in response to one of my colleague's questions, the Liberal member stated that he was unaware about the split in the money that would be kept in the United States under this deal and what would be returned to Canada.

Is he telling me he is unaware that his party, the Liberal Party, the 13 year history of the party that he does not want to revisit, was about to sign a deal that was vastly inferior to the deal we are debating today? How do we know that? Because the Minister of International Trade for the new Conservative government, who negotiated this deal, was at the table. He knows what the Liberals were about to sign, and it was vastly inferior to this.

Mr. Lloyd St. Amand: Mr. Speaker, the terminology used by the hon. member is subjective in the extreme, extremely inferior and vastly inferior. He may refer to it as he wishes. We, on this side, feel that the details of the deal on the table are, indeed, vastly inferior to what we were prepared to negotiate as a government and what we now wish to see move forward.

Government Orders

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am very pleased to have the opportunity to enter into the debate on the softwood lumber deal.

Speaking on behalf of the people whom I represent, I want to say that we believe firmly in our hearts that this deal is bad for Canada. It was poorly negotiated. It undermines our interests. It serves only to protect American interests. Therefore, we have to speak profoundly against it.

It is part of a worrisome trend. I can quote the *Vancouver Sun*, which published the details of a leaked letter from the Bush administration to the U.S. lumber lobby. In that letter in the *Vancouver Sun* article, the American administration confirmed that the objective was to, in the administration's words, hobble the Canadian industry.

Nor does this sellout end there. Of the \$1.2 billion in illegal duties they left on the table, \$450 million will go to the Americans to grease the re-election wheels of the protectionist American government that is facing tough fights in the upcoming mid-term congressional elections. So Canada's timber industry will be subsidizing the ongoing illicit attack on itself. We are going to subsidize and pay for their renewed ability to keep attacking us. We know they are protectionist and that is what they will continue to do.

There is more. When the industry balked, the Conservative government began its bullying tactics, which now have become familiar tactics. The *Globe and Mail* quoted a senior government official warning that opponents to this deal "should prepare themselves for the consequences of rejecting it and they might want to start contemplating a world where Ottawa is no longer in the business of subsidizing softwood [trade] disputes".

It makes us wonder whose side the Conservatives are on. On whose behalf were they negotiating? I have negotiated a lot of collective agreements in my former life as a union leader, and I can say that this could not have been hard bargaining. Our negotiating stance was flawed from the premise. Our negotiating stance was on our knees. It was saying, "Please, please, U.S., leave us with some of our dignity and our respect and allow us to maintain our industry". When we go in with a bargaining stance on our knees, we are going to come out with a bad package.

They have put together here a softwood deal that will be managed of the people, by the people and for the people, but it is the American people. In fact, this is one of the most shocking things about this deal, which I have come to learn recently. As a fiercely proud Canadian nationalist and if for no other reason, this is a good enough excuse to vote against this deal.

It turns out that as an aspect of this deal there is an unprecedented clause that requires provinces to first vet any changes in forestry policy with Washington. In other words, if the Province of British Columbia wanted to substantially change perhaps its rate of harvest because of a pine beetle infestation or some such thing, it will be duty bound to consult Washington first—in other words, get permission—or else it will be in breach of this deal. The Americans then can unilaterally state that the deal is broken and they can carry on with their illegal tariffs.

I keep coming across good reasons why any patriotic Canadian would not participate in what I call economic treason of this sellout in the softwood industry.

A lot of people may not remember this, but this is the second time a Conservative government has snatched defeat out of the jaws of victory on this lumber file. In 1986, the GATT, the World Trade Organization predecessor, issued a preliminary finding on the legality of U.S. lumber duties against Canada. Brian Mulroney's government at the time, hell-bent on negotiating a free trade agreement with the U.S., aborted the challenge.

We were about to win it and the Mulroney government aborted the challenge just before it came down in Canada's favour. The Conservatives wanted to make the argument that they needed the free trade agreement because the current regime was not working. These findings were not published until after the free trade agreement came into effect.

● (1520)

It seems like a pattern is developing here. The Conservatives are willing to undermine the best interests of Canadians to make some ideological victory in their own minds or to pander to the demands of the Americans.

The same is true of the assault on the grain industry with the government's overt attack on the Canadian Wheat Board. In fact, there are real parallels between the sellout on the softwood deal and the assault on the Canadian Wheat Board. Both are in the interests of and at the service of the Americans.

We know that the Americans began gunning for the Canadian Wheat Board before the ink was even dry on their initial signature on the free trade agreement in 1989. We know that. Since then, the Wheat Board has been subjected to 11 separate U.S. trade attacks. In the same pattern as the lumber duties and tariffs, the U.S. is claiming unfair subsidies.

The U.S. does not just want to eliminate one of its competitors in the world wheat market for its multinational agribusiness, but it wants its agribusiness to capture the price advantage enjoyed by superior Canadian wheat. It really comes down to that. The Americans' opposition to the Wheat Board is not even ideological, although they do allege that it is socialism, realized by the fact that we act collectively in getting the best price for our farmers through single desk selling. Really, it is the price advantage that we enjoy and earn because our wheat is superior. Our product is superior.

Government Orders

This is another issue in this worrisome pattern that has become the defining characteristic of the new Conservative government, a pattern which seems to be to integrate Canada's security, defence and foreign policies with the U.S. and shred our competitive advantage against the U.S. in the matter of lumber and wheat. It is a worrisome motif that we sense in many of the things the Conservative government is doing. Free trade is one thing, but this is not free trade.

While I am on the subject of the Wheat Board in relation to the softwood lumber deal, let me tell the House what Terry Pugh, spokesman for the National Farmers' Union, said about this. He said that a dual market kills the CWB because its monopoly seller position is precisely what earns farmers premium prices in global markets. The empirical evidence is established to prove that.

We are acting in the best interests of someone else if we are advocating the dismantling of the Wheat Board. Let me tell members the effect this would have locally for my area of Manitoba. The Canadian Wheat Board's demise would affect not just farmers but would also have a ripple effect across the Canadian economy, closing the Port of Churchill in my home province of Manitoba and probably seriously impacting Thunder Bay and even the Ports of Vancouver and Prince Rupert, we can predict.

Do we know why? Because Canadian grain would go south and be mixed with American grain and shipped through American ports. Canadian wheat as a distinct commodity would disappear even though it is valued around the world as the best in the world. For pasta and other products, it is the highest calibre. It is the standard that other people use to measure their wheat.

John Morriss, editor and publisher of the *Farmers' Independent Weekly*, says that a dual market is a chimera, a word I had to look up. He asks farmers to recall the voluntary Central Selling Agency run by the pools in the 1920s and the voluntary Canadian Wheat Board which began in 1935. Both had spectacular bankruptcies, likely the two biggest business failures in Canadian history.

The voluntary Canadian Wheat Board, a model of which is being advocated now by our current Minister of Agriculture, lost \$62 million in 1938-39. We can imagine what that would be in dollars today. That model failed. That model was built for failure. That model cannot succeed.

The reason a dual market will not work is that if the open market is higher than the initial payment, the board gets few deliveries, and if the initial payment is higher than the market, it gets the deliveries but has to sell at a loss. If members cannot understand that, they have no business advocating the dismantling of the Canadian Wheat Board, because that sums it up in a nutshell. Still, there is this zeal, this unreasonable ideological passion, for dismantling the Wheat Board.

● (1525)

I used an analogy earlier. It is commonly said that a beaver bites off its testicles when it is threatened. If that is true, the beaver is certainly an appropriate symbol, if not for Canada then for two successive Conservative governments, because when faced with ceaseless bullying and browbeating by the Americans, the Conservatives react by carving off pieces of Canada as a nation.

They carve off significant pieces and important pieces such as our sovereignty in regard to being able to unilaterally set our own independent forest policy without having to consult with Washington, D.C. and getting permission, and pieces such as having our own Canadian Wheat Board establish single desk selling for the best interests of Canadian farmers. The Conservatives either do not understand this or they understand it and are serving some master other than the best interests of the Canadian people.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I enjoyed many of the member's remarks, but I was interested in his comments on the Canadian Wheat Board. This is similar to what has happened under the softwood lumber agreement, where we have won all the legal challenges but the government has decided that even though we have won it wants to go to a negotiated settlement. The Americans are basically operating in a way where they are saying they know we have won by the rules, but now they do not like the rules and so they want to change them. And the Government of Canada caves in.

The same situation is really true for the Canadian Wheat Board. We have won 11 challenges, I believe, from the United States as they relate to the Canadian Wheat Board, but what the government is proposing to do by doing away with single desk selling is basically to sell out to American interests that have, since time eternal, tried to undermine the Canadian Wheat Board through the legal process. They have never been successful in doing so.

Could the hon. member explain to us whether he sees that there would be advantages to the Americans as a result of the government proposal to take away single desk selling? What would be the loss to Canadian farmers as a result?

● (1530)

Mr. Pat Martin: Mr. Speaker, with the bit of time I have left after that question, I can say I agree that Canada tossed away a significant victory, a victory not before some useless North American Free Trade Agreement panel but before the U.S. court of international trade.

On April 7, the court ruled that U.S. duties on Canadian softwood were illegal. That is just about the time our high priced negotiators were down selling out Canada in Washington. We were winning significant rulings and we were poised to win two more. We were that far away. The government snatched defeat right out of the jaws of victory and now claims it is saving money by not having to spend the legal fees to win the case we were going to win. It is unbelievable.

My colleague's question is connected. Directly related is the Wheat Board issue. The polls show that 73% of western wheat farmers support the board. The Conservative government, just as it is in lumber, is preparing to do the Americans' dirty work. The Americans do not like the Canadian Wheat Board.

The Canadian Wheat Board gives good service to Canadian farmers, to prairie farmers. It gets them the best prices. It makes us a real competitor against the American multinational agricultural business. The Americans want it dismantled and the Conservatives are willing to do their dirty work.

Government Orders

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Mr. Speaker, it is a pleasure to speak on the softwood lumber agreement as negotiated by the new Conservative government and the Minister of International Trade.

I am not quite sure how the NDP member who just spoke and the question from the Liberal benches got on to the topic of the Wheat Board in discussion of the softwood lumber agreement. The member from the NDP said that the Wheat Board enabled farmers to get the highest price possible. I am certainly not the expert on the Wheat Board, but my understanding is that producers cannot sell their wheat outside of the Wheat Board. Therefore, they do not have the option of going for the highest price possible. As a matter of fact, they may have to sell their wheat for less money than they could have received if they had sold it independently.

This debate should stick to the facts. If we stick to the facts this is a clear debate and I think there would be unanimity from all parties. There would be nothing but massive support for the bill and for the positive change it will bring to the lumber industry in Canada.

There are a number of issues that I want to talk about. I want to deal directly with a number of statements made by my Atlantic Canadian colleagues in the Liberal Party and in the NDP who have criticized this agreement. This is a good agreement for Atlantic Canada. To spread false arguments based on no criteria except rhetoric, based on no facts, only rhetoric, and the belief that if they say something enough times people will believe them, is not credible. It diminishes the work we do in this chamber.

To begin my debate I would like to read a quote from the Minister of International Trade who spoke in the House yesterday. His opening statement was very cognizant of the issue. It spoke directly to the issue and it is worth repeating:

Softwood lumber for Canadian softwood lumber producers has been an industry that has been plagued by trade disputes—

I do not think anyone would disagree with that:

—border measures and various types of trade harassment for basically a quarter of a century.

After 24 years of nothing but harassment from our American neighbours on the softwood lumber file, we have finally put it to rest. We are talking about organized trade, about clear rules, about definite boundaries. We do not have a quota system in place. We have trade that flows north and south across the long border between us and the United States.

The minister went on to say:

The agreement will provide stability and a dispute-free market access to the United States market. It will provide stability for a period of at least eight to nine years...it will provide a trajectory for the evolution of the softwood lumber industry to a world of complete free trade.

Obviously, complete free trade is what everyone would prefer to have, but we cannot diminish the agreement that we have before us and somehow try to discredit it by telling falsehoods about it.

The member for Beauséjour spoke against this agreement. He has sawmills in his own riding. I asked him about the hypothetical agreement the former Liberal government supposedly was desperate to have signed prior to Christmas and prior to the election. What was it about that agreement that was supposedly better than this

agreement? Put it on the table; table it. I did not get an answer to that question.

• (1535)

I would be very interested in comparing the two. As an Atlantic Canadian, the member for Beauséjour would know that the difference in the agreements is that the Liberals were willing, as unbelievable as this may sound, to give up Atlantic Canada's free trade with the United States. We were countervail free prior to this last trade action. We were anti-dumping free. We had free trade with the United States. The Liberals were willing to give that up in order to get a trade agreement with the United States. It is unbelievable.

There are a number of issues that we know are factual. The Americans are protectionists. Is that a big surprise? Nothing has changed. The Byrd amendment makes it almost impossible for our exporters to work on an equal footing. The idea that somehow the next court case would have changed it is absolutely fictitious. The next court case would not have changed it. As long as the Byrd amendment is in place in the United States and the American industry feels it is being treated unfairly, feels there is a subsidy in the Canadian marketplace, the American industry can bring that action to the American trade board and can claim countervail or anti-dumping duties. There is no next legal action that is going to prevent that. If the Byrd amendment, which should not be there, was not there, then the avenue of going to the courts to have it settled once and for all would be open.

This softwood lumber agreement is supported by Atlantic Canadian mills. I have had letters from the majority of mills in Atlantic Canada, from the Maritime Lumber Bureau.

I would like to take a moment to recognize the work that the Maritime Lumber Bureau has done on this file. When the previous government was not looking out for the interests of Atlantic Canada, Atlantic Canada looked out for its own interests. We saw over a period of time a shift from east-west trade in lumber that used to go to Europe to north-south trade with the United States. Some of that was market driven; some of that was driven by the American dollar which was extremely high, but it was driven by circumstance.

We in Nova Scotia, Newfoundland, P.E.I. and New Brunswick, with the primary lumber producers being Nova Scotia and New Brunswick, got shut out of the European market. That billion dollars in trade, \$900 million in softwood lumber trade that Nova Scotia used to do with Europe suddenly became trade with the United States. There was a dramatic shift. There was a dramatic shift in Europe because of non-tariff trade sanctions by the Europeans. The non-tariff trade barrier that the Europeans put in place was the pinewood nematode. They came up with an excuse that insects would somehow infest the pine forests of Europe.

Of course, after 500 years of trade with Europe and no insect infestations from pinewood nematode, we thought we had a scientific argument to actually prove that would not happen. However, we could not have that argument heard clearly by the Europeans and much of that market was lost, unless the lumber was pressure treated or kiln dried.

Government Orders

I want to continue for a while longer on my Atlantic Canadian colleagues' non-acceptance of this treaty. This is a good agreement with the United States. It is a great agreement for Atlantic Canada. More important, the members opposite yesterday were saying that we need to read the agreement. Unfortunately, they had not because the one small change that needed to be made to this agreement to ensure Atlantic Canada's continued exemption from countervail and anti-dumping duties actually was the fact that we have been exempt. That exemption had unfortunately been neglected in the bill and all of the Liberals who were stating that they had read it so closely obviously had not. The member for Cumberland—Colchester—Musquodoboit Valley actually picked up on it, spoke directly to the minister and was able to have that exemption guaranteed.

It is a matter of dealing with the facts, not falsehoods, not fiction, not fantasy, but only the facts.

• (1540)

Mr. Blair Wilson (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Mr. Speaker, I listened intently to the words of the hon. member across the way and I have three questions for him based on what he just said.

First, I want to ask the member if he is aware that on October 1, if this deal goes through, the Conservative export tax of 15% is going to be greatly higher than the current U.S. duties of 10.8% that are imposed right now.

Second, I would like to ask the hon. member if he is aware that the 19% penalty tax will now come into effect and that any softwood lumber company that does not sign on to this agreement will now have a 19% penalty tax imposed on its exports.

Third, I would like to ask the hon. member if he is aware of the dangerous precedent that this deal is setting and that the Americans are in the process of appealing Canada's recent win on the Byrd amendment which will open up the door for other U.S. industries to attack Canada.

Mr. Gerald Keddy: Mr. Speaker, I am going to try to answer the member's three questions.

The first thing that hon. members should realize is this brings a minimum of eight to nine years of stability to this industry. This industry has struggled over the years. It has had its high points; it has had its low points.

The 15% export tax is at the bottom of the cycle. The member would know that at least 50% of the time, Canada's exports to the United States are at the top end of the cycle. When we are at the top end of the cycle, there is zero tax. What happens at the bottom end of the cycle is people feel they have to produce more in order to make the same amount of profit they were making. They will produce more and that will flood the United States market. Protectionism will rear its ugly head at the bottom of the cycle. We put the export tax in at the bottom of the cycle and when it comes up to where there is some real profit in the lumber industry, there is no export tax and there is free trade.

As to the 19% for not signing, the people who are not in agreement with this, why should they benefit? Why should they not have to pay their fair share and benefit from the agreement when all of the rest of the mills are willing to pay? The mills are willing to

pay. There is no discussion among them. They want this behind them. They want stability in the marketplace. We need that eight to nine years of stability in the marketplace.

The idea that the Byrd amendment is going to be changed by going to court in the United States I do not think is correct. The Byrd amendment will only be changed by the American congressmen and senators. I believe it is only Congress that can change it. It is not going to be changed by us.

• (1545)

[*Translation*]

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, I would like to thank the member for his presentation.

The member praises the agreement that Ottawa and Washington have just signed. He certainly does not mention offsetting measures, assistance for the forestry industry and workers. The Bloc Québécois is proposing an action plan, a POWA and improvements to employment insurance.

I would ask the member to briefly comment on the serious repercussions of not having measures to help the forestry industry, and of the absence of a plan to help softwood lumber sawmills and workers. Can he explain what he believes are the repercussions of all this on communities, workers and the industry?

[*English*]

Mr. Gerald Keddy: Mr. Speaker, I come from a rural riding with a big forestry base. The consequences for the communities and workers will be very positive. First, there will be stability in the marketplace. Second, there will be the ability to export into our largest marketplace, which is the United States of America. Third, this is a very good agreement, in particular for Quebec. There will be 32 border mills in Quebec that will be completely exempt from any border measures under this agreement.

There is also built in flexibility in this agreement. At the bottom of the cycle Quebec mills can choose to pay a 5% export tax if they control their exports. There is flexibility for B.C. There is flexibility for all the provinces if they want it. We do not have a homogeneous lumber market in Canada. It is different on the east coast from on the west coast. It is different in Quebec from in Ontario. This agreement reflects the differences.

Mr. Blair Wilson (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Mr. Speaker, today I stand to debate and discuss a unique event in Canadian history.

Never before have we as a nation snatched defeat from the jaws of victory as we have with this Canada-U.S. softwood lumber dispute. Never before have we fought a trade dispute in the courts, won case after case, and then dismissed these victories. Never before have we thrown the rule of law out the window.

Never before have we given up our leverage in negotiating before the agreement. Never before have we caved in to meet an artificial timeline of our own making and never before have we bullied our own industries to please the United States.

Never before have we had a government that has gone to bat for political expediency instead of going to bat for hardworking Canadians.

Government Orders

Simply put, this softwood lumber deal, this complete capitulation, is wrong.

On the eve of his re-election, the hon. member for Vancouver Kingsway said that he would be the Prime Minister's worst nightmare. By the way the member has botched this deal, I would say that his wish has definitely come true.

This agreement that the minority government has rammed down Canadian throats makes a mockery of free trade and seeds our domestic sovereignty. It creates a sliding scale export tax that, at current price levels, is actually higher than current U.S. duties. It abandons all our legal victories and gives up \$1 billion to secure peace for only two short years.

It cedes our decision over domestic resource management to the United States. It caps our share of the American softwood market. It contains anti-surge provisions that cripple the ability of our forest industry to deal with unexpected circumstances, such as the rise of the pine beetle infestation in British Columbia, a problem, I might add, that is being further exacerbated by the complete lack of environmental policy by the minority Conservative government. However, that is an issue I will save for another time.

This deal exposes Canadian firms to needless uncertainty by agreeing to a monthly measurement for surge protection when U.S. demand is highly variable on a monthly basis. It encourages other sectors and other U.S. companies to seek political decisions to gain protection from Canadian industries, all but guaranteeing more disputes in the future.

Even American lawyers think Canada got suckered. Canada's so-called new government took the terms of our surrender and now Canadians will have to pay the price.

How did we get to this point? In May 2002, the Government of the United States imposed a countervailing and anti-dumping duty of 27% on Canadian softwood imports. Canada's Liberal government challenged this swiftly and comprehensively. It brought forward cases under the North American Free Trade Agreement, the World Trade Organization and the United States' own court of international trade.

The NAFTA panel struck down the United States' injury determination in September 2003, again in April 2004 and then again in August 2004. These legal victories brought the duties down from 27% to 20% on December 20, 2004, and then from 20% down to 11% on December 12, 2005, steadily relieving pressure on our lumber industry and its workers.

We proved that our lumber industries are not subsidized, do not cause injury, do not threaten injury and do not dump their products in the U.S. markets.

This past March, a NAFTA binational panel decided definitively that Canadian softwood lumber is not subsidized. That panel's decision was to take effect on April 28. The United States had to either comply with this ruling and drop its duty to 2% or file an extraordinary challenge on April 27. The United States used its last legal trick. It in fact did file an extraordinary challenge, allowing it to continue to force Canadians to pay \$40 million a month in illegal duties.

● (1550)

However, far from being just another legal stalling tactic, this would have been its last tactic. NAFTA's strict timelines for challenges required a decision no later than August 10, and not even the Americans thought it would go in their own favour. Once that decision had been made, it would not be appealable. Five years of litigation were about to pay off. No more tricks were left in the book, except one. In January, the Conservative Party came to power and determined to end the softwood lumber dispute no matter what it would cost the industry.

In April, the minority Conservative government, eager to get any type of deal together no matter how bad it would be for Canada, hastily agreed to a two page deal with Washington, signing it before the provinces or the industry had time to analyze its effect.

What happened next was a naked betrayal of Canadian lumber producers. The Prime Minister, eager to please his new buddy, George W. Bush, agreed to a U.S. request to suspend our challenge, wiping away years of legal victory. The Prime Minister gave up our biggest bargaining chip for absolutely nothing. Compounding this error, the minority Conservative government then announced that it wanted a final text by June 15 so it could get legislation through the House before the summer break.

If we want to get concessions in negotiation, we do not give away our bargaining chip and we do not announce our own artificial deadline. Industry representatives call these blunders amateur hour at the negotiating table and amateur hour it was. To meet its self-imposed deadline, the minority Conservative government gave up a lot and got nothing in return. It gave up \$1 billion in illegal duties. It agreed to a convoluted set of export taxes and quotas. It agreed to end litigation, litigation that we were winning. It lost control of our very own forest industry and it got no concessions in return.

The deal was botched by the member for Vancouver Kingsway and it was botched badly. Now our forestry industry and our forestry workers in Canadian communities from coast to coast to coast will have to pay the price of the minister's blunders.

Over 360,000 Canadians are employed in the softwood industry. Canada has a well-earned international reputation for the quality of our products. It is not, however, been an easy time for our forestry industry. It is already facing pressures from our higher Canadian dollar, higher energy prices, lower housing starts in the United States and shrinking demand for global newsprint. This botched deal will only worsen their plight.

Government Orders

Industry associates warned us months ago that this deal was not commercially viable. The Ontario Forest Industry Association estimates that it could cause as much as a 10% industry job loss. The Bank of Montreal expects shutdowns of both lumber and pulp and paper facilities. The Free Trade Lumber Council warns that sawmills dependent on exports are particularly vulnerable. The Independent Lumber Remanufacturing Association warns that this deal would all but destroy their sectors.

The minority Conservative government continues to bully our industries into submission. The Prime Minister has backed softwood industry representatives into a corner and left them with no choice but to concede to this flawed deal. It has gone so far as to promise to slap a new 19% penalty tax on duty refunds going to Canadian producers who refuse to sign on to the deal and then to delay those payments for two years. These bullying tactics may work inside the Conservative caucus but they will not fly in the forestry sector.

The minority Conservative government has abandoned our lumber industry by refusing to provide loan guarantees for the duties that are rightfully ours. The government has tried to divide Canadians, pretending that there is no other solution.

However, there is a better way. Canada can say no to this botched deal and do what we should have done from the start, which is to see our NAFTA challenges through to the end. We should immediately implement an aid package that, first, will invest in improving industry's competitiveness; two, will invest in the skills of our workforce; and three, will work to develop new overseas markets for our wood products.

We all must remember that it is not just Canadian producers, but American consumers who lose from these illegal duties as well, because they are the ones who will have to pay higher prices for their homes. We should continue our effort to build political alliances of lumber consumers in the U.S. against these illegal duties.

● (1555)

Indeed, before the minority Conservative government caved in we had already secured the support of 150 congressmen and congresswomen to oppose the restrictions on softwood imports.

The Liberal Party cannot support this deal in good conscience, not when there is a better way. It is our duty as the official opposition to stand up for the interests of Canadian lumber producers and the interests of 360,000 hardworking men and women who are employed in this sector of our economy.

The Liberal Party of Canada stands opposed to the minority Conservative government's humiliating surrender and it opposes this botched softwood lumber deal.

Ms. Helena Guergis (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, I am not sure where to begin with all this misinformation that is coming from the hon. member but I will do my best.

First, let us remind him that we have two national governments, both Canada and the United States, that are both supporting this deal. All of our major softwood lumber producing provinces, including the province of British Columbia where the hon. member comes from, are supporting this deal. The premier of B.C. is supporting this

deal. I have a letter from one of the hon. member's constituents who says, "As one of the larger independent sawmills in your constituency, we urge you to support the upcoming bill on the softwood lumber agreement".

I also have to point out that today the BC Lumber Trade Council underlined the importance of its ongoing work with the Government of Canada to implement the terms and conditions of the agreement. It said:

We are pleased with the progress made to date and the responsive efforts of [the Minister of International Trade] and his officials in making this important agreement a reality.

The hon. member has chosen to ignore the industry. Ninety per cent of the industry in Canada is supporting this deal.

He made the comment that there would be a 19% charge for those who choose not to support the deal. I would remind members that it is 90% of the industry that is supporting this deal. I also must tell the hon. member that it was the industry that asked for that 19%. They wanted a level playing field. All the industry in Canada will have 81% of their money returned and 100% of the industry will benefit from seven to nine years of stability and predictability within the industry, which is what they have asked for.

Would the hon. member please tell us why he has chosen to ignore the premier, his constituents, the industry and even B.C.'s forest minister, Rich Coleman, who is urging all federal members to put aside their politics and support this deal?

● (1600)

Mr. Blair Wilson: Mr. Speaker, the hon. member has some of the facts wrong so I will correct her and then raise another question.

When we take a look at this deal, why is Canada caving in at the negotiating table at this point in time? Every case that we have taken before the Americans we have won.

I have received letters from a lot of businessmen and businesswomen in my community who say that in business if they have a dispute and they are winning in the courts they will not go to the negotiating table and cave in and leave \$1 billion on the table.

It would not be so bad if it were just \$1 billion on the table that was going somewhere, but the way it breaks down, \$500 million will be used by the U.S. lumber lobby group against Canadian industries. Why would we be bankrolling our competition? To make matters worse, \$450 million of the \$1 billion will go directly to George W. Bush to decide on which way he wants to use the money for other republican means.

If we take a look at just that one point alone we cannot agree with this deal, let alone the fact of the surge mechanisms and the increase in Canadian taxes that will be put on. It does not take an accountant to know the difference between a 15% tax and a 10.8% duty. The 15% tax will cripple our industry.

Government Orders

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, the hon. member opposite has described the history of how the government has betrayed the softwood lumber industry and how it has sold out Canadian communities. We have heard in great detail in many debates in this House about its sorry record. We know about all the money that was levied illegally against Canadian firms and now some of that money is coming back to these firms.

Does the hon. member have a view on why the federal government did not stipulate that this money should have gone back, not to the corporations but to the communities that were so hard hit by the U.S. tariffs that were imposed on them, the communities that lost jobs when saw mills closed and that have paid the price by this lack of support from the federal government?

Mr. Blair Wilson: Mr. Speaker, I think there are two points here that we have to take into consideration. One is the speed at which this deal was rammed through Canada.

The softwood agreement was a two page framework agreement when it first came forward. In that initial two page framework agreement, the \$1 billion that was being left on the table, half of that money was supposedly going to be put into a fund that was going to be overseen jointly by the Americans and by Canada as to where that money was going to go to help our industry on both sides of the border.

Then when we got the rushed final version of the deal, we find that that completely disappears and the \$500 million goes right into the Americans' pockets. I think it points to the fact of how rushed this deal was.

The other issue that the member raises as well is the support for our industry. It is the support in our lumber industry with respect to the pine beetle infestation in British Columbia. We learned yesterday that this new minority Conservative government has just cut \$11.7 million for pine beetle research in British Columbia out of the 2002 funds. If this Conservative government cared so much about British Columbia, why is it cutting \$11.7 million that we could use?

• (1605)

[*Translation*]

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, today I will speak about the softwood lumber agreement, an agreement signed by Ottawa and Washington.

The agreement reached by the Canadian and American governments is not the agreement of the century. I am certain that several MPs have had the opportunity in the past few months to meet members of the forestry industry who told them that an agreement had to be signed because they were on the brink of disaster. What must be understood is that the industry had no choice. The agreement concluded on July 1 was not a good agreement, but the forestry industry could not afford to wait any longer.

If the Bloc Québécois supports this agreement, it is because it is acting responsibly towards the thousands of sawmill workers. However, as a result of consultations in the past few months with the industry concerned, we have come to realize that the structural crisis of the softwood lumber industry cannot be remedied by the softwood lumber agreement alone.

Both the Liberal and the Conservative governments caused incredible harm by not supporting the softwood lumber industry in recent years. No company can emerge from a four-year trade crisis and hope that all will return to normal. It is even worse when an entire sector of the economy is in trouble.

Over the past four years, a number of companies working in the forest industry have closed their doors, and this deal does nothing to ensure the sustainability and survival of the industry. The industry is still in bad shape, so it is up to the government to implement a series of measures to help forestry companies that are facing serious difficulties.

During the dispute, that is, since 2002, 17,000 jobs were lost in Quebec. As you may know, in Quebec, forestry is the main employer in 260 communities. In 134 of them, 100% of jobs are in forestry. Consequently, it is important to ensure the viability of this industry.

Quebec is the second-largest exporter of softwood lumber to the United States. Fifty per cent of the province's lumber is exported south of the border. Now that important measures have been implemented with respect to softwood lumber, particularly with respect to quotas, a lot of companies have begun to rationalize their workforce in light of the agreement. I say "quotas" because it seems that Quebec will choose one of two options—either option A, a tax percentage, or option B, fixed quotas.

This is therefore a worrisome situation for thousands of workers. Given the growing supply of wood from China and new conditions in the industry, many companies will have to lay a lot of people off over the next few months.

Over the past few years, this crisis has had a dramatic impact on some communities in my riding, Chicoutimi—Le Fjord. One of the largest forestry cooperatives in Quebec, located in Laterrière, went bankrupt in December 2004. The bankruptcy indirectly impacted on many sawmills in Saguenay—Lac-Saint-Jean. Some shut down for a few weeks, while others closed their doors for good. That is what happened with the Produits forestiers Saguenay sawmill in La Baie. In March, it decided to close the mill a year earlier than planned for economic reasons.

• (1610)

In addition, since the softwood lumber agreement was reached July 1, several sawmills in Saguenay—Lac-Saint-Jean have continued to have financial difficulties.

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To cite only a few examples, in early September, the Bowater mill at Saint-Félicien was forced to lay off 140 employees for an indefinite period. As well, one million dollars are needed to get the Coopérative forestière de Girardville back on its feet. For its part, the PFS mill at Petit-Saguenay has just reopened its doors after being closed for a month, two weeks more than initially planned. In addition, because of current market difficulties, the mill has decided to do away with a second shift. These are just some examples. However, a great many mills, such as the PH Lemay mill and the Péribonka mill have been affected by the crisis during the past few months.

The softwood lumber crisis has caused the loss of 3,000 jobs—yes, I said 3,000 direct jobs—in Saguenay—Lac-Saint-Jean, and the situation is getting worse.

I would simply like to give one last example to illustrate the general situation. Three weeks ago, the sawmills at Saint-Félicien and Dolbeau-Mistassini shut down for an indefinite period in order to reduce financial losses. As a result, the company was forced to lay off some 350 employees of the two mills. One of the spokesmen for the mills made the following comment, which sums up the situation very well:

We are going through an unprecedented crisis and it is difficult to meet the conditions for profitability. Like all the other forestry companies, we have no choice but to reorganize our activities or mills in order to remain competitive.

That comment sums up the situation concerning the softwood lumber crisis.

The root cause of the problem is still there. The situation will continue to get worse if measures are not introduced quickly. The problem is aggravated in the regions outside the large centres and we cannot close our eyes to this problem.

There are many reasons why the socio-economic problems are worse in the regions. The main reason is that the forest industry plays such a major role in many communities. For workers in the regions, the forestry crisis, combined with cuts to employment insurance in recent years, has worsened the economic situation. Many employees affected by this dispute have been left without income and have been forced to leave the region.

Between 1994 and 2004, cuts to employment insurance resulted in a direct and indirect loss of \$875 million for the entire Saguenay—Lac-Saint-Jean region. This was due to the numerous cuts in the employment insurance program.

When we look at data for my riding of Chicoutimi—Le Fjord in particular, based on the cuts to employment insurance in the past few years, we can say that the population was directly denied some \$221 million during those years.

We are proposing other measures to this government, namely the implementation of POWA, an income support program for workers who were part of massive layoffs.

In closing, I also want to point out that Bill C-24 does not resolve the structural problems of the market. In the coming months, measures will have to be implemented to prevent the forestry sector from collapsing. It is important that all stakeholders take action to

maintain and consolidate the forest industry because many jobs in the resource regions depend on this sector of activity.

●(1615)

To that end, the Lac-Saint-Jean-Est RCM passed a resolution on September 19. I will close by urging the federal government to provide more support to the forest industry. I hope the government will implement measures that will help forestry workers and the industry.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I have a question to put to my colleague, the member for Chicoutimi—Le Fjord. Today a good number of Bloc Québécois members have talked about the tensions and grief caused by these negotiations, and the fact that this is a bad agreement causing many problems. My colleague comes from a region similar to mine, a place where people work very hard in the forests.

I will ask my colleague a question about sovereignty in these negotiations between Canada and the United States. I am going to speak in English since the copy I have of the agreement is only in English.

[English]

Article XVII, the anti-circumvention section, is very important. For the people who listening and watching understand, under the statutes, the federal government cannot impose any type of administration or delegation of duties to the provinces on how they manage their forestry industry. Yet in article XVII paragraph 1 it says that neither party shall take action that circumvents or offsets the commitments set out in this agreement. Paragraph 2 is very interesting. It states that any change in a provincial timber pricing or forest management system, as it existed on April 27, 2006.

Suddenly we have a clause built into the agreement that even the federal Government of Canada does not have, which is to look at the practices of a province and if they are in disagreement with that practice, it can demand the province to change it. If it does not change it, then suddenly we are on the wrong side of the deal.

[Translation]

So we can easily break the agreement. This is a matter involving the sovereignty of Quebec, of Ontario and of the other provinces, the sovereignty that enables the provinces to manage forest activities on their territory as they see fit.

I would have thought that the Bloc Québécois would want to protect this sovereignty, but it is taking the opposite direction to sovereignty in their province and the country.

Mr. Robert Bouchard: Mr. Speaker, I thank my colleague for his question. The softwood lumber agreement between Washington and Ottawa is obviously a bad agreement and may be regarded as a sellout. But we have to realize that the industry has run out of steam. Many representatives and workers from the industry came to meet with me in my riding since my region is very much involved in the lumber and sawmill industry. It was recommended that I—and my party—support this agreement that we considered to be a sellout. We would have liked to recover all the money the softwood lumber industry paid in antidumping duties.

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We must also recognize that the Government of Quebec gave its consent. That being said, the Bloc Québécois thinks that this sellout agreement should be accompanied by compensatory measures: improved employment insurance; a support program for older workers; assistance for the industry; an economic diversification program for communities that are dependent on the forest; a special tax status for the 128,000 owners of woodlots in Quebec; the improvement of funding for Canada's Model Forest Program, run by Forestry Canada; special tax treatment for the \$4.3 billion in countervailing duties; the acceleration of equipment amortization; and a program to stimulate innovation within the forest industry and improvement of productivity.

This is what we would like, and I hope that the Conservative government will get our message. It is true that we support this sellout agreement but the government should put forward some measures: a support program for older workers, a guaranteed income support program for workers affected by mass layoffs after the closing of a plant in the softwood lumber industry—because we know there were layoffs and there will be others; the improvement of employment insurance; and help for the industry. These are measures that should be promoted.

• (1620)

[*English*]

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I am pleased to take part in the debate on the softwood lumber deal.

I feel for those members who have sawmills in their ridings and the companies tell them it is a rotten deal, but they have on to sign it. The reality is the industry has been coerced and pressured into supporting this deal. They have been coerced because the Conservative government has said that it would cut off support to the lumber industry. What kind of a deal is that? What kind of support is that for the lumber industry?

There are two issues here. First, why would we cut a deal? Second, if we have cut a deal, is this a good deal? I will deal with the first question.

When the Conservative Party was in opposition, how many times did we hear it ask why we would cut a deal when we had been winning all the objective panels under the NAFTA. Now the Conservatives are saying that we have to cut a deal because it is in our best interests.

First, it is contrary to the NAFTA. NAFTA is meant to provide free and fair trade. Does it do that? Of course it does not. Also, the most important thing is that it perpetuates a lie. This point was made very clearly and very well by the Free Trade Lumber Council. The lie is that we subsidize softwood lumber in Canada. That has been shown time and time again by lumber one, two, three and four. Every objective panel, panels which have Americans sitting on them, have said that we are not subsidizing lumber in Canada.

Also, we have prevailed in every NAFTA panel, an objective review, and these panels have concluded consistently that we do not subsidize our lumber in Canada. Canada has followed the dispute settlement mechanisms that are laid out between Canada, the United States and Mexico.

The other thing that is terrible about this deal is that it sets a horrible precedent. That is where we as parliamentarians, notwithstanding what the industry or communities might say, are charged to deal with the national interests of Canada. If the U.S. can win this dispute, where we have consistently shown there is no subsidy, what does that mean for other products, for other sectors? The Americans will look upon this and say that if they can cut a deal on softwood lumber, they can cut a deal on plastics or on steel because with lumber the Canadians were well ahead. They have proved the case time and time again.

This is a horrible precedent. This is a sad day for Canada. It is another way in which the Conservative government has capitulated to the U.S. interests and to their love affair with the Republicans south of the border.

If we cut a deal, which it looks like the government has and it is the wrong approach to take, how good is it or how bad is it? First, how often did we hear the Conservative Party, when in opposition, ask us why would we not fight for \$5.3 billion in the tariffs to be recovered by the Canadian producers. Conservatives would argue that we should not leave anything on the table. Now they are leaving \$1 billion on the table.

I do not know how the Conservative members can now argue that the industry minister at the time knew the deal and conclude that this is a better deal. The minister then would have been sworn to cabinet confidentiality, so I am not sure they would know the details of the deal. Even if it is a slightly better deal, who knows, it is still a bad deal because there was no deal concluded by our Liberal government. There were discussions, but the Conservative government is proceeding with this.

The deal is of short duration. Within two years, the deal can be abrogated by the U.S. producers and by the U.S. government. They can say that they do not like it and that it is not working very well. In the meantime Canadian producers will have backed away from their lawsuits. How do we get that back? We cannot restart those lawsuits. It works very well for the U.S. producers and the U.S. government.

Another point is that the export tax increases as lumber prices decline. Does that really work to the best interests of Canadian producers? I do not think so. It might work for the best interests of the U.S. producers, but the prices have tanked already, from about \$450 U.S. per thousand board feet to around \$270 U.S. per thousand board feet today and the export taxes are going up. We have the compounded problem of low lumber prices and increased export taxes. Is this in the best interests of Canadian producers? I hardly see that. When lumber prices are low that is when Canadian producers need all the help they can get.

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•(1625)

The member for Skeena—Bulkley Valley alluded to another reason why this is a bad deal and that is the anti-circumvention article. In a nutshell, this clause robs Canadians, within their federal government and their provinces, of sovereignty when it comes to forest policy. The U.S. is basically saying that if Canada does not do things the way it does things, then clearly Canada is subsidizing. I know for a fact that the auctioning of timber in the United States is not exactly a perfect market. Companies have bid on federal forestry timber and have been let off the hook later when pricing did not quite work to their advantage.

I have worked in the forest products industry. If a forest company wants to set up a lumber mill, an OSB mill, an MDF mill, or a pulp mill in Tennessee or Mississippi, the American government will put all sorts of incentives into its hands, whether they be sales tax abatements, property tax abatements, subsidized cogeneration energy, tax holidays of various descriptions, a whole range of things. Under our process, we cannot look at U.S. subsidies. We can only respond to the process in place, and that is fair enough because we agreed to that. However, the Americans should at least respect the process that is in place.

Is it too much to concede or believe that Canada might have a comparative advantage in softwood lumber? Our U.S. friends and neighbours to the south cannot seem to get a grip on this. I am prepared to say to the United States that perhaps it has a comparative advantage in IT or in other industries. However, Canada has a comparative advantage in softwood lumber.

A study done a few years ago showed that, in terms of total factor productivity, Canada's forest industry was 40% more productive than the U.S. forest industry. The problem the United States has is with the little sawmill in Portland or in Montana. What does it do with the workers if they are getting over blown by a very competitive industry in Canada. That is a U.S. problem and it has to deal with that.

There are other examples such as in Pittsburgh, Pennsylvania, which was a big commodity steel player. Steel companies could not compete with commodity steel because of the Asian producers. They became niche players and higher value-added players. Then Pittsburgh became a huge IT economy.

This is not our problem and it should not be laid at our feet. There are sawmills in the United States which cannot compete with our highly efficient mills. I have been to many mills in Canada and many mills in the United States. We should pride ourselves on the fact that we have some of the best sawmills in the world. The United States is now telling us that we are going to pay for this because of the softwood lumber deal.

We should never have cut a deal. This is a bad deal, and we should reject it on behalf of all Canadians.

Ms. Helena Guergis (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, the hon. member and his party, the Liberal Party, have to admit, and I have said this many times before, that they were content with 100% of nothing for the softwood lumber industry.

For 13 years they did nothing. They had calls for loan guarantees. They did not bother with them. In fact, just before the last election, they were prepared to sign a deal that was nowhere near as good as what the Prime Minister and our Minister of International Trade has achieved for Canada. We know this because our Minister of International Trade used to be theirs and now he is on this side. He had the leadership of this Prime Minister to go forward and accomplish this deal. Therefore, I give my appreciation to the Minister of International Trade.

This member has talked about litigation as though he thinks that if we win this one last court case that all of a sudden the Americans are just going to want to have a great working relationship with us, that we are going to get all of our money back and all will be solved.

I think the member is dreaming in Technicolor. This has been going on for 24 years. In fact, the last litigation has been going on for five years alone. The U.S. lumber coalition has told us that if we do not have this deal there is going to be continued litigation.

I do not know why the hon. member fails to listen to this and understand it because that is a fact. He talked about the Americans having deep pockets. He is darn right, they do, and they will continue to file lawsuits.

The member talked about this agreement suggesting that under the agreement that perhaps industry will be paying more in an export tax. That is not true. Nothing could be further from the truth. In fact, there is an administrative review that is scheduled for this fall, so that without this deal what producers are paying in duties will go up to almost 15%. With this deal, it will not go past the 15%. They will have some stability. They will know what is coming as the year goes on.

If we do not have this deal, the hon. member needs to also recognize that with continued litigation, that there would be of course new duties and they could be as high as 20%. If the hon. member could please explain to us why, first of all, his party did absolutely nothing for the past 13 years and why he is choosing to ignore 90% of the industry in Canada that is supporting this agreement? Why is he choosing to ignore that our three major softwood lumber producing provinces are supporting this agreement?

•(1630)

Hon. Roy Cullen: Mr. Speaker, the member for Simcoe—Grey is right about one thing. We did not capitulate during the 13 years. We tried to take the process through to completion.

I find it interesting that she talks about the administrative review. This is where the Prime Minister went down to Washington or Cancun and at that point in time President Bush had the opportunity to waive the administrative review; in other words to use his special powers to overturn the appeal request. So he was down there, they were all buddy buddies, “Steve” and George Bush. What did the government get? It gets this contrived agreement which sells out the industry and sells out Canada's sovereignty and foreign policy. What does the government get? It gets assurances about military cooperation and so on. President Bush looked pretty good.

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The problem is that this government said it would not support the industry. The reality is that if we leave \$1 billion on the table, and contrary to the challenge of the Byrd amendment which says we cannot take that money and send it back to the U.S. producers, and again the U.S. has totally ignored that, that money goes back to the U.S. producers. Yet, the Canadian producers are sitting there trying to fight the softwood lumber deal. The Canadian government said I think they were bluffing because they could not have actually lived through that because the industry would have had to have support from the government to fight the softwood lumber deal. Therefore, this was a contrived deal and the industry was coerced into agreeing to it.

I have just a final point. I know it is hard to imagine that we could outlast the U.S. on this, but the reality is that some of the big producers like Georgia-Pacific and International Paper were actually bailing out of this coalition in the United States. They were the people with the big bank roll. They were financing the coalition to challenge this agreement.

If the government had stuck to its guns the way it had said it was going to do when it was in opposition and said \$5.3 billion, no money to the U.S., then we may have found that the U.S. coalition might have started to tire of this.

I know it is hard to conceive that we would tire them out, but they are just as tired of this as we are and we are winning in every single way. I think the government should have done its intelligence and its strategic thinking a little better and I think there was an option there to say that we were going to outlast them. I think the deal is a bad one and should be rejected by the government.

• (1635)

The Acting Speaker (Mr. Royal Galipeau): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Don Valley West, the Environment; the hon. member for Skeena—Bulkley Valley, the Environment.

Resuming debate. The hon. member for Algoma—Manitoulin—Kapusksasing.

Mr. Nathan Cullen: Mr. Speaker, I rise on a point of order. I will be corrected by the Chair if I am wrong, but the previous lineup had me following my namesake from across the floor. If that is not correct, we can adjust it. Perhaps you can seek some advice from the list.

The Acting Speaker (Mr. Royal Galipeau): I have recognized the hon. member for Algoma—Manitoulin—Kapusksasing. Resuming debate.

Mr. Brent St. Denis (Algoma—Manitoulin—Kapusksasing, Lib.): Mr. Speaker, it is an honour for me to participate with my colleagues in the debate on Bill C-24, a bill which has very steep consequences for many forest communities across the country.

In my large riding of Algoma—Manitoulin—Kapusksasing, the forest industry is located along highway 11, whether they are sawmills, pulp and paper mills or panel board plants in Hearst, Kapusksasing or Smooth Rock Falls or workers who live in the small villages in between. On highway 17, there is a pulp and paper plant in Espanola, a sawmill in Nairn or Thessalon, forestry workers and

logging companies between Thessalon and Espanola, including Elliot Lake, Iron Bridge and Blind River.

These are communities like others across the country that are facing very difficult times, as some of my colleagues have talked about, with energy costs, exchange rates, even government regulation, and the competing demands for the forests and competition from other countries where forest fibres are very inexpensive. All these things and other factors combine to make it very difficult to operate, to be a worker, small business or contractor in the forestry sector. That is why it has been a real challenge for me to try to understand why the government came up with the deal that it did with the U.S.

The Liberals were in office until January for some 12 and a half years and were actually making considerable progress on that file. It is my understanding that in November, prior to the election being called with the help of the Bloc and NDP supporting the Conservatives, it was possible to have an agreement with the U.S. Whether it was better or worse I am not sure, but a deal was possible at that time and would not have been satisfactory to our communities and to the industry, so the government declined to proceed.

Instead, it took the advice of stakeholders. When people were asked if they wanted to settle with the U.S. industry, if they wanted to compromise the gains they had made, if they wanted to give away progress under the free trade agreements or, rather, pursue their legal rights in the courts, under the NAFTA trade panels or the WTO and negotiate, almost exclusively stakeholders, workers and companies said no. They did not want to negotiate, give away what they had gained in their efforts to find softwood trade peace with the U.S. They wanted a solution which was based in the law and due process.

We were getting there and in fact decisions, even since the government came to office, have proven the correctness of that position to follow due process and get what is right under the law and according to trade agreements. The government, sadly, has rushed to find something maybe to make the Americans happy.

I do not want to be too cynical, so I will not go beyond saying that much, but in a rush to find a solution, any solution it seemed, it was prepared to give away all the progress that was made. That is among the many difficulties in this agreement and one of the hardest things to take. Why give away so much progress?

Let me comment further by saying that I have talked to a lot of people in my riding. One person was Guy Bourgouin, president of the Steelworkers local 12995 in Kapusksasing, who wrote in a letter to me in late August:

However, despite this continuing success,—

The success I referred to:

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—Canada appears to have capitulated to American demands. Under the proposed deal we are still faced with restrictions on our access to the US market in the form of a tax and/or quota, we are agreeing to allow American oversight of our provincial forest policies, and we are leaving a billion dollars of illegally collected tariffs south of the border. To top it all off, there is nothing in the agreement to ensure the stability of employment in the forest sector or the ongoing viability of forest dependent communities.

● (1640)

Guy Bourguoin in Kapuskasing, president of that local, has summarized it very well. As well, I have talked to René Fontaine, the former Liberal cabinet minister in Ontario, who is so passionate about our forestry sector needing a good deal with the Americans, not this bad deal.

When we consider this deal, if there is one thing among the many measures that we would put at the top of the list of things required, it is stability, at least stability. It is the idea that the deal is bad, but if businesses at least could count on the bad deal for seven to nine years, maybe they could survive. The fact is that this deal can be cancelled by either side, Canada or the U.S., after 23 months. That is not stability. That is not what the industry needs as a top priority.

Yes, we have heard about some U.S. assurances in a letter, assurances that the U.S. will not just casually cancel a deal after roughly two years. What does a commitment like that mean? Our friends to the south went to war in Iraq claiming weapons of mass destruction. They had no evidence for that. So how do we accept some assurance, based on the letter, that they will not cancel this deal after two years? I am sorry with respect to our neighbours to the south who are our friends and our allies, but as neighbours we do expect to be treated fairly. Sadly, we are not.

Let me pick out a few other points that Guy Bourguoin raised in his letter. Let us talk about the over \$1 billion that has been left south of the border and which, as some of my colleagues have already pointed out, is being shared. Half of it will go to the industry.

We can be sure that at least some of it will find its way into a legal trust fund for some future challenge once this deal unravels. Those who challenge this deal will be well prepared when it comes to paying for lawyers, court fees, research and so on, whereas our industry has been told by the new government, so new that it is possibly too inexperienced to really understand when it has negotiated a bad deal, that our industry will not be prepared financially to fight back when the other side has a part or all of half a billion dollars to fight with.

The other half-billion is going to be administered through the White House, ostensibly delivering programs, maybe housing, and promoting the use of lumber.

How many among us would actually believe that any of that promotion is going to be of much use to the Canadian industry? I doubt very much that any of it will be of benefit. We are told that the Prime Minister's Office will be consulted on the programs. I will wait to learn if that is actually the case, but I doubt it very much.

There are mid-term elections coming up in the U.S. I suspect that the money will find its way into districts where the Republicans need some help. There is no interest on the side of the U.S. in using that money to help Canadian industry produce lumber here and sell it in the U.S.

I wonder if the stability of this deal depends upon one side or the other determining after two years whether it should abrogate the deal or not. Who is going to make the decision to abrogate the deal? It is not going to be this side. It is going to be the U.S. side. Our side wants stability. Our industry members are fair traders and they are not subsidized.

My colleague from Etobicoke North mentioned the natural advantage. Do we challenge the U.S. because it has more sunlight in a year due to the climate? No, that is its natural advantage.

● (1645)

We have a natural advantage that we are proud of. We have great workers in the industry and great communities, and we deserve a much better deal than we have been shown here.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I have a small question that remains unanswered. I put it to one of the hon. member's colleagues previously. Quite a few years led up to this flawed deal. There were also the previous negotiations by the hon. member's government, only to arrive at an equally flawed deal, one that was maybe even worse according to the government today.

They can decide what cabinet confidences were broken in the delivery of that news, but in all those years leading up to that, there was one thing about small and medium-sized producers in particular. Oftentimes the small and medium-sized mills are family based, with an extremely high ratio of investment dollars per job. This is an important ratio for people to understand, because as the consolidation of this industry has been going on over the last 10 years, it essentially has meant fewer and fewer players in the market, fewer and fewer manufacturers of wood, while provinces, and in particular the Gordon Campbell government in B.C., have increased dramatically the raw log exports going to southern mills and mills in other countries.

Anyone looking at the profile of the softwood industry knows that the greatest good is gathered at the processing level, not at the extraction level. While there are a few jobs out in the bush for taking wood out to the manufacturing level, there are relatively few in comparison to that. With increased technology, there are fewer still.

Through all of this consolidation, this larger format for companies, we have petitioned the hon. member's former government and the current government on loan guarantees, the ability of some of these medium and mid-size manufacturers to acquire the loan guarantees to allow them to compete with some of the bigger players in the market. Those requests fell on deaf ears in the previous Liberal government as well as in the current Conservative government. We simply cannot get anywhere with this. It is something that industry has called for consistently and New Democrats have joined them in that call.

Can the hon. member square this circle somehow and explain to me now how the Liberal Party is actually suddenly interested in those companies and those communities that have suffered for so long?

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Mr. Brent St. Denis: Actually, Mr. Speaker, I am very pleased to have the opportunity to clear the record. In fact, it was in the days before the NDP and the Bloc helped the Conservatives cause an election that the former Liberal government put on the table a substantial package including loan guarantees to provide funds to companies against dollars held illegally by the U.S. government. That program, that opportunity, was lost with the election, so I hope the hon. member understands that his party is partly to blame for the predicament facing the forestry sector in this country right now.

I will also say that it is now our position as the Liberal opposition that there be loan guarantees right now to help the industry through a very, very difficult patch. There have always been supports in one form or another to help with the implementation of new technologies, whether it was TPC or other Industry Canada programs like FedNor the case of northern Ontario, to help with the modernization of mills. To use an example, a pulp and paper mill in my riding got some assistance with technology improvement some years ago.

I do not want to speak for the hon. member, but I suggest that this is not really the issue he should be focusing on. In the forestry sector, the government says, some 90% of the people have signed on, but they have been forced to sign on. There are some major players who have not signed on. They will be penalized greatly if they do not sign on. They will have to come up with 19% of the money that is going to stay in the U.S. They will have to come up with their share of 19%.

The record of the former Liberal government when it comes to forestry is clear. We cannot do the provincial government's job when it comes to the forestry sector. The provinces have the principal role in managing the forests, but the federal government has always been there. This is the first time in a long, long time, I believe, maybe going back to the previous Conservative government prior to 1993, that so little has been made available except "take it or leave it", as we are seeing right now.

• (1650)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I have very much looked forward to my time to enter this debate. For a lot of members of this House, but now fewer and fewer of them, the ability to speak on the experience of watching what mills in their ridings have gone through in the last five to ten years is difficult. It is an extrapolation of the idea. It is an imagination of what it is for communities when they are faced with such trying times.

The reason that there are now fewer members of Parliament who have had that experience is that there are fewer mills across this country. In my region alone, not 30 years ago, there were 280 independently operated sawmills. The consolidation has left us with three or maybe four significant mills after all that time.

It is important for Canadians to understand the context of this deal. Many Canadians, particularly those living in urban ridings, may not have come to appreciate the magnitude of the destruction to the basis of our rural economy over the last decade. Not only have these illegal and punitive duties been slapped on by our American counterparts, but there has been huge devastation to the industry in

an amalgamation process that has left small and medium operators completely out of the picture.

As I was saying to a colleague earlier, there are so many aspects to the so-called deal we are looking at today that it is amazing a sellout takes this many pages to be written. I would think that the words "100% total capitulation" would have taken a page to a page and half at most, but I suppose that a lot of legal text and jargon was necessary to keep government lawyers funded.

For far too long, the communities I represent have been suffering under a burden of neglect by the previous Liberal government. Just when things were as bad as they could be, a pine beetle epidemic has swept across our region and now is heading over the Rockies. Unfortunately, the rest of Canada may come to appreciate what it is to watch entire forests devastated.

We have a provincial Liberal government in Victoria that is interested only in massive raw log exports, which does little. For people who are not familiar with the industry, let me say we truly know that the best and greatest advantage and benefit to chopping down a tree is what is done with it once it hits the ground. We simply must manufacture and add value. We have talked about this. Every politician across this country who is dealing with primary resources in any way, shape or form says that we need to transform our economy to add further value to the resources we are endowed with, to the endowment this country has.

Yet the government is forcing industry, the provinces and various players to sign on to a deal that works in a direction that is opposite to the investment needed to actually add value to that wood. In cahoots with the Liberal government in British Columbia, it continues to raise the number and the amount of raw log exports that leave our region. When those logs leave, so too do the jobs.

For small communities in the hinterlands of Canada, there is a struggle to understand why so little attention is paid to them. These communities understand that they might not have the great subway systems, huge art galleries, and the scatterings and smatterings of MPs around every street corner that Toronto, Vancouver and Montreal do, but they cannot understand why, after having contributed so much to the wealth of this nation, they are given so little due and so little attention.

Let us get to the deal itself, for while it is complex, the reading is fine and the conclusions are disturbing. Bill C-24 continues the unfortunate legacy of sell-offs and sellouts that Conservative governments have left Canada with.

The government initially went to the table for the FTA and then NAFTA. In that negotiation, the Americans wanted access to our energy. That was one of the clear negotiating pieces of the American interests. We know this because the negotiators who were at that table have since written books, essays and discourses on what it was like to be there.

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I remember one chief American negotiator calling it not so much a negotiation as a capitulation and a dictation from the American side. The Americans were dictating to us. They wanted access to Canada's vast energy resources. Energy resources were clearly seen as something important for the growth of the U.S. economy, but Canada was reluctant, knowing how important these energy resources were for our own growth. The trade-off became that the Americans would offer us a dispute resolution panel because they understood that the two negotiating partners were not in balance, that one was clearly economically stronger than the other, with the Americans having a larger, more powerful and protected market.

● (1655)

A dispute resolution panel was established to allow us to settle our disputes and now we have a deal that takes that dispute resolution panel and tosses it out the window. It simply says that when we win, when we are right, in fact we lose and we are wrong. All it takes is a certain amount of political pressure and opportunism by a government for us to get the short end of the stick one more time.

Ofentimes the government will try to talk about certainty and that the industry is looking for certainty. The investments that the softwood industry has to make are large and expensive and can only be paid off over a certain amount of time. Certainty for their products is important and yet, having just cut a cheque for \$450 million to put into the war chest of the lobbyists who first launched this agreement against us, leaving over \$400 million in the coffers of the very same people who are fighting and illegally pushing the U.S. Congress and Senate to put tariffs on our own duties, we have ensured anything but certainty. We have ensured that this fight will continue another day, because what else is one going to do with \$450 million, if one is a lobbyist for the U.S. softwood industry, other than go after the Canadian industry and ensure that a fair fight cannot be fought?

We have also left half a billion dollars for President Bush's electoral campaign in November. I am not sure if such a sizeable cheque has ever been written by a Canadian government to assist a Republican president, but certainly the Americans are thankful. This is money well needed by an administration in the United States that is on the verge of bankrupting its own nation. It is so-called conservative economics at play once again.

What about the money returning to Canada? I have spoken with some of the CEOs who have been advocating for this deal and I asked them what encouragement the Canadian government gave them to take the 80% of the money that will be returned and actually invest it in Canada. Their reply was that the government had given them no encouragement to invest a single dollar in Canada.

While the money is supposed to be returning, many of these companies involved in this negotiation, due to the consolidation that has happened in this industry for the last decade or more, work both sides of the border. They have plants and operations on both sides of the border. Canadians need to ask themselves, if a company has mills both in Washington state and in British Columbia, why would it process a stick of wood in B.C. if it can move it across the border as a raw log and avoid the punitive tariff that our own government is placing upon a processed piece of timber or product. Why would anyone invest a nickel in an operation where they eventually will be punished for processing that wood?

It has created a disincentive for Canadian and multinational firms that operate in Canada and actually invest in Canada and create the types of jobs that we all hope for, for all these communities that have been through so much over the last number of years.

As time runs down, it is important to talk about the producers who are actually affected. I am thinking of a sawmill in one of my communities, which is Terrace, that has been through much. It is struggling to get reasonable access to timber to provide 60 or 120 jobs. For a community of 10,000 people that has struggled so much with an absolutely disastrous housing market and little space and room for companies to invest, this was important. They are looking at this deal as a small producer and wondering where they are in this.

A second important piece of what we have capitulated here is a basic notion of sovereignty, about how it is that we manage the forestry sector. Every member of Parliament will know that it is now provincial jurisdiction. The provinces decide how and where to cut wood and under what stipulations. However, in Article XVIII of the agreement, neither party shall take action that circumvents or offsets the commitments set out in this agreement and specifically any change in a provincial timber pricing or forest management system as it existed on April 27, 2006.

It is black and white. Washington has the ability to dictate terms over the provincial government's own jurisdiction, which our own federal government does not have.

What is important is that the system and the sellout that has been signed determines the cap by region and once that cap is broken then the duties start to increase and the tariffs and penalties go up. When a company chooses to flood any particular region with wood, it will punish a company that chooses not to. This is collectivism gone wrong. It is insane. How can we punish a company down the road that is actually abiding by the law when it is a larger company, which is what it will be, that wishes to glut the market?

● (1700)

This is a bad deal for communities and a bad deal for Canada.

Ms. Helena Guergis (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, I would like to ask the hon. member why the NDP members never pushed for anything for the softwood lumber industry when they made their backroom budget deal with Paul Martin. They had an opportunity to pretty much ask for anything they wanted at that time but they never really cared.

The Acting Speaker (Mr. Royal Galipeau): I am sorry to interrupt the hon. member but she is an experienced member and she knows that we do not name by name other members of the House.

Ms. Helena Guergis: My apologies, Mr. Speaker.

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I wonder if the hon. member could please let us know why the NDP did not care about the softwood lumber industry at that time or care about Canadians and the forestry industry then. I would like an explanation.

Mr. Nathan Cullen: Mr. Speaker, I heard the call out around the House that it was a fantastic deal.

Let me talk about the NDP budget for a moment because it was a remarkable moment in parliamentary history. For those of us in the House who have studied the history of this place in any fashion whatsoever, we know that never before has an opposition party rewritten a budget, and what a budget it was.

We had \$4.5 billion in an unannounced tax cut for the largest and most successful corporations in Canada that had not even asked for. It was not even mentioned in the pre-consultation arrangements by the government. The previous Liberal government suddenly popped up and said that the money was an early Christmas present. The NDP stood up on principle and said “absolutely not”. This was the first time in Canadian history that something like this happened. It was remarkable to watch the Liberal Party of Canada follow through on a commitment that it had made in an election. Thank goodness it took the New Democrats to actually make that happen. We saw \$4.5 billion being invested into what Canadians actually wanted, such as post-secondary education, environmental initiatives and in overseas funding of international programs, which were things we all talked about and wished for.

I remember when the leader of the New Democratic Party stood in the House and asked the then prime minister if he would consider changing his budget. Lo and behold, the prime minister said that we should make him an offer and did we ever. We made an offer that worked for Canadians. It is just one of the most remarkable things to still talk about.

I thank my hon. colleague for the opportunity to once again talk about what was one of the most remarkable moments in our history as a House of Commons.

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I wonder if my colleague would comment on the issue of raw log exports. I know this is a big deal in his part of the world.

I had the great pleasure to do some work up in Stewart, British Columbia on the issue of raw log exports. It is an important and sensitive issue. Why should we be exporting raw logs when we can process them here in Canada where there are very strict rules about how that operates?

It was in the third countervailing duty battle that the U.S. imputed a figure of something like 6.8% or 6.9% of a total countervailing duty claim of around 15%. The U.S. argued that restricting the export of raw logs was an effective subsidy because it had an effect on domestic log prices and deflated them, et cetera. If that were adopted, we could not really set our own forest policy in Canada and say that we want more value added in Canada.

More recently, a Chapter 11 lawsuit has been filed by a big U.S. company that has some private land in British Columbia. It wants to export its raw logs into its sawmills in the United States. That has been denied so it is suing under Chapter 11.

Could the member comment on raw log exports in the context of this deal, particularly the anti-circumvention clause that might allow the Americans to say that we now need to export raw logs to the U.S., raw logs in British Columbia that are feeding U.S. sawmills in Washington state and Oregon state? I am not talking about a few logs. I am talking about maybe enough logs to feed three or four sawmills in Washington state and in Oregon.

What does the member for Skeena—Bulkley Valley feel about this deal in that particular context?

• (1705)

Mr. Nathan Cullen: Mr. Speaker, let me talk about the NDP budget a little bit more.

The important thing to consider, when we look at raw log exports, is to understand the vastness of the economic damage done when we take what is Crown property and simply chop it, chuck into the ocean and ship it down in massive booms to the United States, and sometimes to other countries by putting it on container ships, only to have the Americans process the wood and sell it back to us. This is a large amount of revenue that is lost to federal, provincial and municipal coffers when processing jobs are moved out of the country and put somewhere else.

I actually do not share my hon. colleague's concern about the Americans wanting to pull out of this deal in the next 18 months because it is such a good deal for them. When they can use many different elements to hammer away at us and destroy the very basis of the manufacturing base in British Columbia and other provinces, it would be insane for them to pull out of this agreement. Our government could have arranged a better deal, and it knows it, but the previous government did not even try.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I am pleased to speak today in opposition to this flawed bill.

In my riding of Nanaimo—Cowichan, forestry has been a long and proud tradition. We have a long history in forestry, the sawmills, the pulp and paper mills and the men and women who have worked in the forestry but we are seeing dislocation in my community that is impacting not only the workers and their families, but also their suppliers. It is impacting on municipal councils and cities to make long range plans and decisions that will support the vitality in our communities.

I want to remind the House why this is such a bad deal for Canadians and for British Columbians. Many of my colleagues, including the member for Skeena—Bulkley Valley, have spoken quite eloquently around the impacts, but I think some of these points deserve repeating.

Part of the reason that this is such a flawed agreement is that it is based on some falsehoods. Let us just call it what it is. It is based on the falsehood that the Canadian softwood lumber industries are subsidized. This falsehood has been exposed and rejected time after time by both the NAFTA and the U.S. commercial court rulings that have ruled in favour of the Canadian softwood lumber industry.

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This agreement gives away \$500 million in funds that are owed to the Canadian softwood industry. This is just a massive giveaway to the U.S. industry and to the U.S. government.

We often talk about accountability in this House and when we talk about accountability we expect good value for our dollar. I would question the fact that we are giving \$450 million in funds to the Bush administration, funds that can be used at the discretion of Congress with no accountability attached to them. It seems to me to be a very strange way to talk about accountability.

I heard an echo in the background here talking about subsidy, and it does seem like a subsidy to activities that are detrimental to our industry here in Canada.

The other thing we talked about is the fact that this agreement can be cancelled unilaterally at any time. With that kind of uncertainty, how does that provide any stability to our softwood industry? We have seen this lack of stability played out over the last number of years as companies have been unable to invest in upgrading their equipment, as we have failed to invest in training and education for workers, as we have failed to provide that stability to our small communities.

This agreement also kills the credibility of the NAFTA dispute settlement mechanism. I have already mentioned the fact that we have had these rulings in our favour. This agreement goes outside of the NAFTA dispute settlement mechanism and goes ahead and talks about the fact that part of these illegally obtained \$5.3 billion in duties are being sent back to the U.S. to fund further activity against Canadian softwood. It also does nothing for the thousands of workers who have lost their livelihood over the past five years. There is nothing in the softwood lumber agreement to deal with the major disruption that the U.S. abusive trade rules have caused to working families and their communities.

I talked earlier about my own riding. Whether we can directly attribute this to the softwood lumber industry or whether it is a secondary spinoff, we have seen mills close. The Youbou mill in my riding closed four years ago but I continue to hear from people who talk about the impact this has had on their livelihood and on their families. Some of those workers are still not employed on a regular basis four years later.

A little later I will talk about some other spinoffs that have happened that have put the continuing squeeze on this industry, and some of this is about actual deaths in the woods.

While the softwood lumber agreement supplies \$450 million of Canadian money to the U.S. to help U.S. communities and workers, there is not one cent in this agreement for the transition for our own workers in our own communities. Many of the workers in our communities have already been displaced. Where is the funding for training and education that helps with the transition that is taking place daily in this industry? Where is the recognition of the value of the workers in our own communities who deserve to have some assistance with training and education as the industry changes? Some of these training and education dollars should go directly toward helping people gain the skills as the industry itself changes but some of these funds also need to be applied to help workers who need to transition out of the industry.

● (1710)

One of the other things, which is hopefully is an unanticipated consequence of the agreement, is that many people feel that this will discourage value added production and stimulate raw log exports. The deal fails to close a loophole that gives raw logs from private lands a competitive edge over logs processed here.

On Vancouver Island, in my riding, a significant proportion of the land is private land. The softwood lumber agreement fails to secure that those logs would be processed in British Columbia. People talked about a made in Canada solution. We do need a made in B.C. and made in Canada solution that considers our industry, our workers and our communities.

The member for Burnaby—New Westminster has consistently called for hearings that to take place from coast to coast to coast so communities, labour and industry have some input into crafting the agreement. I would strongly urge the House to support the fact that we want to see these hearings in communities across the country.

There is also a voice that has been absent in this agreement. I believe first nations were only mentioned once or twice in this entire lengthy document. First nations must be at the table and must be considered in the consultations around softwood. In British Columbia, in particular, we are engaged in treaty process, land claims and the management of resources. First nations must be at the table as equal partners in any discussions that go forward.

I want to talk a bit about statistics, and I know many in the House are thrilled with statistics. There is a need for an industrial strategy in Canada. According to the B.C. government, since 1999, British Columbia has lost 20% of our workforce alone. The workforce around direct forestry activity has declined from 31,000 to 21,000. This kind of massive dislocation in an industry calls for a national strategy. We as a country must determine whether we will commit to us being a processor, a hewer of logs, and we must have an industrial strategy that talks about the kind of reinvestment that keeps us competitive, both domestically and internationally.

According to the United Steelworkers, and it uses the government's own statistics on this, we can talk about the value that is lost both in our province and in our country. In 2001 logging produced revenues of \$5.2 billion while solid lumber and pulp and paper mills produced revenues of \$11.2 billion and \$6.5 billion respectively. It is clear that the real value in our wood is when it is milled, not when it is shipped as raw logs. For every \$1 million that forest companies invest, they create 3.9 direct jobs in their industry and 5.9 indirect jobs. In 2005, 3,300 direct jobs were forgone due to exports, which means \$250 million in lost earnings.

If we just want to talk about economy, we need to talk about the fact that the more we do closer to home, the more it results in not only direct jobs in our community, but indirect jobs in terms of suppliers, transporters and all those other industries that support our forestry industry.

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We talk about economics and industry, but let us talk about real life, on the ground, what happens to people in their families and their lives. Overall it feels like there has been increasing pressure on industry over this last several years and there has been little relief for them. The NDP has called for loan guarantees to help the industry over this tough time. We have called for an additional investment in training and education. The sad reality is there is increasing pressure on the industry. This agreement contributes to that overall pressure.

I talked about this being not just about dollars. I want to talk about last week's inquest into the death of Ted Gramlich in my hometown of Duncan. As a result of this inquiry, a number of health and safety issue have been exposed about the new regulations in the B.C. woods.

Responsibility for health and safety has been downloaded to individuals and contractors instead of the companies that buy the wood, creating huge gaps in the safety net. Last year 43 loggers lost their lives on the job. The Vancouver Island Loggers Safety Group continues to work to raise awareness among politicians and the private side as a whole.

My time is up, but I make a plea to the House to consider the impact, not only on the industry, but on communities and individual lives. This agreement will have a long ranging impact. I would urge us to think very carefully before members of the House support such a deeply flawed bill.

• (1715)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I thank my colleague, the member for Nanaimo—Cowichan for expressing her passion for this issue and the experience she brings to it. Many members of the government seem lost on what it is to process a stick of wood and what it is to add some value and create the type of wealth for communities like hers and for many of the communities that I represent. This deal is an excellent sell-out. It is quite remarkable in its consistency page after page and in its depth of advocating the interest of exporting more jobs to other countries and then buying the products back.

The member quoted the statistics from British Columbia, 10,000 jobs out of a sector. If there are other sectors maybe a little more politically salient for the new government and for the previous government, we would have had a deal that would have actually met the requirements of our country and our interests.

Could the member comment on what the effects are in the community of Nanaimo and those surrounding it when even a single job or a set of jobs from a particular mill are lost and moved across the border or overseas?

Ms. Jean Crowder: Mr. Speaker, I will talk specifically about British Columbia in this context because it is one of the largest softwood lumber producers in the country. Ninety-five per cent of the land in British Columbia is provincial crown land.

I talked earlier about an industrial strategy. It seems to me that between the federal government and the provincial government we need to reinstate that social contract that says that when we have crown land where we are producing logs, there needs to be some direct benefit to Canadians.

We see forestry workers cutting logs. We have seen transportation benefit from shipping the logs south. However, I know the Steelworkers, local 180 in my riding, is clearly calling for an industrial strategy that says that these forests must benefit all of British Columbia. We must reinstate the social contract that says not only do we cut the logs, but we process them close to home and that we ensure our communities remain viable and sustainable and our communities benefit directly, which keeps our province health and vital. We should not just be hewers of logs who ship them somewhere else to be processed.

It is absolutely critical that we examine the softwood lumber agreement in that light and that we call for those reinvestments in industry and in our communities.

• (1720)

[*Translation*]

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, I am very pleased to speak to the House about this agreement, which I feel is inadequate and does not represent the best interests of Canadians everywhere.

When we entered into a free trade agreement with the United States, we did so with certain reservations. Indeed, we were negotiating with a country whose economy is so much larger than ours, a country that is much more powerful and that tends to be very protectionist within its borders.

There are certain advantages, however. We have the advantage of access to enormous markets. We are producers and exporters, and our primary markets are in the United States. We therefore entered into the agreement.

We now see that, rather than defend that agreement, defend ourselves and our producers, we are being forced to sell out to American interests.

We are upholding our responsibilities in the agreement. We must still sell them oil and other products on which a dependence has developed. We must live with that agreement on our side, but the advantages are suddenly disappearing. It begins with losing these advantages concerning forestry and we fear just how far it can go.

What other industry must we sacrifice in an agreement so that the Prime Minister might one day be invited to the presidential ranch in Crawford? What other sector of our economy are we going to abandon?

[*English*]

The government boasts about the number of entrepreneurs, mills and producers who have signed on to this agreement. The inquisition boasted that all the witches they burned at the stake had also signed some declarations of guilt, but they were forced to do that.

Government Orders

We see that in this case. Industries and provinces have told us that they have been coerced into signing an agreement that does not advantage them. They say that it is not a good deal and that they do not like it. In April they started a process that they could buy into, where there was a framework agreement and they could have discussions. All of a sudden, producers were left out of those discussions.

A few had discussions. The minister ensured that a few large ones were taken care of, the ones he has an interest in and has had an interest in the past, like Canfor. If organizations represented mills or producers in more than one province, they were not part of those discussions. Most of the producers were left out.

We have entered into an agreement where we maintain our responsibilities and give the U.S. \$1 billion for partial access to its market. It is our money, money that tribunals at the WTO and NAFTA have agreed belongs to Canadian producers. We give it to the Americans and while we can continue to sell in their market, it is under their terms. There will be quotas, there will be taxes and it will cost us.

How do these taxes work? When the price goes down and producers are squeezed, they have to start paying an export duty at a time when they can least afford it. Everyone understands, as I do, that accelerates the risk of bankruptcies, closures and foreclosures.

If for some reason the Americans do not like it, they can step away from the deal, but they keep our money. That is about the equivalent of a kidnapping. We catch the kidnapers with the victims, we bring them to court, go through a preliminary hearing and trial and all the evidence is in our favour. However, right before the jury comes into the room, we strike a deal and say that they will not be found guilty and they can keep the ransom money. If at any time they are not happy, they can come back, get the victims and ransom them again. This is the deal that has been struck, and we are proud of that.

We have seen once again that there are giants in the forestry sector. Canfor is a giant, and the minister of Canfor understands that, and there are smaller ones. There are shrubs, little bushes. There are people like the Prime Minister, a shrub who will do anything to have an agreement with the U.S. President. He will profit. I have no doubt he will get to the ranch and he will be happy, but where will we be left?

How have these mills been coerced into signing? They are in debt. They have been through a long battle at NAFTA and WTO. They have had restricted access and have had to pay ransom money to the Americans. They are in trouble and the banks have been backing them. If the mills sign on, the banks will get their money back. Therefore, the bankers are putting the squeeze on these mills and they are signing on. The bankers are going to get their money and the mills are going to be okay for a little while.

We see the downturn in the U.S. economy. Eventually we are going to hit those magic numbers, and I think it will be immediate, where they have to start paying ransom or where there is limited access. Do members think the banks will be supportive and allow the mills to go into debt again? The banks will realize there is no more money they can get back from the Americans and support from the

federal government will not be there. Therefore, we will have an accelerated round of closures in our Canadian softwood industry.

Again, that plays into the hands of the gentleman and his friends from Crawford. The Americans will have \$1 billion of our money. We will have a lot of softwood capacity, the best in the world, that will be on the market, some of the medium sized and smaller ones, which I am sure they will be very happy to buy at discount prices. We are abandoning that industry.

• (1725)

Mr. Speaker, you might ask as an astute observer why a member from Atlantic Canada would not support this deal. Atlantic Canada is not included in the agreement. From the very beginning, there was an understanding on the U.S. side that because Atlantic Canadian forests are largely owned by the private sector and individuals, and the cost of cutting the wood is higher, that there is no level of subsidization. No argument was made. The Americans said we would be exempted from any restrictions.

The Americans might do that because they think we are fine little people who cut their trees without making noise and saw them ecologically, and get them to the market in a very nice way, or the Americans could be trying to divide our industry. The Americans could be trying to put a wedge in the industry, where they have one part of the country working against the other, where it makes it difficult to have a national forward looking policy, approach or lobby of all the producers in this country.

Immediately, we have a disagreement because there is a slight advantage for Atlantic Canada because we continue to have access and we have some stability in the market. Our producers know where they are going. They know they are not paying duties and they know they will not be paying duties to have access to the U.S. market and so that is quite good.

However, what will happen when we start having all the closures and downsizing in other parts of the country? What will happen when the access is restricted or they cannot financially export to the other parts of the country and we start having increased competition in the niche markets that we have in Atlantic Canada? Will this be good for Atlantic Canada? I do not think so.

I think Atlantic Canada is the most important part of the country of course, but it is a part of this country. Atlantic Canada does well when the country does well. We depend on trade with the U.S. in many areas, from high technology, repair in the military of the IMP in Halifax, to fisheries products in my riding, tires in the three large Michelin manufacturing plants that we have, oil and gas exports, oil and gas manufacturing, ship manufacturing, and ship repairs. We depend on exports and we depend on our markets in the U.S.

Private Members' Business

If we start looking at NAFTA and start tearing it apart, start taking away the Canadian advantages and only keeping the Canadian responsibilities, our region is no longer advantaged. All of sudden we will see that we cannot ship into that market. We will see our oil and gas and our primary resources going into that U.S. market. We would be forced by this agreement to send it there without advantage.

I believe for Atlantic Canadians, like for all Canadians, that it is important that we study this deal very seriously, that we look at it, that we see what it means, and that we not support this agreement.

Furthermore, however I see that I am running out of time, so I will return tomorrow for questions and comments.

PRIVATE MEMBERS' BUSINESS

• (1730)

[English]

DNA IDENTIFICATION ACT

Mr. Mike Wallace (Burlington, CPC) moved that Bill C-279, An Act to amend the DNA Identification Act (establishment of indexes), be read the second time and referred to a committee.

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I rise on a point of order. On May 31, 2006 you invited members to comment on whether Bill C-279 would require a royal recommendation.

Without commenting on the merits of this private member's bill, I would appreciate your consideration on whether this bill requires a royal recommendation, since the bill proposes the creation of two new indices and modifies the purposes of the existing act.

The Speaker has previously ruled that the creation of a new office or purpose involves new costs, and therefore bills proposing such new offices or purposes require royal recommendations.

On November 22, 2004 your Honour ruled that a royal recommendation would be required for Bill C-243, an Act to amend the Corrections and Conditional Release Act (establishment of the Office of Victims Ombudsman of Canada). In that ruling, you noted that:

—this bill would create the position of victims ombudsman of Canada, with remuneration for such officers and employees as are necessary to perform the functions and duties. It is abundantly clear that this legislative initiative would authorize the spending of public funds.

Similarly, on June 13, 2005 the Chair indicated:

Where it is clear that the legislative objective of a bill cannot be accomplished without the dedication of public funds to that objective, the bill must be seen as the equivalent of a bill effecting an appropriation.

The purpose of the existing DNA Identification Act is to help law enforcement agencies identify persons alleged to have committed designated offences. I would note that this Act was accompanied by a royal recommendation.

Section 3 of Bill C-279 would add an additional purpose, which is to identify missing persons via their DNA profiles.

Section 4 of Bill C-279 would follow-up on this additional purpose by requiring the establishment of two new indices under the national DNA databank to be administered by the databank commissioner.

Given that it would create an addition purpose and new program requirements which would modify the purpose of the DNA Identification Act, and result in significant new expenditures, the bill should be accompanied by a royal recommendation.

The Deputy Speaker: Are there any other interventions on this point of order? If not, I recognize the hon. member for Burlington.

Before we commence debate, the Chair will take the point of order under advisement and the parliamentary secretary will hear back from the Speaker in due course.

Mr. Mike Wallace: Mr. Speaker, there are nearly 100,000 missing persons in Canada every year. Over 6,000 missing person cases are currently unresolved with an addition of over 450 coming online annually.

There are currently 15,000 samples of unidentified DNA recovered from crime scenes across the country currently stored in the RCMP's national DNA databank in Ottawa. As well, there are hundreds and hundreds of unidentified Jane and John Does in morgues all across the country.

Restrictions to the current DNA Identification Act make it impossible to match DNA to those thousands of missing persons in the country. Given the need for an MPI, or missing persons index, a DNA databank, and the widespread support from Canadians, law enforcement professionals, the provinces and territorial governments, DNA indices for missing persons should be created as soon as possible.

Bill C-279 amends the DNA Identification Act to provide for the establishment of a number of indices to help law enforcement agencies search for and identify persons reported missing. We must help families bring closure to the disappearance of their loved ones.

I would like to explain how Bill C-279 would work. Coroners and police use a variety of methods to identify human remains. These include: dental records, fingerprints and hair samples. In some cases DNA technology is used on a local basis and often on a case-by-case basis. This is not systematic by any stretch of the imagination and it does not use a comprehensive database. Jurisdictions cannot easily work together on human remains cases.

Private Members' Business

Currently, there are about 500 sets of unidentified human remains in Canada. Approximately 100,000 missing person reports are made to the police each year. Most cases are resolved quickly. About 6,000 are ongoing cases of missing persons and that continues to grow annually and it grows exponentially.

The federal government has jurisdiction over the Criminal Code. In cooperation with the provinces and territories, it has established the national DNA databank that is used for criminal investigations as we just heard. I want to use the same type of technology to help families finally find their missing loved ones.

A national DNA MPI, or missing persons index, would reassure families of missing persons that current and future unidentified found remains can be checked on a voluntary basis across the country.

Many stakeholders also believe that an MPI might also be of assistance in certain ongoing criminal investigations while still being consistent with the humanitarian principle of an MPI.

I would like to highlight some of the key elements of Bill C-279. A number of new DNA indices would be created to help find missing persons. The provinces and the territories have been working over the summer to help develop a new MPI regime.

The bill provides for a full cross-checking between all profiles held in the MPI and those held in existing crime scene indices and a new human remains index. Bill C-279 proposes to incorporate an MPI into the current provisions of the current DNA Identification Act.

I will be frank. Some amendments are needed and I am willing to work with the committee of the House of Commons to make that happen. For instance, I have had feedback that we need to better identify the definition of what a missing person is and I am more than willing to work on that.

The use of a police report that actually starts the process is not identified in the act and needs to be there. Finally, another piece is the role of the RCMP Commissioner which is defined in the act but needs further clarification, and at committee I am more than willing to work on this issue.

• (1735)

All amendments through the committee will bring clarity to the issue of federal-provincial jurisdiction.

At present, the national DNA bank enables electronic matching between and within two indices: the convicted offenders index, which is basically DNA of those who have been found guilty and convicted of designated offences; and the crime scene index, which is really important to my MPI as it contains the DNA profiles found at crime scenes. They are kept at the data bank and are there for use for my MPI cross-checking.

The national DNA data bank has been a major success in improving public safety. Close to 6,000 matches have been made that have either solved or assisted police in investigations of serious offences. There are about 130,000 profiles in the national DNA data bank at present.

In late 2003, federal, provincial and territorial justice ministers mandated a working group to explore and recommend options for a national MPI. A core principle was to do no harm to the existing criminal law DNA regime. All agreed that an MPI would require provincial and territorial support and participation to be effective.

The federal, provincial and territorial working group significantly advanced this work through public consultations and focused on legal and privacy issues, definitions, and costs. Specialized consultations were held with the Office of the Privacy Commissioner, the National DNA Data Bank Advisory Committee, the ministries of justice and public safety, and other key stakeholders.

In recent months, the working group has formulated its discussions around my bill, Bill C-279. It is preparing a report to the federal, provincial and territorial ministers of justice at their meeting to be held in Newfoundland early in October. Bill C-279 will be an important part of the agenda at that meeting.

Here are what my expectations are.

I envision a national system operated by the RCMP, established by the federal government with the support of the provinces and the territories. Their participation would likely be on a voluntary basis.

Missing persons would be broadly defined in the legislation. Working with our provincial and territorial partners, we would use regulations and guidelines that would allow for local flexibility and best practices in all areas of this country.

MPIs, missing person indices, containing DNA profiles would also be created. These indices would include those of human remains and personal effects from missing persons. If someone's son or daughter went missing and there were hair samples in combs or brushes, those types of things could be used in an index. In addition, we could use family DNA, so if it is a brother, sister, daughter or son, DNA could be provided that is close enough for matching purposes.

These indices would allow for selective and strategic cross-matching among all the indices, all the MPIs, and the other DNA indices that already exist.

I would like to acknowledge the hard work of the Minister of Natural Resources, the member for Saanich—Gulf Islands, on this file. He started this process in 2003 and has been a great leader for me in terms of helping me understand the process and the issues and bring this bill to the House today. I appreciate all the efforts he and his staff have made on my behalf. He has affectionately named this bill Lindsey's law, after Ms. Peterson's daughter, Lindsey. Ms. Peterson is from British Columbia, his home riding.

Private Members' Business

Lindsey was a 14 year old when she disappeared while walking home down a rural road near Courtenay on Vancouver Island. She had planned to meet her friends, and like many other teenagers who live in rural communities with limited bus service, she decided to hitchhike. What should have been a 10 minute ride has turned into a 13 year nightmare because the blond-haired, green-eyed teenager never made it to where she was going.

Since that day, Lindsey's mother, Judy Peterson, has struggled with the questions that surrounded her daughter's disappearance. Ms. Peterson hoped answers about Lindsey's fate could be found through DNA matching, but her hopes have been put on hold until Canada's DNA legislation catches up with technology.

• (1740)

The importance of DNA identification has gained widespread media attention. Ms. Peterson has personally worked very hard to lobby government for changes to the DNA legislation.

I also have a Lindsey. Unfortunately for us, one time she went missing. It was the worst few hours of my life when my young daughter was missing. The reason I took up this bill was to make sure that it did not happen to me again, or to any other family in this country. I cannot imagine the grief of someone who is missing a family member year after year after year.

We have the technology. We have the ability to make it happen. We are sent here to make a difference for Canadians. This is the type of bill that would make a difference to everybody's life across this country.

In closing, the amendments for the use of the proposed indices can be easily put in place. Canada is a DNA leader and it is time to put our technology to use. Lindsey's law is the next logical step. It is time.

Given the need for a DNA data bank and the widespread support from Canadians, law enforcement professionals, provincial governments, territorial governments, a DNA data bank for missing persons should be created as soon as possible. It would bring closure to families of missing persons. It would help law enforcement professionals do a better job. It would reflect Parliament's commitment to families who have been missing loved ones for far too long.

I ask for everyone's support on my private member's bill. I am willing to work very hard at committee to make the changes that are necessary to put this into place.

• (1745)

The Deputy Speaker: We will now have a five-minute question and comment period.

The hon. member for Malpeque.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I recognize the work the member and the member for Saanich—Gulf Islands have done on this issue.

I cannot understand why the intent of this bill has not already been accomplished. The process was set in place. The RCMP admitted in 2003 or 2004 that it did have the technology to deal with this. Yes, we hear about the issue of privacy from Department of Justice

officials. Privacy should not be the issue. There are ways around that, because the permission of the families is in fact required under the proposal from the member opposite.

I agree that we should be using DNA as the tremendous tool it is to bring closure to the families of missing people. They were deeply involved in the bill. I personally met with Ms. Peterson and support her request for this legislation.

The member in closing said "as soon as possible". Is he working with the ministry on that side of the House? Is there any way possible that the government could bring this forward as a government bill? There is no excuse not to.

I think we on this side would be supportive to a great extent on that move because he is right that this should be implemented as soon as possible, and as soon as possible really was about two years ago.

Mr. Mike Wallace: Mr. Speaker, I want to thank the member for all his support. Since introducing this bill, he has been very supportive of the efforts of making this happen.

I would like to share some good news. Tonight, obviously, we are debating the bill at second reading. There is about an hour of discussion. The good news is that I think in Newfoundland, the Minister of Justice and the Minister of Public Safety will be discussing the bill with their provincial counterparts, and they have the attitude of making it happen. I am not in a position to say whether it will become government business and whether it will become a government bill, but I can assure the member that I have met not only with the RCMP but with all the ministry staff and all the administrative side. They all are looking at trying to make this happen.

I fully expect that if it continues as a private member's bill there will be a second hour of discussion shortly after the October event in Newfoundland. I am hoping that we will be able to get this to the floor for third reading and passage as soon as possible.

[Translation]

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, clearly, we are all very sensitive to the issue raised by the hon. member in his private member's bill. This is the second bill we have seen on this subject.

Has the hon. member considered the constitutional problems raised by this bill? If so, does he have any solutions?

[English]

Mr. Mike Wallace: Mr. Speaker, the constitutional issues were brought to my attention when I first brought the bill forward. The working group has representatives from all provinces and territories through the justice department and they have been working on those issues over the summertime.

The feedback I have received thus far is that those constitutional issues have been addressed or can be addressed. There are amendments that need to be made which are minor in nature, but it can be done constitutionally and it can be done with respect to all of our partners, all the provinces and all the territories.

Private Members' Business

• (1750)

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, I want to thank the hon. member for his worthy initiative. I have some experience with private members' bills and know how difficult it is to get a bill on the floor, have the bill debated, and get a bill in and out of committee and back. I was fortunate enough to actually have a private member's bill receive royal assent, which is one of the prouder moments of my parliamentary life.

An hon. member: It slipped through.

Hon. John McKay: Yes, it slipped through. I sometimes wonder whether I have any friends on either side of this House.

I did note the enthusiasm with which the government stood up and said that this bill would require a royal recommendation. It is a bit of an attempt on the part of the government to take the wind out of the sails of the hon. member.

I want to talk, if I may, in what I hope the member will interpret as a constructive fashion and ask a number of questions on what I see as difficulties in the bill that I think the committee needs to address. The bill does put up a number of difficulties that all members need to wrestle with.

There is no argument with the principle of the bill and, as the member for Malpeque said, there is no real issue with respect to the need for something such as this.

The first area of concern is this: what is a missing person? This is no idle question. What is a missing person? There are a variety of indices and I will expand on that further along.

The second area of concern has to do with privacy issues. As can be appreciated, the individual right of persons to control their personal information, their DNA, the very core of who they are, is a paramount right in our Constitution and in our society. That needs to be addressed by the mover of the bill and explored thoroughly by the committee.

The third issue has to do with that famous old Canadian chestnut, provincial rights and federal rights. This is not merely an academic question, because, generally speaking, the police forces are not federal, with the exception of the RCMP, so presumably we would want access by the police who are municipal police officers, provincial police officers and federal police officers.

The other question is, do we want access to international data banks? If there is access to international data banks such as, for instance, those of the FBI and the CIA on missing person indexes, what are the protocols that would come up with respect to that issue?

The other question that has been alluded to by the hon. member is with respect to who is going to pay for this. How are the costs going to be shared?

The final issue I wanted to raise in our first hour of debate with respect to this bill has to do with the methodology that is used to collect samples. There are two essential methodologies currently in existence. The first one is a nuclear collection of DNA, which is a relatively inexpensive collective of DNA samples. The second is a much more expensive one, a mitochondrial collection methodology.

There is a question of resources. Would we actually use the most expensive methodology to collect? The bill is silent on this point. Again, this is an issue that needs to be addressed.

Let us start with the fundamentals, that is, what is the definition of a missing person? The bill is actually silent on this point. It has no definitions.

Ninety per cent of missing persons are in fact found within two weeks and 99% of missing persons are found within 22 weeks. So where do we start? Should we put somebody into the index after two weeks or after 22 weeks? Or is it another point? Also, do we need to have exhausted all other methodologies before we get the person into the missing persons index?

• (1755)

At the other end of the spectrum, when will the profile be destroyed? As I said, this material is the core of our identities, the core of the identity of each and every one of us.

What will be the protocol for the removal of the individual from the missing persons index and from that DNA collection? Will it be seven years, which is a general standard provincial average for an application for a death declaration? If a person has gone missing and has been missing for seven years, is that the point at which we would choose for an individual to be removed from the missing persons index once a declaration of death has been established?

What effects would a positive identification of human remains have in relation to the coroner with respect to vital statistics, let us say, with respect to licensing and with respect to insurance claims? All of these questions do need to be explored.

I want to reiterate to the hon. member that I am not trying to be a contrarian here. I think his initiative is a worthy initiative.

The second point I want to raise with respect to the bill is a flaw, so to speak, a contradiction between the first part of the bill, which says that the DNA profile is to be collected "only for the purpose of searching for and identifying the person reported missing", and the second part of the bill.

The first section of the bill says it is to be done only for that purpose. However, the second part of the bill says, in the very next clause, "The Commissioner shall compare the DNA profile...with the other DNA profiles", or in other words, crime scene indexes, offender indexes, and things of that nature, and "communicate" that to law enforcement officers.

As members can appreciate, that is a bit of a contradiction. Again, I would like to hear from the hon. member how he proposes to resolve that contradiction, but it is relatively easy to see. A person is reported as missing, a DNA sample is given, the police officers compare that with a crime scene index, and they come back to the aggrieved relatives and say they have made a positive connection.

The positive connection is that their missing son or daughter is not the victim of a crime, but rather the perpetrator or a person of interest in the crime scene. I do not think that is quite what the aggrieved relatives had in mind: to put their son or daughter at a crime scene. Again, that may be an unintended consequence.

Private Members' Business

Another section in the bill says that the relative himself or herself can be required to provide his or her own DNA sample. Again, they may well do that voluntarily. Then we do a bit of a comparison, let us say, and an unresolved crime a number of years old turns up a positive match to the relative. Again, the relative was not intending to provide his or her own DNA for the purposes of a crime scene index.

I would be interested in hearing how the hon. member intends to resolve these difficulties. Again I want to reiterate that I am not trying to be contrarian or obstreperous, but I do need to have these kinds of questions resolved before we can fully consent to the bill.

The Canadian Association of Police Boards says that “privacy issues are going to be thorny”. I take it that this is a bit of an understatement. If the bill is left with the ambiguities that it currently has, these are not just thorny privacy issues. Not only will the bill not survive a royal recommendation, it certainly will not survive a charter challenge. I know that not only does the hon. member want his bill to be effective in here and to get royal assent, but he wants it to be a useful tool.

Another question that arises is with respect to a person who wants to disappear. We will take the example of an abusive spouse. Let us say that one night the victim of an abusive relationship just disappears. The person gets onto the missing persons index. Let us say that she has set up an entire new life for herself and then the missing persons index creates a positive match. Suddenly the person who wanted to disappear has been found.

• (1800)

I see that I am running out of time, but I have hit on only two of the points I wanted to raise.

Finally, with respect to jurisdiction, it is a significant issue, as is the methodology that would be used in regard to mitochondrial analysis or nuclear analysis of DNA samples. Both of these are significant issues and create great cost impacts, which the hon. member, having studied this, probably appreciates.

Again, I want to encourage the hon. member with respect to this bill. It is a worthy initiative. I think it is worthy of debate in this House and worthy of debate in committee.

[*Translation*]

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, to begin with, like the previous speaker, I think this is an excellent idea that should be implemented. My objections have to do with the method chosen: a private member's bill. This is quite often a long process and one that is rarely successful. I think this idea deserves better. I hope that this law will be in effect in about a year.

This bill does raise constitutional problems. The mover thinks that there is a way to solve them, but we still have to know how, which he has not gone into much. I have some suggestions.

First, what is the constitutional problem? This House justified the DNA Identification Act as being an exercise of the authority granted it by subsection 91(27) of the British North America Act. I have an opinion issued by the Library of Parliament in 2005. It has therefore been known for some time. It reads: “Unlike the already-established

National DNA Data Bank, the indices created by Bill C-240 would not be created for criminal identification purposes”.

This goes without saying. Obviously, we want more than that.

The opinion continues: “As such, they would not come under the criminal law power accorded to Parliament by section 91(27)”.

It says too: “A question has arisen, therefore, as to whether C-240 [this was the predecessor of the current bill] is ultra vires the powers of Parliament as it would deal with a matter of local concern.”

So that is what is in subsection 92(16).

Nevertheless, it says: “Missing persons investigations in Canada are led by local police [this too, is an argument akin to what the previous speaker said] and provincial coroners have jurisdiction over unidentified human remains. Barring an inter-provincial or international element to the disappearance of the person found, the matter would be one of local concern and, therefore, be within provincial jurisdiction.”

Attractive as I find this very commendable and worthwhile idea, I remember that the researcher submitted several options. I do not know which are preferred by the person who introduced the bill we are dealing with today. I do know, though, which one Quebec prefers.

In one of the first options, it says: “The jurisdictional problem arises, however, in the creation of a new human remains databank, the data for which would be furnished by local police officers and coroners. Local police officers and coroners are subject to provincial jurisdiction and to legally require them to forward DNA remains anywhere would require provincial cooperation.”

I know that this is not Quebec's preferred option. However, one option would be, namely: “Another possibility for establishing a national missing persons index is for the Department of Justice to work with its provincial and territorial counterparts to develop uniform legislation to govern the operations of such a database and to facilitate the establishment of provincial and territorial indices linked in a network. This would be somewhat similar to the American approach in which each state has its own data bank and is connected to a virtual national DNA data bank.”

In the United States, criminal law is a state jurisdiction, in contrast to our federation where it is under the federal Parliament. If they have managed in the United States to create 50 networked databanks, I cannot see why, with all the goodwill that has apparently been expressed, we could not create 10 or 12 networked databanks here—if the Yukon and Northwest Territories are included.

I see too that many other problems have been raised in connection with this bill.

Private Members' Business

●(1805)

Very optimistically, the mover of this bill says that we could easily introduce several amendments that would resolve all these problems. I do not believe that would be the best way to proceed. In my opinion, if the bill were to become a government bill, the government could send it to its own research service.

Government officials could propose a bill in which all the amendments that should be included were presented in a much more coherent context. Moreover, if we were to insert amendments here and there in the bill, we would risk losing consistency. If, from the beginning, officials drafted a bill based on consultations with the provinces to ensure that all the provinces would adopt laws that could be harmonized, we would have a much more effective bill. In addition, the process would not take as long.

This bill is a successor to Bill C-240 which was introduced by the current Minister of Natural Resources. The path is now a great deal shorter for the minister to convince his cabinet colleague, the Minister of Justice, to raise this matter.

Moreover, there is an institution in Canada that meets every year to examine the possibility of harmonizing our laws. At one time, there was even talk of standardizing provincial laws in appropriate cases. In French, this group is known as *la Conférence pour l'harmonisation des lois au Canada*, and in English it is the Uniform Law Conference of Canada. There are meetings every summer and I, personally, have attended many times, often as an adviser to the Quebec government when I was in private practice. I have also attended as the Quebec Minister of Justice.

In my view, this is the proper forum to discuss this subject. Perhaps these were the discussions that the mover referred to earlier. If that is the case, there first have to be discussions in order to draft a bill that would be acceptable to all the provinces, and finally to present the bill to Parliament.

It seems to me that if we followed that approach, we would see results a great deal more quickly. It would be surprising if the number of private member's bills that are adopted amounted to more than a few percentage points. I am not sure if anyone has ever published statistics on that topic.

However, if the Minister of Natural Resources—who was in favour of it—were to sell the idea to the Minister of Justice, if his staff were to submit a bill jointly and if they could get the consent of the provinces, we could have such a bill a year from now. But I doubt that we get such results so quickly if this remains a simple member's bill.

The members of the public who support this bill, and who are fed up with constitutional quarrels, do not see that these are objections that we are raising. Basically it is a reality that we must deal with and that I am very familiar with, and that is why I made an effort to find a way that was faster, more efficient and surer of achieving results in much shorter times than are proposed here.

We live in a federation and, as members know, this is not my first choice of system of government for Canada. I prefer a true confederation. Moreover, they must have known this when they gave me my first office in the Confederation Building. In any case, that is

not the reason. In a federation, there are more obstacles than in a unitary system and this case is proof of this. In my opinion, the solution that I submit to the mover is the best one. This is why I cannot support the bill as it is drafted and as it will be submitted.

●(1810)

[English]

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, although this is a private member's bill, the NDP supports it going to committee. We have some reservations. We hope they can be resolved at committee or perhaps even before it gets to committee.

I want to follow up on some of the comments made by my colleague from the Bloc, who made a number of points about the frustration he and I have both shared with regard to this legislation. I know it is certainly a frustration shared by the mover of the bill and the Minister of Natural Resources, who had authored a similar bill, I believe Bill C-240, in the last Parliament.

In spite of the fact that we had reasonable support for the concept from certain individual members of the Liberal Party, it was frustrating. When the Liberal Party was in government, it would not address this issue, which was unfortunate. At the time, two pieces of legislation were before the justice committee. One was kind of a last minute thing. This concept could have easily been included at that time. If not then, it could have been addressed in the mandatory review of the DNA system established under the code almost five years ago now. That review was supposed to have been completed over a year ago and still has not been.

There is a need for this type of system where family members can assist in identifying another family member, whether it is a sibling or a child, who has been killed or died as a result of other trauma. This would be a major step forward in giving the surviving family relief by knowing what happened to a loved one. There is no question we need to do this.

My colleague from the Bloc has raised the constitutional issue. It is quite clear, and I think all of us agree, that there is a problem. In the last Parliament, the current Minister of Natural Resources went out of his way to get correspondence from all of the provinces, indicating they wanted to have the system put in place.

Unfortunately, that is not the end of it. The system could still be challenged if it were established, as suggested in this bill, as purely a federal system. It could be challenged by individuals who are being followed as a result of this. I will come back to this in a minute. It is not simply good enough to say we have an agreement between the provinces and the federal government. How that agreement is put into play is very crucial because it could be challenged under the Constitution.

I believe there are answers to that question and hopefully we will be able to resolve it at committee. For that reason, the NDP supports it going to committee, perhaps with some significant amendments at that point to address the constitutional problem.

Private Members' Business

In addition to that, there are some other problems with the legislation. I do not believe it goes far enough in dealing with privacy issues that could come up. Although the bill is very clearly intended to only deal with DNA samples of deceased individuals, it is not the end of it. The bill does not prohibit, as extensively as it needs to, getting at the DNA sample and comparing it to another sample of a person who is still alive and may be the subject of some investigation by the police. That is clearly not what it is intended to do, but it is open to that kind of use by the state. We have to build some additional amendments into the bill to prevent that from happening.

•(1815)

My final concern is the privacy issue. We have the potential scenario of sexually abusive parents attempting to trace their offspring, who has run from the home because of the abuse, and is using it as a methodology to do so. Under the bill as it is presently composed, they can offer their sample. If the sample is then compared to one that is found at a crime scene or if it gets into the hands of police officers in some other fashion, that would be an indirect methodology of tracing that person.

In the previous bill and again in this bill there have been specific attempts to thwart that from ever happening. I do not think it goes quite far enough and I will be proposing some amendments to deal with that more specifically when it gets to committee, assuming the House see it appropriate to do so. Those amendments would shut the door on any invasion of privacy in that regard. I believe it can be done with further amendments to the bill and perhaps amendments to our Evidence Act, which would prevent that from occurring and prohibit police forces from ever using it in that way.

There is one additional problem, about which we learned when we went to the laboratory in Ottawa. There is a problem with destroying DNA samples. The way we collected samples in the current system, a number of them are put on one sheet. If we destroy one of them, we almost inevitably destroy the whole sheet or a great number of them. The people in the lab were still working on that problem about a year ago. I do not believe they resolved it. It is a problem under the current system because we have outstanding court orders that DNA samples that were taken improperly are to be destroyed and they cannot do it. The system does not allow for it.

It may be possible to create and store the samples in a different fashion, but right now that is not possible. That is a concern under the legislation. The final part of the legislation that is being proposed speaks specifically about the need to destroy samples in proper circumstances. That is the final point that needs to be addressed.

I expect most of my caucus will be supporting the bill. However, we have concerns around the constitutional and privacy issues. We also have concerns about its potential abuse and the ability of the system to be able to destroy samples. All those issues, with the exception of perhaps the last one, can be resolved at committee. We will have to hear additional evidence on the issue of whether the samples can be destroyed.

In summary, the bill is long past due. I will be critical of the former government because it was not dealt with in the last Parliament, and it should have and could have been. I hope we will

be able to get this through. I hope the government will come on side and make it a government bill rather than a private member's bill.

Mr. Dave MacKenzie (Parliamentary Secretary to the Minister of Public Safety, CPC): Mr. Speaker, I compliment the member for Burlington for bringing forward this private member's bill. I suspect in the last hour that he has learned a great deal about private member's bills, what other people think and how they can pick them apart. I am sure he will see his way through to continue to push this forward.

As a former police officer, I can see a lot of merit in what he has here and I can say that for a long time, far longer than I can recall and before that, we have been using the old style fingerprints, dental records and a whole variety of things for this same reason. This is moving forward.

The government understands the principles behind this private member's bill and is sympathetic to the issue.

The bill proposes to add a new index to the National DNA Data Bank, which is managed and operated by the RCMP on behalf of all Canadian police agencies, to hold DNA profiles of missing persons and unidentified human remains. Profiles that would be cross-checked against each other and against the convicted offender and crime scene indices in an effort to identify human remains.

DNA is a valuable tool in law enforcement and it is understandable that it could be seen as a way to aid the humanitarian aspect of a missing persons index to that system as proposed in the bill.

The question we must address is whether the resources of the National DNA Data Bank should be used, not only to help solve serious crimes, but also for compassionate and humanitarian reasons.

If this is to happen, there are jurisdictional, legal, privacy and cost issues to consider and we intend to do just that.

Expanding the mandate of the National DNA Data Bank and amending the DNA Identification Act in this way could be complicated. It is imperative to this new government that every Canadians' right to privacy be preserved in the proposed legislation.

The National DNA Data Bank was established as an investigative tool to assist police in their investigation of designated offences by helping them to identify and apprehend serial and repeat offenders. The law does not currently allow for the collection of samples from non-offenders and there is no provision for cross-checking DNA profiles from non-offenders against those of convicted criminals.

With regard to the proposed legislation, we will consider whether it is appropriate to cross-check the DNA profiles of missing persons and, in particular, their close biological relatives against those of convicted offenders or against unidentified DNA from crime scenes. We will determine who would have access to the DNA samples of missing persons and who would provide consent to collect DNA samples from the personal belongings of the missing person. If profiles were to be cross-checked against those of criminal offenders and unsolved crime scenes, we will assess the privacy implications.

These issues will be clearly defined in any policy that the government will pursue relating to the hon. member's bill.

Missing persons investigations are generally initiated by local police, which we heard today from other speakers, and found human remains are under the control of provincial coroners, and that we do understand.

Depending on the circumstances, an individual case has the potential to become a criminal investigation but the investigation of a missing person is not necessarily a matter of criminal law, which is a federal jurisdiction to legislate. Not every missing person case becomes a criminal investigation or is a matter of criminal law, which is legislated at the federal level, but there obviously is potential for missing person cases to have suspicious circumstances and to, indeed, turn into formal criminal investigations.

Before amending the act, we will consider the implications that any new legislation could have on existing criminal law.

Recognizing the value of using DNA in this way, the Government of Canada is consulting its provincial and territorial partners on the creation of a national missing persons DNA index.

In the context of the federal-provincial-territorial work already underway, the Government of Canada consulted Canadians on the question of adding a missing persons index to the National DNA Data Bank. This consultation started in late 2003 with the justice ministers from the federal, provincial and territorial levels. This group of justice officials from all across Canada formed a working group which then consulted with the public.

• (1820)

Based on the favourable response from Canadians in those consultations, federal, provincial and territorial ministers responsible for justice confirmed their continued commitment to develop options for an effective national humanitarian missing persons index.

Officials from the federal, provincial and territorial governments are continuing to examine the cost, privacy and legal implications of creating such an index. As well, the DNA Identification Act is subject to mandatory parliamentary review which could also begin this year.

The matter requires further study. I suggest that some of the issues that were brought forward today are perhaps covered at least partly in proposed subsection 5(7) of the act. I am sure that the member is willing to tighten it up if that is what is required, but I would like to read what proposed subsection 5(7) says:

The Commissioner shall not use any DNA profile derived under subsection (6) unless the Commissioner explains to the relative who gave the consent, or provided the object or sample, that the DNA profile is to be used only for the purpose of

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searching for and identifying the person reported missing, and obtains the written consent of the relative to use the DNA profile.

I would suggest that some of the concerns are covered in that. Perhaps it needs to be tightened up a little more, but I think it makes it very clear that this is not to be used for some other criminal investigation, some sort of a fishing expedition I think was mentioned, but in fact it is only to be used in situations where the search is for a missing person.

In conclusion, I reiterate my support for the principles upon which the hon. member's proposal is based. This is a worthy initiative and the government is studying ways to ease the emotional burden of Canadian families with loved ones who go missing.

We are moving forward on this issue, but we must consider all of the implications of it.

• (1825)

The Deputy Speaker: With unanimous consent shall I see the clock as 6:30 p.m.?

Some hon. members: Agreed.

The Deputy Speaker: The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

THE ENVIRONMENT

Hon. John Godfrey (Don Valley West, Lib.): Mr. Speaker, on June 20 I asked the Minister of the Environment which minister gave the order to remove the word "Kyoto" from the Government of Canada's current Internet websites. First she answered, "no website has ever been turned off". Then she said that the subject of my question, the suppression of references to the Kyoto protocol on government websites was not substantive enough to be discussed further. Perhaps not for her.

[*Translation*]

This really was not a surprise, because we already knew that the minister was not interested in hearing about Kyoto.

[*English*]

As I pointed out last week, in raising another matter on June 15, the minister misled the House and Canadians. Five days later on June 20 she did it again. She said that no website had been turned off, no links had been taken down and that the Environment Canada website was "very dynamic". It was so dynamic that we found on Environment Canada's website a link to a Kyoto site that has not been updated in over a year.

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Also, Natural Resources Canada, the minister's partner in suppression, has not only erased all references to Kyoto, but it has also entirely eliminated Natural Resources climate change sites. In other words, websites have been altered, turned off and links taken down.

It is proof that the government does not believe in Kyoto and does not believe in climate change. But that is not all. Ten days after I asked my question in the House, that is to say on June 30, 2006, the government, which is trying to convince the population that it takes the responsibility of climate change and the environment seriously, turned off the central climate change website of the Government of Canada, note turned off. Now when one tries to reach the www.climatechange.gc.ca, one can read, "The Government of Canada Climate Change site is currently unavailable" which is more proof that this minority government does not believe in the science of climate change.

Yes, the link to present to all Canadians the plan to honour our Kyoto commitment to reduce greenhouse gases has been completely erased.

• (1830)

[*Translation*]

Also, as recently as two weeks ago, we realized that the government had once again made some changes to the Environment Canada website. We actually noted the addition of a paragraph that deliberately let on that global warming was a controversial subject within the scientific community.

We could read the following there:

There is a great deal of uncertainty associated with climate predictions and, although temperature changes during this century are consistent with global warming predictions, they remain within the range of natural variability.

The government finally withdrew this paragraph following a public complaint by a representative of the scientific community.

[*English*]

The government is in denial about climate change. It does not like the science and now it wants to censor it. We have not forgotten that the current Prime Minister has, in the past, questioned the science of climate change and has called it a controversial hypothesis.

I ask the parliamentary secretary to set aside the answer that has been prepared for him and simply acknowledge that his minister misled the House when she said that no website has ever been turned off.

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, I appreciate the question and comments of my colleague across the way. However, repeating an untrue statement does not make it true, even if it is repeated over and over again, as we are hearing from the member.

The hon. member's claims are not based on fact. Neither the minister nor any member of this government ever asked for the word Kyoto to be removed from any federal website.

Hon. John Godfrey: Mr. Speaker, I suppose the question is this. How accurate were the words of the minister in her response to my question?

She said that no website had ever been turned off with regard to Kyoto. I then read out what is on the Government of Canada website, which announces that it has been turned off. I do not see how the parliamentary secretary can deny that the words "turned off" were totally appropriate to the situation we find ourselves in, and that the minister misled the House by saying that no climate change website had been turned off when the website itself says that it has been turned off.

Mr. Mark Warawa: Mr. Speaker, this government offers sound, accurate and up to date information to Canadians on its websites. We strive to give Canadians information that they are looking for and offer them services that they are interested in.

This government is accountable to tax reduction and we deliver this in the House, on the website and everywhere in this country.

THE ENVIRONMENT

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, it is a pleasure to enter into what we may call a debate this evening. The brevity on the side of the government this evening is startling and shocking, and a bit like jumping into a cold body of water. It is not necessarily the most pleasant experience either.

Looking for answers about the government's intention and direction when it comes to climate change was the subject of my question on September 20 and the reason that I rise again in the House tonight.

A number of ridings in British Columbia invited Tim Ball, a professor in the sense of the professor on *Gilligan's Island*, to various debates where the notion of climate change was put in dispute. A recent study by the national centre for research in the United States compared the number of peer reviewed articles that had appeared in leading international journals throwing serious dispute on the science of climate change as to whether or not this phenomena was actually happening. This study came up with zero. Media observations of this particular debate found that nearly half of all articles appearing in major U.S. dailies cast some doubt on the science of climate change.

If the Conservatives are looking for the opportunity to deny the existence of climate change, they will certainly find the odd professor or two who will allow them some amount of refuge. The overwhelming and overarching consensus around the world is that climate change is happening and that it is a serious issue, and dealing with it has been delayed too long. Delaying any longer is not an option.

We hear rumours and rumblings that the government will be releasing its so-called green plan within the next number of weeks, and I am sure the parliamentary secretary would be delighted to tell us the exact date of that release.

To this point in time, the government's intentions have been wanting. The current minister, as president of the UNFCCC, showed up at the international meetings in Bonn, Germany, the latest gathering of climate change efforts internationally, and declared to the world that Canada no longer had any intention of meeting its Kyoto targets.

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I can understand the minister's dismay, after having seen the evidence put before her, because the previous government was unwilling, unable and inept at dealing with the issue of climate change. While that government had many programs, it had few results and pollution rose.

The Federation of Canadian Municipalities, the gathering of municipal leaders from across this country, met in Montreal. The minister was invited and agreed to attend. She had a speaking spot in front of a couple of thousand decision-makers in our country, and at the very last minute bailed for no given reason.

The largest conference of leading scientists in this country was held in Toronto just after the meeting in Montreal to discuss smog and what needs to be done. The minister was the first minister in Canadian history not to attend this conference. She did not send a representative or a delegate.

My question is very simple. Is this so-called green plan, that the government is going to announce in the next couple of weeks, going to follow the path of the apologists for the biggest and most polluting industries that are looking to deny and throw doubt on the issue of climate change and the veracity of the science that has been looked at by world experts? Is the government going to continue to subsidize the biggest and most successful oil companies in Canada in the tar sands, or is it going to actually recognize the validity of the science of climate change and the need to act in a deliberate and purposeful way?

• (1835)

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, I would like to thank my colleague for the question and also for his commitment to the environment in dealing with issues such as pollution and climate change. I also appreciate his work on the environment committee and his dedication.

The question that the member raises is based, as he said himself, on rumour. I caution the member on asking questions based on rumour. We need to get the facts and so he is asking for the facts.

The government absolutely recognizes that climate change is occurring and the importance of taking action on climate change.

That is why this new Conservative government is taking concrete action to reduce greenhouse gas emissions and to improve air quality for the health of all Canadians and for the health of our environment.

The minister herself hosted representatives from 70 countries at the United Nations Framework Convention on Climate Change workshop in Edmonton several months ago to address the issue of adaptation related to climate change.

It is clear that we need to take action. For 13 years the Liberals did virtually nothing to address climate change. The Liberals were all

talk and no action. Because of that, Canada's greenhouse gas emissions have increased to 35% above the Kyoto target. The Liberal solution was to send billions of taxpayers' dollars overseas. Hopefully, the member does not endorse sending billions of dollars overseas. We need those dollars to stay in Canada to find solutions in Canada.

That is why we are taking the time to develop a made in Canada plan that will provide real action and reduce greenhouse gas emissions here at home.

• (1840)

Mr. Nathan Cullen: Mr. Speaker, the need is for this government to come forward and come clean on plans. In particular, I will ask the parliamentary secretary to speak specifically to the need for confirmed and fixed targets to reduce CO₂ emissions in both the short and the long term.

Will the Conservative government be willing to commit to Canadians here this evening that, first, he said climate change is in fact happening. I am not sure whether he was willing to admit that it was caused by human activity. This is an important distinction that many climate change doubters will profess. They will say that climate change is happening but it has been happening for thousands of years. It is nothing to worry about, business as usual. Will the parliamentary secretary confirm that in fact humans are participating and accelerating climate change?

Second, will he be able to confirm to us this evening that whatever plans his government has been formulating, and they have claimed to have a plan for more than a year and half, so time has been available, that they will commit to short and long term targets to reduce CO₂ emissions in this country?

Mr. Mark Warawa: Mr. Speaker, yes, human activity is having an impact on climate change. I think that is what science supports. If that is the member's question, then absolutely.

The member has also asked for the government to come clean. Actually, the government is coming clean with a clean air act. He is asking for specifics on that. It is a good plan. It has been developed through consultation and will be coming very soon.

I am sure the member would like me to provide details this evening, but he will have to wait for our plan which is coming soon. I hope the member will be very happy with it.

[*Translation*]

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24 (1).

(The House adjourned at 6: 42 p.m.)

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