



CANADA

House of Commons Debates

VOLUME 137 • NUMBER 156 • 1st SESSION • 37th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Thursday, March 14, 2002

—

Speaker: The Honourable Peter Milliken

CONTENTS

(Table of Contents appears at back of this issue.)

All parliamentary publications are available on the
"Parliamentary Internet Parlementaire" at the following address:

<http://www.parl.gc.ca>

HOUSE OF COMMONS

Thursday, March 14, 2002

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

•(1000)

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

•(1005)

INTERPARLIAMENTARY DELEGATIONS

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to table in the House, in both official languages, the report of the Canadian section of the Assemblée parlementaire de la Francophonie, and the financial report relating to it.

The report refers to the meeting of the APF's Commission de l'éducation, de la communication et des affaires culturelles, which took place in Alexandria, Egypt, from February 10-13, 2002.

I would like to thank Guyanne Desforges for her professional work in preparation for this mission, and her significant contribution in preparing this report.

* * *

JEAN-PAUL RIOPELLE

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, it is with regret that we learned of the death Tuesday evening of international artist Jean-Paul Riopelle, who died at his home in Île aux Grues at the age of 78.

A painter and sculptor, Jean-Paul Riopelle was one of those Canadians who put our country on the artistic map, not just here at home but around the world. Mr. Riopelle emerged as a true international visual arts celebrity during the nineteen fifties. As one of the group of artists who became known as the "automatistes", he had an extraordinary influence on the visual arts internationally. His

works are found in all major galleries in Canada and in galleries and private collections around the world.

Born in Montreal in 1923, Mr. Riopelle spent most of his life in France, but he made regular trips to Canada. He returned some years ago to live beside the St. Lawrence River, from which he drew inspiration for his last creative period.

Mr. Riopelle also drew inspiration from the waters around France where he often sailed on his *Sérica*, previously owned by Henri Matisse. The Government of Canada has recently been able to assist the Musée maritime du Québec in acquiring, restoring and interpreting this early twentieth century sailboat which can now be seen at the Musée.

Just this past year, the government was pleased to be able to help the Musée du Québec with the acquisition of Mr. Riopelle's 1951 work *Espagne*. It also helped with the acquisition of 92 of his paintings, recognizing their international value.

Our programs recently made it possible to put together for the first time a collection of 20 very important works by Mr. Riopelle and exhibit them in New Brunswick and Ontario.

In recognition of his enormous artistic contribution to Canada and the world, Mr. Riopelle was named a Companion of the Order of Canada in 1969 and his name was inscribed on the Canadian Walk of Fame in 2000.

Today we mourn the loss of this artist who has bequeathed to us such an extraordinary body of work. On behalf of the Government of Canada, I want to tell his companion and his daughter that his loss is a loss for the entire country. We offer our sincerest condolences to his family and friends and especially to the artistic community, which can never really replace this great international talent.

[*English*]

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Mr. Speaker, I rise today on behalf of Her Majesty's official loyal opposition in response to the unfortunate passing of Mr. Riopelle.

Yesterday we honoured Herb Gray who, in his own way, brought a very special character to politics in his devotion to Canada.

Today, as we think about Jean-Paul Riopelle, we recognize that in Canada, no matter what the arena, we have some giants. Clearly, from the research I have done on Mr. Riopelle, he was just exactly that.

Routine Proceedings

I would like to take just a slightly different tack to an ordinary approach. I would like to look at some of the techniques, the technical aspects, of what he brought to us. I am reading from *The Canadian Encyclopedia* where it states:

Under the influence of surrealism, with its emphasis on the “liberation of the human spirit,” Riopelle moved from figurative painting to the gestural abstractions for which he is now famous. After WWII, against the growing standardization and depersonalization of industrial capitalism, Riopelle's paintings were characterized by personal improvisation and “raw” gestures that attested to the uniquely human process by which they were made. To increase the spontaneity of his art, he used several experimental techniques: supple gestural brushstrokes...; the controlled drip technique of squeezing paint directly from the tube onto the canvas...; and, in the early 1950s, the use of the palette knife to create mosaiclke surfaces of paint—a hallmark of his later style.

The reason I read from this rather technical description of art—and of course art cannot be broken down simply into techniques—was to show the creativeness of this individual.

I would concur with the minister of heritage that truly Canada has lost a giant in the field of art. He was certainly a tremendous credit to all of us as Canadians. Our country mourns his loss.

• (1010)

[Translation]

Ms. Monique Guay (Laurentides, BQ): Mr. Speaker, I am very honoured, but also sad to rise today to mark the passing of a great man, a great Quebecer and a great international painter, Jean-Paul Riopelle.

This is a very special occasion for me, because Jean-Paul Riopelle lived for a very long time in the riding of Laurentides, in Sainte-Marguerite-du-Lac-Masson. One of his very close friends, who is also a friend of mine, has a small bistro, the Bistrot à Champlain, and he has several paintings that Jean-Paul Riopelle gave him as presents. Indeed, Jean-Paul would regularly give him paintings, to make himself happy.

Jean-Paul Riopelle was very attached to his friends. Friendship was sacred for him. Needless to say that he is leaving behind very close and long time friends who are very saddened by his death.

I would like to quote Jean-Paul Riopelle, who was an exceptional human being:

If I am asked how long it takes to do a painting, I cannot answer. I often walk into my studio—in fact I go almost every day—open the door and shut it again, because I cannot do anything. But when I am on, time does not matter; I may come out 10 or 20 hours later, but in a different state.

I would also like to quote François-Marc Gagnon, from the Université de Montréal, who said:

The recent works of Riopelle made us find again something from that initial shock. They scandalize us, they make us stumble, in the etymological sense of the word “scandal”, which comes from the Greek *skandalon*, which is a stumbling block that makes us lose our balance. Sure, they are disturbing but, for that very reason, they present greater human interest than anything that Riopelle has done before, and they definitely do not deserve the somewhat uncomfortable view in which they are held now. Like anything that comes from the bottom, we would prefer not to see them. We would prefer to hide them. Certainly not show them to everyone on the electronic highway and make them appear on our computer screen.

I would like to conclude with this thought: Jean-Paul Riopelle was and will forever be that great man in our minds. He was also a very easy going and friendly person, a great friend.

We are saddened by his departure, but I am very pleased that the Quebec government decided to honour him on Monday by organizing a state funeral for this man who marked Quebec's history forever.

• (1015)

[English]

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I rise today on behalf of the New Democratic Party of Canada to recognize the passing of one of Quebec's and Canada's most recognized artists, Jean-Paul Riopelle, at his home in Île-aux-Grues.

It was a pleasure to hear the hon. member for Laurentides offer her personal recollections and images of the man. It added to the memorable occasion this morning.

It is fair to say Riopelle was to Canadian painting and sculpture what Glen Gould was to Canadian music. He was a beacon of creation to others in his craft. His art was a direct expression through his hands of the subconscious feelings in his soul. Monsieur Riopelle's work takes one's breath away. Raw emotions leak from the canvas into one's brain. Like great artists, he saw the world differently. He used his paint to speak to us, express emotions and share with us the briefest glimpse of his vision of the world.

Riopelle was part of a group called the Automatistes whose members believed in the spontaneous transcriptions onto canvas of whatever one's spirit suggested. Riopelle carried that spontaneity into his daily life. Even when his work returned to the realist form of painting his artistic contributions continued.

Riopelle was a clear example to the world that Canadians cannot only create. We produce a unique perspective and have developed a standard of artistic excellence for which we should never apologize. Jean-Paul Riopelle never did.

We salute a great Canadian artist today.

Mr. Grant McNally (Dewdney—Alouette, PC/DR): Mr. Speaker, I rise today to join in the tribute to Jean-Paul Riopelle.

Riopelle was born and raised in Montreal. The son of a building contractor and amateur architect, he developed a love and appreciation for art as a young boy. His studies and career led him to leave his home province of Quebec for Paris where his works received international acclaim and played an important role in getting Canadian painting recognized beyond our borders.

Riopelle is considered one of Canada's greatest painters. He holds the distinction of being the first Canadian to have a canvas sell for more than \$1 million. He received many honours for his achievements including the 1962 UNESCO prize, the Grand Prix de la Ville de Paris in 1985, the Companion of the Order of Canada in 1969, the prix Philippe Hebert in 1973, the Prix du Quebec in 1981 and the Officier de l'Ordre du Quebec in 1988.

We thank Jean-Paul Riopelle for his gift of creations that will be remembered long after his passing. We think primarily of his family today. We offer our thoughts, condolences and prayers on their behalf. On behalf of my colleagues in the PC/DR coalition I offer my condolences to Mr. Riopelle's family and friends. I invite all Canadians to celebrate his life and his contribution to Canadian art and to our country.

*Supply***QUESTIONS ON THE ORDER PAPER**

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

The Acting Speaker (Mr. Bélair): Is that agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Bélair): I wish to inform the House that because of the ministerial statement government orders will be extended by 12 minutes.

GOVERNMENT ORDERS

• (1020)

[English]

SUPPLY

ALLOTTED DAY—SOFTWOOD LUMBER

Mr. John Duncan (Vancouver Island North, Canadian Alliance) moved:

That, in the opinion of this House, the principles and provisions of the Canada-U.S. Free Trade Agreement (FTA) and the North American Free Trade Agreement (NAFTA), including their dispute resolution mechanisms, should be fully applied to trade in softwood lumber, and it urges the government not to accept any negotiated settlement of the current softwood lumber dispute outside of the FTA and the NAFTA unless it guarantees free and unfettered access to the U.S. market, and includes dispute resolution mechanisms capable of overriding domestic trade measures to resolve future disputes.

He said: Mr. Speaker, I had a question this morning relating to the last part of the motion which reads “and includes dispute resolution mechanisms capable of overriding domestic trade measures to resolve future disputes”. The intent of that was to include a dispute resolution mechanism that would override U.S. domestic trade legislation which has always been the stumbling block. The U.S. has always retained the trump card in past softwood lumber agreements.

I am pleased to be able to bring the issue to the House today as the subject of business. We all know how important the softwood lumber dispute is in terms of the economy of Canada. It is now getting the public prominence it has deserved for a long time.

The dispute is almost 12 months old. It began when the old softwood lumber agreement expired in March 2001. Forest dependent communities, workers and companies have been dealing with uncertainty about market access to the United States since that time. Everyone is focused on March 21, a week from today, because that is when the U.S. department of commerce will announce its so-called final determination on countervail tariff and anti-dumping tariff rates.

I remind Canadians that the deadline is only one of many. Nothing about March 21 is earth shattering. Earlier deadlines have included last May, last August, last December and, more recently, February 19. Is it any wonder the public and many people in the industry remain fuzzy and confused about what is going on? It is hard even for those of us who follow the issue to keep the process in its chronological order.

One thing is for sure: We are a year into it now. This is not the time to get into brinkmanship. That is where the history of the dispute goes and it is a long history. It is good to look at history to ensure we learn the lessons of the past. It is vitally important to get our forest industry back to health without compromising the long term viability of our industry through short term band aids that do long term damage.

There was more bad news today as some companies reported their financial earnings in British Columbia, our major softwood lumber producing area. B.C. contributes about half our lumber exports to the U.S. on an annual basis. Quebec is our second largest producer. Pricewaterhouse Coopers reported yesterday that total profitability of B.C.'s publicly traded forest products companies was down last year from \$1.5 billion to \$200 million. That is an 87% drop in profits. We did not go the whole year with punishing duties. We only went a portion of the year, as members are well aware.

• (1025)

This is a very significant measurement. We had some individual results from companies that were actually much worse than that. Companies have been putting aside huge cash reserves to cover potential duties. Last year was the worst year in five years. Prices for pulp and for lumber were not very good although prices for lumber this year are up considerably. We can forecast that a big part of that is due to the impact of this dispute.

We have spent five of the last six years under a softwood lumber agreement with the U.S. that was based on a quota system. We were never on a quota system before. That was negotiated by the Liberal government and imposed in 1996. The quota system carried us through to 2001, terribly distorting and very destructive particularly to independents and to people without quota and new entrants.

I watched the government defend that quota system right up until it was virtually expiring in March 2001. In the meantime we had many people trying to move the government to plan for the future. Was the government going to adopt free trade? Was it going to extend the old quota arrangement which was becoming more problematic?

There were groups on both sides of the border, the American consumer groups and the Canadian producers, all wanting the government to take a position. The government did not take a position until March 2001. That is my great frustration and my party's great frustration that we wasted all of that time.

Meanwhile the Canadian Alliance, the official opposition, was firmly fixed on promoting unfettered free trade market access to the U.S. market for softwood lumber. We had built a lot of bridges with the American consumer movement and with Canadian industry. I want to put that on the record. Although the Liberal government is currently talking the talk of free trade, it is not a great free trader in principle.

Supply

We must look at this from another perspective. We have a commitment and a responsibility and actually a vested interest as a country in supporting international organizations with effective dispute resolution mechanisms or at least dispute resolution mechanisms that work in the international arena, maybe with shortened timeframes. There are organizations like the World Trade Organization that we cannot undercut. If we go and do things that undercut the WTO we are being hypocritical.

I want us to keep that in the background here. We do have opportunities that we are pursuing as a nation through the WTO on this softwood dispute. We cannot write that off without being very considerate of whether we are damaging that organization or its ability to function in the international arena.

It is clear what the U.S. lumber lobby wants. It wants to restrict Canadian softwood lumber market access into its market. Why does it want to do that? It is very simple, the U.S. lumber lobby consists primarily of U.S. forest landowners who are also producers, but sometimes only landowners whose margin of profitability is increased if they can restrict Canadian access to their market.

●(1030)

Plain and simple that is the way it goes. The U.S. domestic legislation allows them to petition the government, harass the Canadian forest industry and have basically all of the rules favour their trade actions. This is nothing new. This has been going on for over 20 years and our track record as a nation is not particularly good in these softwood disputes. We buckled in 1986 and we imposed this quota system in 1996 in order to satisfy that lobby. We never took the process all the way through.

Our historical track record if we never take it all the way through encourages further harassment down the line. Softwood lumber is the largest commodity exchanged between the two countries. It is the largest commodity trade in the world and so it goes to the core of our trading relationship with the U.S. Not doing well on the lumber front would have implications for other trading relationships.

The negotiations surrounding softwood have always been cloaked in a diplomatic tug of war located in either Washington or Ottawa. The brinkmanship is incredible. Last weekend we had Canadian and U.S. positions exchanged. Ours was called a non-paper because it does not really exist although I have one here. The gulf between the two positions is quite incredible.

We have some major issues here. We have a sovereignty issue. Will we throw our provincial forest policy-making wide open to approval or not by American interests, the American lumber lobby? Are we interested in insuring that over the long term our independent mills, our small community single industry opportunities continue to exist or will we push this all into a direction where only the people with deep pockets can stay in the business?

The way our governments behave influences that very greatly. If we want a case study in all of that, members should recall what happened after the imposition of an export tax in 1986. Members should look at what happened over the ensuing four or five years and it will be very clear what will happen if we get into a punishing export tax scenario this time.

We have a clear example in British Columbia where last fall some very significant policy proposals were tabled, things that it thought would improve market conditions within the province. It was quite aggressive and it tabled those with the U.S. negotiators.

●(1035)

Predictably the good faith actions were responded to with a statement that it was not enough. There was a complete rejection from the U.S. lumber lobby, the U.S. lumber lobby holding the cards in terms of the U.S. domestic trade law situation which is most unfortunate.

To be an equal partner in these negotiations we must use our leverage. What is our leverage? It is the WTO and NAFTA panels. That is why we were such a promoter of an effective or neutral dispute resolution mechanism in those two organizations. That is why we are promoters internationally of those types of arrangements. That is our leverage. It is quite clear. We will drop our WTO and NAFTA actions if the U.S. petitioners drop their petitions and then we can start the cycle all over again.

I had the pleasure last weekend in Victoria at the speaker's reception for the six Vancouver Island members of parliament to meet Mike Apsey, who is the past chair of the Council of Forest Industries and who has been involved in these trade disputes for the last 20 plus years.

He said he could go back to his old files and figure out what the U.S. lumber lobby would be saying next week. He is right and that is why we need to change this agenda. The world is changing faster than the U.S. department of commerce and the U.S. lumber lobby. Market access is the issue. We must ensure that this a non-political, non-partisan and a binding trade dispute resolution on softwood.

If we cannot get that in these current negotiations then we should not go there. If these negotiations can lead to that outside of NAFTA and the WTO, with some kind of a binational panel, then we can buy it. However, if we do not get it the reversion from having an agreement is NAFTA.

On the issue of a border or export tax, our current forest practices do stand international scrutiny. We proposed some welcome changes. They are free market oriented and our friends in the U.S. have anything but clean hands on this front. Since 1984, the U.S. has had a bailout of \$1.3 billion, something called the timber relief act. It was just for Washington, Oregon and northern California when their so-called public auction system completely fell apart after people had bid up timber contracts and then found they could not harvest and process these trees profitably.

This is the system the U.S. lumber lobby would like to impose on us. It cloaks it in market access but actually it would like to put sticks in our spokes. When we talk about market access let us remember that U.S. lumber production is shrinking. Canadian lumber production cannot increase a whole bunch. Our imports are necessary in the U.S. so this whole area needs a broader look.

● (1040)

We should not be fighting with each other. That will lead to market substitutes for wood products. We have more in common than we have that separates us.

Going back to the motion, I would like the House to support this free trade motion. That is what we need. It should be non-partisan, and the whole House should agree to it.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, I really appreciate the concern expressed by the member opposite. He is obviously speaking for an industry in his constituency that is in serious trouble.

I cannot help but be struck by the irony. For the past six months, so often the Canadian Alliance has told the House that the Americans are our best friends, that the Americans will do us no injury as a nation and that we should support them in everything they do. Here we do have an instance where the Americans are very difficult and powerful friends to be beside, and they can be a bully sometimes.

I understand the member suggesting that we should stop negotiating directly with the Americans on softwood lumber, that we bypass the Americans and go directly to the World Trade Organization or the other dispute resolution panels. I sympathize with him on that, but I do have a question with respect to that. Will that not take a long time?

The difficulty with going through the formal dispute mechanism is it may add another year onto a resolution of the problem. Is negotiating with the Americans first not a better tactic?

Mr. John Duncan: Mr. Speaker, I do not stereotype Americans. I was talking about the U.S. lumber lobby, not Americans. We have more friends in the U.S. on this lumber file than we have protagonists. I have gone out of my way to make friends in congress on this issue and to form a strong bond with the American consumers for affordable homes. I refuse to stereotype our relationship with the U.S. I also do not appreciate the stereotype that the member is trying to apply to the Canadian Alliance. The Deputy Prime Minister is prone to doing that as well and I do not think that is productive.

What is more important for us to do today here is to display some kind of consensus from the Canadian parliament that we are seeking free trade. That is the best possible message we can send to the U.S.

In terms of this whole question of would it not be better to negotiate rather than go through a longer timeframe dispute resolution mechanism, all things being equal, that would be wonderful. However, if we are unilaterally in a rush to come to judgment, given certain circumstances, that can only lead to us getting into a one-sided deal that favours the other side. We cannot have a unilateral rush. It has to be both parties that want to resolve

Supply

this, with an equal sense of urgency. Otherwise we are placing ourselves at a disadvantage.

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I would like to thank the member for Vancouver Island North for bringing this debate here today. I know he has worked very hard on this issue, as have many of us. I have some comments.

I would like to correct the record about the idea that the government wanted a quota system. The member worked with MacMillan Bloedel and I worked very closely with Roy MacLaren, the minister of trade at the time. I also worked in the forest products. I know the minister and I had many discussions about this. He told me that the industry begged him for a lumber quota system, for five years of peace. That minister and gentleman was not a person who supported managed trade. It was totally an anathema to him. He did not want to go that way. To suggest that the Liberal government imposed a five year quota system on the industry is totally absurd, and the member opposite should know that.

I generally support the motion. In fact the position that our minister has taken is that we should not accept a negotiated solution unless we have free and unfettered access to the U.S. market. However it is the last paragraph that I am a little concerned about.

The member opposite knows as well as I do that the Americans will be incredibly reluctant to override their own legislative authority. That is one of the challenges. I know that is the nub of the problem. However for them to say that they will allow this to override their own capacity to legislate will be a very serious challenge and may not be realistic.

● (1045)

Mr. John Duncan: Mr. Speaker, first, I know where the pressures came from for the quota system. I know they came from British Columbia. I know that was a very difficult time because British Columbia had so dominated the forest industry in 1996. That led the government to adopt the quota system. I did not say it imposed it on the industry. I said it imposed it on the country basically.

However what surprised me was long after the industry in British Columbia and other parts of Canada realized that it was not working, the government still defended it and refused to adopt a free trade posture right up until March 2001, the very month it expired.

In terms of the other point, if we look at the U.S. response to the Canadian proposal of last weekend, we find that the dispute resolution mechanism is binding on us but not on the U.S. That will simply not work. I am saying that is unacceptable. If it is not binding on both parties, then I am sorry, we have to go with NAFTA or WTO.

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, I highly appreciate the comments by the hon. member, the international critic of the official opposition on the softwood lumber file. He has done tremendous work on it and I commend him for it.

I would like to point out that the issue of softwood lumber is a very important in British Columbia. Many people depend on this issue and file. Their livelihood depends on it. The economy of the province depends on the softwood lumber file to a great extent.

Supply

Could the hon. member tell us what the weak federal government should have done in the past to resolve this issue sooner or could he throw some light historically on what the government should have done but failed to do on this file? I would appreciate if the hon. member could throw some light on that.

Mr. John Duncan: Mr. Speaker, there are a couple of things and I have already made reference to them. One is the fact that we did not make alliances when we could have simply because the government refused to take a position until March 2001.

I had been meeting for 15 months with members of the American consumer alliance before March 2001. Instead of them being able to spend full time worrying about the U.S. congress and shifting its views, they were still preoccupied with where the Canadian government would position itself. There was no point in them lobbying the U.S. congress in a serious manner, if the Canadian government was not on the same page. There was huge wasted time and opportunity there.

Another thing is to have resolve to carry this forward we need to have a contingency plan in place for our forest workers and our industry in case the negotiations are unsuccessful. Everybody knows the government has not taken those actions. It will be scrambling should negotiations fail.

We have pointed that out for some weeks now. It may be months. To this date the minister of trade responsible for Export Development Canada has not even ensured that Export Development Canada is developing the background and the plans necessary to implement some kind of response for a contingency plan. That is clearly unacceptable.

• (1050)

Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.): Mr. Speaker, thank you for recognizing me. You have a tough job and I know you are very fair in distributing the questions. Now that I do have a chance to speak because I did not get a chance in questions and comments, and I understand your need to spread the questions, I will first make a couple of points about the interesting comments of my colleague from the Alliance Party, the Alliance trade critic.

First, he has offered some interesting points, but one ought to be that he should speak to the leadership of his own party. He certainly offered some criticism of our performance. Maybe I can remind the hon. member that his own party went many weeks this time last year with no trade critic whatsoever. It is incredible but true. The party was going through its own kind of tearing out its hip action with its leadership at that time. It has one now, which is great, and he is working pretty hard. However we have no lessons to learn from the Canadian Alliance or its trade critic on interest and involvement in this file.

Second, the hon. member has pointed out that the Canadian government has not had a position on whether it is for free trade. That is absolutely and completely incorrect. Try as I have repeatedly, I cannot seem to get the hon. critic for the Alliance Party to understand this simple point. When the softwood lumber agreement ran out last March 31, that automatically put us in a position of free trade in softwood lumber with the United States. That automatically became the situation. That is fully and completely what the Canadian

government supported with unanimous support from all the provinces of Canada, including B.C., the province that he hails from. It was only when the Americans again took their very unfair and punitive trade actions that we found a divergence from the free trade agreement.

For the member to say that we were not clear in our position or that we were not clear that we were for free trade, is absolutely and completely incorrect. I know him to be an honest person. I can only conclude that he just does not get the fact that was the situation. We tried repeatedly to explain it to him and hence a little frustration that I may be exhibiting on that point.

Now I would like to turn to my remarks as the Parliamentary Secretary to the Minister for International Trade. As the minister has said repeatedly, we have reached a critical point in the softwood lumber dispute with the United States. The motion put forward by the member for Vancouver Island North is therefore timely. I congratulate him for it and I welcome the opportunity to respond.

I would indicate, Mr. Speaker, as I should have at the start, that I am splitting my time with the hon. member for Etobicoke North.

As we all know, this issue represents the most intractable trade dispute that Canada has ever had with the United States. For decades it has been driven by old style protectionism, promoted by a U.S. industry that simply does not want to compete with the efficiently produced, high quality Canadian lumber that U.S. consumers demand. Protectionism is a powerful force and unfortunately a firmly entrenched tradition in the U.S. softwood lumber sector.

In dealing with the latest round in the softwood lumber battle, the Government of Canada and its provincial partners have made every possible effort to seek a lasting resolution, including proposing meaningful changes to provincial forestry practices that should lay to rest U.S. complaints once and for all.

I would like to review our strategy to demonstrate that we have not only pursued the right course but that we must now stay that course.

Let me begin by saying that the sustained co-operation and collaboration between the Government of Canada, the provinces and our softwood lumber industry is unprecedented. No minister has had the success of the current trade minister in keeping together a national consensus on this very important file. It is unprecedented. He has put tremendous efforts into it and he is to be congratulated.

Under the leadership of the Prime Minister and the Minister for International Trade, we have worked together to develop and maintain a unified position that has greatly strengthened our hand.

•(1055)

As in the past, the United States industry has tried to divide Canadian stakeholders. In this it has failed. With this united front, we are deploying our co-ordinated strategy of the two tracks. I want the Alliance critic to listen to this: it is a two track policy. First, we are aggressively defending our rights in the WTO and NAFTA. Second, we have pursued discussions with the United States administration to see whether a durable, policy based solution to the softwood lumber industry can be found. It is not an either/or position, which the Alliance seems to advocate. We will pursue the legal avenues if necessary, where we will win again if we have to, but at the same time we will negotiate and discuss this issue in detail with our trade partner. That is what the provinces are calling for, perhaps most loudly the province of British Columbia, where the Alliance critic hails from.

Before I address these two tracks in more detail I want to emphasize that we have done everything possible to defend Canadian interests in the U.S. countervailing duty and anti-dumping investigations. The final subsidy and dumping determinations by the commerce department are due on March 21, to be followed by the final injury determinations by the international trade commission in mid-May.

In the course of these investigations the Government of Canada has filed over 250,000 pages of evidence refuting the U.S. industry's allegations. We have also helped individual companies prepare 334 applications for exclusions from the countervailing duty investigation. Earlier in that process we were successful in having the Atlantic provinces exempted from that investigation altogether.

Beyond this, we are advancing our dispute settlement cases in the WTO on track one of our strategy. As members are aware we have already won the first of these cases, which we launched in a pre-emptive move even before the United States subsidy investigation was initiated, yet we have an hon. member saying the government has done nothing. We acted in a pre-emptive move. In this case, a WTO panel upheld the Canadian position that our log exports do not constitute a countervailable subsidy. This pulls the rug out from under a key allegation in the U.S. industry's complaint.

We continue to make progress in three other WTO dispute settlement cases related to the softwood lumber dispute. In the first case we are challenging a provision in U.S. law that would prevent the refunding of countervailing and anti-dumping duties in cases where those duties have been successfully overturned in a dispute settlement proceeding.

In the second case we are challenging the methodology used by the department of commerce in arriving at its preliminary determination of subsidy, as well as its critical circumstances finding that allowed the imposition of the interim duty on a retroactive basis and its failure to provide for expedited review as required under the WTO.

Finally, we have joined with other countries to challenge the so-called Byrd amendment which provides for the distribution of countervailing and anti-dumping duties to the industry that filed the initial petitions.

Supply

The government is confident that we will prevail in the WTO proceedings. We always have. We challenged the last U.S. subsidy finding under the FTA and won, and we will win again at the WTO. We plan to take further action at the WTO or under NAFTA to challenge any aspects of the final determinations in the subsidy and dumping cases that are inconsistent with the rules. We have already advanced the panel selection process under NAFTA.

Given our ultimate objective of escaping the endless cycle of litigation and securing access to the U.S. market, we have moved along the second track in our strategy. This track of course involves our bilateral discussions aimed at finding a lasting resolution to the softwood lumber dispute. In these discussions the Government of Canada and the provinces have taken a balanced approach. We have responded to stated U.S. concerns, but in a manner that is consistent with Canadian concerns.

I can see that my time is coming to an end and I simply want to say that the government will continue with this two track policy. The government has been engaged with this issue at the highest levels for well over a year. There was no sense of not taking action. It is simply wrong to suggest that. The Prime Minister is today taking the latest opportunity in Washington to raise this issue with President Bush. The minister is involved in daily discussions with industry, with the provinces and with American officials. The government will continue on its two track policy.

•(1100)

If necessary we will win this case again through the legal channels, because what has been clear from day one is that we want free trade in softwood lumber. We want guaranteed access to the U.S. market. Our producers deserve it and we will have it.

[*Translation*]

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, this morning the Parliamentary Secretary to the Minister of International Trade did his best to rend his garments, shout and carry on in this House in order to demonstrate to this House that the minister and the Prime Minister have done their job as far as softwood lumber negotiations are concerned.

In the regions, as far as the lumber producers are concerned, whether in Rivière-du-Loup, the south shore of the St. Lawrence, or the north shore, we have a problem with this negotiation. The Canadian and American governments are pitted against each other.

This has been going on for five years. There has been an amber light on for the past five years. The Americans criticize the way our softwood lumber is encroaching on their market. The Minister of International Trade of the day, and the present minister, as well as the Prime Minister, who has always been the same person, have never done their job as far as negotiations in connection with the American market are concerned.

When free trade came along and Canada decided to belong to NAFTA in the days of the Conservatives, the Liberals were critical of free trade. Free trade should be continued as it was. But the problem is not limited to softwood lumber, it also affects hothouse tomatoes and dairy products.

Supply

This is what I wish to ask the parliamentary secretary. I would like him to quite simply admit to the House, from his seat, that the Canadian government is powerless before the huge American juggernaut and that when the time comes to negotiate on something as vital as softwood lumber, we grovel to the American government.

[English]

Mr. Pat O'Brien: Mr. Speaker, as to tearing shirts, I will choose my shirt over the hon. member's, as frankly I do not want to tear mine.

I can understand why a separatist member from Quebec would try to put forth the myth that he just put forth, which is that the Canadian government is powerless. That is the whole agenda of the Bloc Quebecois and of the head office of his party in the province of Quebec, the Parti Quebecois. It is nonsense. Everybody knows it is nonsense.

We have taken these cases to the WTO before. We have won every single time. I know the separatist member does not want to listen but I would like the opportunity to respond, because I did not interrupt him. The reality is, if we want to speak some truths in the House, let us speak them. We have fought this issue at the WTO repeatedly and we have always won.

If the hon. member wants to portray the Canadian government as powerless to serve his largest political agenda, let him do so, but the reality is that everybody else in the country, and most Quebecers, understand that the government is defending the rights of all provinces, including the beautiful province of Quebec.

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, I do realize that the time is short, but the parliamentary secretary did make a couple of statement to which I feel I must respond.

Number one, the parliamentary secretary made reference to the fact that we had a point in time when we had no trade critic. That is not the first time I have heard all of this. The important thing to recognize is that I was involved and responsible for the softwood lumber file as the forestry and mining critic and that went with me to international trade. If proof of that is needed, he can go to my website and see that when I was forestry and mining critic in June 2000 our softwood lumber position, approved by caucus, was right there. I wrote it.

In terms of the other statement that the parliamentary secretary made, that it did not really matter what the government signalled because automatically on March 31, 2001, we would revert to free trade, that is the very question we kept asking the government: Are you going to let it expire and go to free trade or are you going to extend it? There were a lot of signals that you were prepared to do it. All of Canadian industry wanted to know what you were going to do and so did the American consumer—

•(1105)

Mr. Pat O'Brien: Mr. Speaker, I rise on a point of order. I would just remind the hon. member, as I know you were about to, Mr. Speaker, that it is improper to use the pronoun "you" in the House of Commons. He is not addressing himself to you, Mr. Speaker of the House.

The Acting Speaker (Mr. Bélair): The message is made and passed on. There are 30 seconds left for the parliamentary secretary to answer the hon. member.

Mr. Pat O'Brien: Mr. Speaker, I challenge the member to find in *Hansard* when it comes out tomorrow that I said it did not really matter what the government said. Again he is not listening. Of course it mattered. We were automatically under free trade last March 31 when the agreement expired. The government wanted that. Everybody wanted that. If the Americans had not taken their unfair punitive action again, we would not be having this debate and we would not have gone through the last year of pain that they have inflicted and unfairly forced on the industry and the economy of this country. He does not get it.

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I am pleased to join the debate. Of course the whole issue with the Americans this time is divided into two areas. One is anti-dumping and one is countervailing duties to deal with alleged subsidies.

I was very pleased that the other day the Minister for International Trade launched an appeal against the anti-dumping portion of the claim. The anti-dumping claim is just as ridiculous as the subsidy claim. Experts state:

Dumping occurs when goods are sold in one market at prices that are lower than the price at which the same or comparable goods are sold in the home market of the exporter.

I hate to tell the Americans, but lumber is a commodity product that in North America trades roughly the same. In fact when we have a quota system like we have had for the last five years, the pricing in the domestic market is sometimes lower. In this case the Americans have investigated a number of companies in Canada and are alleging dumping. They have extrapolated that to say there is dumping going on across the whole spectrum of the forest industry in Canada. That is total nonsense and I am sure we will win that one as well.

We have won every single case that we have taken to a NAFTA panel or the WTO. It is fine for the members opposite to say they support free trade in lumber. Everybody in the House and everybody in Canada supports free trade in lumber. It is getting there that is the challenge, especially when we have a neighbour to the south who is a bully on this issue and who uses every trick in the book. We win at the panels, we win at the WTO and the Americans go back and change their trade laws so that they can win again.

I think we should hang tough. I hope we can have a negotiated solution that will provide free and unfettered trade in softwood lumber with the United States, but when we read about some of the things Americans are looking at, it sounds very complicated and quite unruly. They are talking about a sliding scale lumber export tax. They are talking about benchmark timber pricing. They are talking about a move to more auctioned timber. They are talking about a commission or some working group to oversee all of this.

Supply

I hope we can get there. Maybe we will. Maybe the Prime Minister today in Washington with President Bush can seal a deal that will give us this kind of unfettered and free access for softwood lumber. I have been involved peripherally and more directly with the countervailing duties issues since the mid-1980s. An interesting aspect of it is that when we have to respond on the countervailing duty issue to the Americans, we cannot really attack or question their system of pricing. I think if we could, we would have some serious questions.

For example, there is ample evidence that the U.S. forest service is selling timber to licensees, to forest companies, at less than cost. Also, they talk about the elegance and the beauty of the market in auctioning timber, but there have been times in the United States where the U.S. president has let companies off the hook when they have auctioned timber at an unrealistic, speculative price when it is clearly not economical to log the stand or the area at that price. They just say "sorry, you bid it up too high, you really don't have to honour that price". This has happened, so how can we say we have an auction market when bidders are let off the hook? This has happened and I am sure it will happen again.

We know that in the United States, especially in the states of Washington and Oregon, there are huge demands for timber. The supply is being encroached on by various urban sprawl and environmental issues. We had the famous spotted owl in Washington state and Oregon. There, because of the need to protect habitat, acre upon acre and mile upon mile of potential commercial timber land were taken out of production. There are supply constraints in the United States.

We have supply constraints as well, but we are a bigger country and we have more timber. In fact, we have the most productive and most efficient mills in North America. I remember that when I lived in British Columbia, people were sent up from the United States to Lakeland Mills in Prince George, one of the most automated mills in the world. The Americans would marvel at it. It had huge production and huge efficiencies. That is one of the other reasons why we are able to compete so effectively.

• (1110)

We all know these countervailing duty actions have absolutely nothing to do with subsidies or dumping. They have to do with our market share.

Every single time Canadian producers exceed 30% of the market share in the United States, the U.S. producers, who have a huge lobby and are connected with all sorts of powerful senators, congressmen and women, come forward and demand countervailing duties because they cannot compete with our producers. They use every trick in the book to fight us and even try to change their trade laws. This is patently unjust and we need to fight this with all our tenacity.

I heard the Minister for International Trade say in the House yesterday that there will be a negotiated solution only if and when we have guaranteed unfettered and free access in softwood lumber into the U.S. market. He was absolutely categorical on that point. I and my colleagues on this side of the House, and perhaps all my colleagues in the House, are with him 100%.

Having worked in the forest industry, guess what would happen if one were to go down to Tennessee or Mississippi and talk about putting in an OSB mill, an MDF plant, a sawmill or a stud mill? The governor and about five people would escort us around Mississippi and tell us what they would do for us, and they would do a lot of things. They would give us low cost energy, sales tax abatements, cheap industrial land and property tax concessions. They might even give us some other tax holidays.

Unfortunately, the way the rules are stacked under countervail duties, we cannot attack their system. We can only respond and defend our own system. That is what bullies do. They define the rules and we have to respond. They tell us that we cannot attack what they do but that we have to go and defend ourselves. We have stood up to that in the past and we will again. We will not put up with it.

What is at stake is our national sovereignty. Who is going to tell us how to price our timber? The Americans talk about the wonders of the market. I believe in the markets. They do fail from time to time and that is why governments have to be there. If the market is so good and if the pricing of their timber is so sound, how can they explain NASDAQ? I am not sure that market worked that well. We know pricing on NASDAQ was based on totally fictitious profits or totally fictitious forecasts.

There are times when the market does fail and there are times when auctioning timber is not a bad idea but is it the only solution? I doubt it. The problem we have with the Americans is that they are telling us to go to full auction or that maybe 60% would be sufficient, in other words, they want us to be like them. We are only at about 14% or 15%. We have a totally different tenure system and a totally different forest policy regime. The Americans have a lot of arrogance telling us that if we do it their way they will not charge us any tariffs.

We have to draw a line in the sand and we have done so. It would be great if we could negotiate something. If we could have unfettered access to that market with no strings attached or with strings that we could live with, that would be very positive. Going through this year after year is sickening. It puts many jobs and many mills at risk. We need to find another solution.

If we fight this at the WTO through NAFTA and cannot achieve a negotiated solution, then we need to be prepared to help our industry. The best vehicle for that would be through the Export Development Corporation because the companies will need to put up bonds to meet the tariffs and some of them will not be able to deal with that.

There are tough times ahead. I hope we have successful negotiations. Let us not ever give up on free and unfettered access to the U.S. market for softwood lumber.

• (1115)

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, I want to make reference to one of the final points the member for Etobicoke North just made. I appreciate his speech and his reference to some backstop provisions should negotiations fail.

Supply

The member also talked about the consideration for bonding in terms of tariff requirements. I want to make it clear that those requirements, after May when they would be implemented in the absence of an agreement, would actually be cash requirements not a bonding requirement.

Is the member aware of anything that Export Development Canada is planning to do or is initiating in the way of backdrop studies or anything else to further its ability to respond quickly on that issue, because everything that has been done up until now has been non-fruitful?

Mr. Roy Cullen: Mr. Speaker, as I understand it, the EDC currently has some applications before it. I guess it is a matter of cashflow management and what programs EDC has or could custom make to deal with this issue. I will certainly be inquiring further as to what EDC is doing, although I believe it has responded already to some extent.

This is an important area and I for one will be taking it up with EDC. If EDC needs more capacity in terms of its mandate perhaps the government should look at that as well. However, we really need to do whatever we can to help these companies if we are left in a situation where we have to fight this through to the WTO. Some of these companies and jobs will be jeopardy.

[*Translation*]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, there is one principle in which I believe and that is that one must be convinced one's self before one can convince anyone else.

I would like to remind the member who just spoke that, prior to 1993, the Liberals were in favour of ending the Free Trade Agreement—"scrapping" it, as they put it. The problem has gone on for a year now.

I am thrilled to hear the member talk about it today, but I wonder why he is doing so. Is it because the Ontario members were less concerned about this, given that it may not have been as important, or that it did not have as great an impact as in British Columbia or Quebec, where 25% of the production takes place?

Will he tell me why they took so long and why their resolve to convince the United States to do something is so weak?

● (1120)

[*English*]

Mr. Roy Cullen: Mr. Speaker, it is not a question of the arguments being weak. It is a matter of the Americans not listening or not being prepared to listen.

If we look at the free trade agreement, the Liberal Party has stood traditionally for free trade. I think history will judge whether the free trade agreement and the NAFTA were the right deals, but if we look at the volume of our exports to the United States, it has increased enormously under the NAFTA. In fact our exports of softwood lumber and other forest products have increased under the NAFTA.

I will not stand in the House and suggest that everything is perfect under NAFTA. There are some issues we need to examine, such as the fact that we have become so dependent on the U.S. market. Perhaps we should be looking to diversify to outside the United States.

In terms of the results of the free trade agreement, it has generally worked very well. More needs to be done but the results have generally been positive for Canada. The problem is that the Americans have become totally irrational and have become bullies on certain trade disputes, and certainly softwood lumber is one of them.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I am pleased to take part in this debate. I will be sharing my time with the member for Jonquière, in whose riding also a number of businesses are affected by the softwood lumber issue.

First, I would like to congratulate the member for Vancouver Island North for his motion, as it appears to be a heartfelt appeal.

Some people believed that the Government of Canada wanted free trade in softwood lumber. Today, after everything that has happened, not only from the standpoint of businesses, who have lost profits, but even more so in terms of jobs that have been cut in our regional lumber industries, in my riding in particular, we have a picture of what is happening in the lumber industry in Canada.

For example, the multinational corporation Bowater has facilities in my riding. There are also privately owned producers, such as the Richard Pelletier et Fils sawmill, Denis Lebel inc, a large company, Bégin et Bégin inc., another sawmill, and Le Groupe G.D.S. These are groups that are involved not only on the U.S. market, but also on the Canadian market, because the conflict with the United States also has an impact on the Canadian market.

I think that the wording of the motion has been very well drafted, in the sense that it does not try to blame the government for what has been done up to this point, but it seeks to reassure the House of Commons that the Prime Minister, in dealing with what I will call "the American elephant", when he or the Minister of International Trade meets with U.S. President Bush, will not agree to any unacceptable concessions.

If, in the coming weeks, we were forced to accept another compromise, such as the one that was reached last time in 1996 and lasted for five years, I think that everyone would feel ripped off. This is what is contained in the motion, that agreements must not run counter to the free trade agreements by not granting free and unfettered access to the U.S. market. The motion basically stipulates that the will expressed in this House by all parties be carried out in practice. However, this has yet to happen. And it is very dangerous that this has yet to happen.

Why? Because at this time the federal government is showing signs that it is quite possible that it will accept a compromise. If ever free trade is not included in this compromise, if we again have to deal with something that will have to be renegotiated in five years, we will have really missed the boat. We will not have responded to what people have been calling for.

I remember the tour of my riding I made last fall with the leader of the Bloc Québécois. We visited some sawmills, where the workers told us, "The position that is currently being defended is the right one. The Americans have to give in. There has to be access to free trade". We explained our position to them and informed them as well that there is a sizeable lobby in the United States that supported our position in favour of free trade. We felt we had people's support on this.

If, however, next summer we go back to our ridings and an agreement has suddenly been reached, one in which the workers feel they have been had, one that has caused them to lose weeks of work and has gained them nothing in the end, and we could just as easily have given in three years ago, then this will not be acceptable. The proposal we are looking at today addresses this.

It is necessary for the Canadian government to reach a conclusion that will lead to a return to free trade. If this is not one condition of the agreement, I feel that our commitments will not have been met.

I remember that, at my request, a spokesperson for a pro-free trade council, the Conseil pour le libre-échange pour le bois d'oeuvre, Carl Grenier, came to meet with the promoters at Rivière-du-Loup. There was an exchange of views on the entire matter, as well as a debate on the small private sawmills, as opposed to the major operations in this area. Obviously, the bigger operations may have broad enough shoulders to withstand this and get through the crisis, if ever a decision by the appropriate legal bodies on the free trade agreements is required. It is a lot harder for the little sawmills to survive.

I was very pleased to hear the hon. member opposite refer just now to an assistance program. We would indeed have to ensure that the negotiations have not put us in a lesser position, but rather come up with something that will allow a return to free trade. If ever the Americans do not want to go that far, there must have been provision made for assisting our businesses and our workers.

● (1125)

In fact, solidarity cuts two ways. In the Lower St. Lawrence, where my riding is located, one in four unemployed workers, 25%, are reaching the end of their EI benefits.

The softwood lumber situation has meant that workers went on employment insurance earlier in the fall. They accepted that. They will work later in the spring and they have accepted that too. However, there are people who will be without any money coming in for four, five, six or eight weeks. These are not principles. This is not a war between Canada and the United States. It is the real life situation workers are facing.

We in the Bloc Québécois suggested that the number of benefit weeks be extended for these people. I think that solutions must be found so that workers can get through this period and continue to support a free trade position. Ultimately, what matters the most with these free trade agreements is that people see that there are dispute settlement mechanisms allowing a smaller country to prevail over a larger one.

Before there ever was any free trade agreement, the United States would not even have bothered about our reaction; they would have imposed their duties and we would have had to live with them.

Supply

Solutions are within our reach. This is the final decision. We know that we are right. We know that we can win the legal battle. Canada must not decide to make unacceptable concessions. It must put its money where its mouth is. When the Minister for International Trade says something, it has to translate into action. If this decision is not made, nobody is going to want to wage this battle again in three, four or five years. We will have been had by the government and nobody will be happy.

On another note, I want to add that Quebec is realizing what would have happened if it had been sovereign during the last round of negotiations on this issue. The Americans recognized that Quebec had almost no countervailing duties. Its system was working and most of the problems were due to the situation in British Columbia.

A compromise was accepted by Canada as a whole, with the exception of the Maritimes, which were not affected. Quebec therefore lived with this agreement for five years. If there had been a sovereign state back then, it could have argued with the Americans that Quebec should not have to accept such measures, because we were not doing anything wrong.

We are aware that the federal government and the provinces have been playing fairly with the Americans under the current system. However, I believe that a sovereign Quebec would have had the opportunity to extricate itself from this quagmire much sooner, thereby avoiding the situation that we have had to endure for seven or eight years.

I feel that it is important that today's vote on this motion be virtually unanimous. I hope that after all of the speeches have been given, we will focus on what is important and say with one voice that the House of Commons believes that an acceptable agreement is one that leads to free trade, an agreement that does not contain compromises that will prevent us from having free trade in softwood lumber.

We want to send a strong message to both the Government of Canada and the Government of the United States, to let them know that for people from here, for our constituents, it is important that we have access to free trade and that our lumber can be sold on the free U.S. market. We know that we can be incredibly competitive; we are capable of selling on the U.S. market. We are capable of ensuring that houses in the U.S. are built at lower costs. However, in order for this to happen, we cannot give in right when we are in the process of winning this battle.

I hope that this is the message the Prime Minister will give to President Bush so that we will not be left with a bitter taste in our mouths and the feeling that all of our efforts were in vain. I hope this will translate into a vote in the House that will make the message very clear.

● (1130)

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I have a question for the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques.

I agree with the hon. member that we must help those companies that are facing challenges in the softwood lumber industry.

Supply

Does the hon. member think that there is a risk that, if the Export Development Corporation helped these companies, the Americans would sue? They might argue that this is a subsidy. Is there a risk that this could happen?

Mr. Paul Crête: Mr. Speaker, I thank the hon. member for his question. He can be proud of his French, because he has made good progress.

It is important to tell the Americans that we will not be bullied, to tell them "If some of our companies are penalized because you do not accept a return to free trade, we will help them".

As we are getting closer to the deadline for the final decisions, we are in a strong negotiating position. Our main problem is to make it through the current period. I am well aware that many sawmills are having a very difficult time. People are asking for an interim agreement to be able to continue to survive economically and create jobs, as they usually do. But we must send a clear message to the Americans that we will not give in.

We will have massive support for our people, our businesses and our workers. This, I think, is something that the current government did not promote enough. It was mentioned that there would be programs to help businesses, but we have yet to hear about programs to help workers. Currently, the government is helping them collect employment insurance benefits as quickly as possible, but this is not the kind of help that they want.

What I am looking for is the kind of help that will enable these people to have an income to bridge between jobs, when they are unemployed as a result of a war of strategy between Canada and the United States. They need to be protected.

Could the Americans retaliate, as my colleague has suggested? It is possible. We will not, however, win the battle by bowing to the Americans; what we need to do instead is to show clearly that we feel we are right and that, if they do not agree to a return to free trade, they will have to pay the price some other way. We do not have to bear the brunt of it.

• (1135)

[*English*]

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, I congratulate the member on his call for unanimous support for the motion. It is the right message to be sending.

I want to comment on the part of his talk about government support, a government backstop. The obvious question which comes to mind was asked by the hon. member for Etobicoke North. Will this not be attacked as a subsidy by the U.S.?

The reality is that if the program is set up in a fashion that has already been quite detailed in its proposal to the government, this backstop would be in the way of a government guarantee of loans from commercial lending institutions. The actual amount of any subsidy that could be configured into that would be so marginal it would not really be worth pursuing.

Besides that, the U.S. is prepared to play hardball on this issue. Why would we not play some hardball as well? Maybe they would just want to use the WTO and that supports the whole thing.

[*Translation*]

Mr. Paul Crête: Mr. Speaker, in connection with assistance to businesses, this must indeed be approached correctly and rationally by the Government of Canada, to develop the mechanisms that are the least likely to be challenged.

I do, however, believe that it is up to this parliament and the Canadian government to say that we want a return to free trade. We are prepared to examine some transitional phases if need be, but we will not under any circumstances accept an agreement that obliges us to go through the same kind of debate in four, five or six years.

This is why we are calling for unanimity on this motion. I feel it is important to repeat that a very clear message must be sent.

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I am pleased to address the motion by my colleague from the Canadian Alliance, the hon. member for Vancouver Island North. I congratulate him on his motion, because it makes a lot of sense.

Today, as the Prime Minister is meeting with President George Bush, we must make it clear to the Prime Minister that all parliamentarians in this House are saying the same thing and share the same view on this issue. We are saying that the softwood lumber issue must be settled.

As the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques said, parliamentarians must give their unanimous support to this motion. It is important and urgent that members from all parties in the House who will address this motion today stress the importance of settling this issue, for the future of Canada and also the future of our regions.

I am the Bloc Québécois critic on regional development. I want to tell people from all regions of Quebec who are affected by this situation that the Bloc Québécois has a very firm position on the softwood lumber issue. We have always been in favour of a complete return to free trade for softwood lumber, as set out in NAFTA.

The Bloc Québécois feels that the continuing uncertainty regarding the Canadian position in the negotiations is adversely affecting these negotiations. In fact, the Bloc Québécois is asking the government to go ahead with the support plan announced by the Parliamentary Secretary to the Minister for International Trade.

The Bloc Québécois is again asking that the employment insurance benefit period be extended by an additional 10 weeks. As we know, most of the workers affected by this issue, whether they work in the bush or in plants, are seasonal workers.

This dispute with the United States has caused huge job losses in Quebec and in all the regions faced with this problem. We are asking for a 10 week extension, so that these workers do not wind up in the gap twice. We are talking about the spring gap. This is the result of the restrictions imposed by the employment insurance reform. Under this reform, the number of weeks that people have to work to qualify for employment insurance has been increased, while the number of weeks during which they can collect benefits has been reduced. It is important that the government put this position on the table.

Supply

In Quebec, we have 250 plants creating jobs in this industry. Over 35,000 jobs in plants and in the bush are attributable to softwood lumber; 250 municipalities in Quebec are developing around the wood processing industry. It accounts for 100% of manufacturing jobs in 135 cities and towns. Softwood lumber brings \$4 billion to the regional economy. Quebec is the second largest producer of softwood lumber in Canada and is responsible for 25% of Canadian production. Forests cover 446,000 square miles in Quebec. Softwood lumber production in Quebec in 2000 was 17,077,000 board feet.

In Saguenay—Lac-Saint-Jean, where my riding is located, 6,300 jobs have been created in the bush and in plants. The present dispute leaves these 6,300 jobs hanging in the balance. According to the Association des manufacturiers de bois d'oeuvre de sciage du Québec, 6,800 workers have lost their jobs since the dispute first began. There are approximately 40,000 jobs associated with this industry in Quebec.

● (1140)

I think that this opposition day is extremely important. I do not know whether the Prime Minister of Canada will be more convincing in his meeting with the President of the U.S. today because of our arguments. But I have not found him very convincing recently.

I am not questioning the position they took and what they did, but the Americans are going to have to understand that they cannot, after five years have gone by, revisit clauses on which entire sectors of our natural resources depend, which affect our plants and our workers. We cannot allow jobs in this country to be jeopardized.

The U.S. government, the global “elephant”, must understand that it has to come to the table and negotiate a return to free trade. In my opinion, it is imperative that this dispute be resolved.

Early this week, Statistics Canada released figures showing that more and more Canadians are moving to cities. As we can see, all the jobs associated directly or indirectly with plants and sawmills are rural jobs. This is one more argument in favour of keeping these jobs in rural communities, so that these communities can grow and so that we can stop the exodus of young people.

As well the ministers of Industry and International Trade will also have to be concerned—as they said during the last campaign—with the distant parts of Quebec. This is one more argument that could be added to the Prime Minister's tool kit. He needs to tell them that it is important, he needs to stand up and, with conviction, tell the Americans “That is enough. What we have on the table needs to be respected”.

In the past, there have been other verdicts by the WTO supporting Canada's position. Let the Prime Minister base his position on this, then. Let the Americans stop their strong arm tactics all over the place. Let them respect the exchanges we want to have with them, so that in future we can all be on a level playing field and can work together in order to make some progress.

I wish to reiterate my position and that of the Bloc Québécois, and to call upon all members of this House to vote unanimously in favour of the motion of the member for Vancouver Island North in order to throw some more weight behind the Prime Minister of

Canada, so that he can make the U.S. president listen to reason. He must not limit his discussions to golf and sports, but must tell him “I have the unanimous support of the members of the House of Commons, and of all stakeholders, and I want you to understand this”. This is what we want to see happen.

This is the position of the people in the regions, particularly those working in this field, the plant workers, the forest workers. They want to work and they do not want to depend on inconsistent arguments that no longer hold water. This concerns the jobs of people in our area and people in all the provinces of Canada. We want to deal with the Americans and we want to provide them with softwood lumber, but it must be done via an exchange like this. We want to move ahead with firm negotiations that will have long term results.

● (1145)

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Madam Speaker, first, I would like to congratulate the member for Jonquière for her enthusiastic speech on this issue. I really liked the points she made, particularly her regional perspective.

She comes from a region—and the situation is the same in the lower St. Lawrence, Abitibi and other regions—where not only young people are leaving, but, according to Statistics Canada's reports, they are also moving to major cities in Quebec and elsewhere. This is what is happening at present.

I would like to give her more time so she can explain to me the impact of this on regional finances. In a statement he made yesterday, the Minister of International Commerce seemed to say that, in the end—in the spirit of the second point made by the member—members opposite do not seem to have very strong convictions. The minister responsible says he does not think there is much chance that negotiations will lead to an agreement, following the meeting today between the Prime Minister of Canada and the President of the U.S.

I would like the member to comment on this kind of opinion and to tell us whether she considers such comments useful, because they seem to mean that we are already admitting defeat.

Ms. Jocelyne Girard-Bujold: Madam Speaker, I thank my colleague, the hon. member for Lévis-et-Chutes-de-la-Chaudière. Truly, this is harmful to our regions.

Earlier, I referred to statistics. In Quebec regions alone, the softwood lumber industry represents 35,000 direct jobs in plants and in the bush. Thanks to this industry and the jobs it creates, \$4 billion is injected into regional economies. This shows how urgent the issue is. This government must take the remote regions of Quebec into consideration, because their survival is at stake.

We talk about the exodus of young people, but sawmills and plants now offer high tech job opportunities. This industry is offering high tech jobs in the regions. However, because of what is going on right now, there are layoffs, and young people are deciding to leave their villages to seek job opportunities in the cities, because they cannot afford to live without income. This is especially true during the so-called spring gap, when they go without any income for several weeks. So, we see that this is part of the mechanism that has to be developed for the benefit of our regions.

Supply

Moreover, the International Trade Minister did not look convincing yesterday. Neither did the Prime Minister, who, I thought, showed weakness. He did not show any determination to address and solve the problem. This is why I say that the members of parliament who will rise today will say that they are ready to give their full support to the government, because they want it to deal with the issue and find a solution.

So, I hope that will help the Prime Minister and the International Trade Minister find the energy they lack and finally show their determination to solve the problem.

• (1150)

[*English*]

Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.): Madam Speaker, I just do not know where the hon. member has been during the last day or two. I want to give her a chance to comment. Maybe it is what we call in English a cheap shot.

The Prime Minister is not going to talk about golf and sports with the president of the United States as she seems to think. I can assure the hon. member he is going to talk about some very serious business.

[*Translation*]

M. Antoine Dubé: Not this time.

[*English*]

Mr. Pat O'Brien: Perhaps the Bloc members could listen to me as I listened attentively to them.

I want the hon. member to comment on the press conference of the Quebec forestry minister yesterday. He congratulated the Government of Canada, the Minister for International Trade and the Prime Minister for the outstanding leadership they have shown on this file.

Why is the member being so negative? Why is she being so petty, when in head office the Quebec forestry minister has seized the reality and is being a little more generous in acknowledging the efforts of the minister of trade and the Prime Minister?

[*Translation*]

Ms. Jocelyne Girard-Bujold: Madam Speaker, I am surprised at the parliamentary secretary's comments. I think that he did not understand. I think that he did not get the interpretation. I never said such a thing. I said that I hope they he will not only talk about golf, fishing and hunting. I hope that he will talk about softwood lumber. I hope that he will say that all parliamentarians from the House of Commons are behind him. I want to provide some wind for his sails. I hope that the parliamentary secretary will listen to what I said and that he will understand.

I want to provide the Prime Minister of Canada and the Minister of International Trade with some additional steam. Sometimes when we get close to the finish line, we run out of steam. I would like to give them that final push so that they can cross the finish line and settle this. I hope that the parliamentary secretary will do the same thing.

[*English*]

Mrs. Bev Desjarlais (Churchill, NDP): Madam Speaker, I am pleased to have the opportunity this morning to speak on a very

serious issue affecting Canada. This is certainly one of those issues that affects Canada nationwide. Every single province, to some degree, is active in the forestry industry and is feeling the effects of what I consider to be U.S. bullying tactics on the softwood lumber issue.

I think the disappointment that a number of members of parliament and certainly a number of Canadians have felt is that the softwood lumber agreements that were previously in place expired before we ever saw any real action to get the U.S. moving in a way to allow open access. From that perspective, there has been a lot of disappointment.

However, from the perspective of Canada's position I must say I actually have been pleased that we stood firm and I am pleased that the minister says he is standing firm. Because what we so often find is Canada buckling under to the U.S., there is concern that in these last minutes and last hours of the fight, and actually I think it will be the last months of the fight, Canada will buckle under. I was extremely pleased to see the forestry ministers from the provinces put out a firm position yesterday, saying to the minister "Don't buckle under. We must take the U.S. head on".

The forestry industry companies and those workers are the frontline soldiers in this war against the U.S. and its attack on us regarding trade agreements. Often as New Democrats we are accused of not being in favour of trade and we are slammed for wanting to have all these protectionist measures in place. That has never been the case. What we want is fair trade that recognizes all partners need to have fair and reasonable rules in place so countries can reflect what they value. We are not opposed to fair trade. We are not opposed to there being an even keel on forestry products being sold between Canada and the U.S.

It is not just New Democrats who feel that the trade agreements have not ensured that Canadians benefit from these trade agreements. A proposal was sent to the government, I believe, from the trade lumber coalition. It stated about the forest industry businesses that:

The businesses that will fail will be the victims of inadequate trade agreements negotiated by the Government of Canada with the United States, leaving companies exposed to unfair protectionism and crippling financial harassment. They need, and merit, government assistance and the government needs to provide assistance as part of a sound and sober international trade policy.

The position that we as a country and right now the industry are taking, that of standing firm against the U.S., is the right position, but we have to make sure that those frontline troops, the forestry industry and those workers, have the tools to survive this war with the U.S. The government is failing to do that. The changes to the EI system mean that a number of workers are not able to qualify for EI. There is no additional possibility of dollars going to the forestry workers, but there could be the possibility if the government would see fit to do it by allowing some flexibility in programs to ensure that more dollars could be there to assist forestry workers. The government is not doing that.

There needs to be a system. One was devised in regard to the Export Development Corporation. The proposal was put to the government and stated:

Supply

The Government of Canada could extend its EDC loan guarantee facility, presently available for companies to post bonds, to guarantees for commercial bank loans so that companies will be able to post cash deposits should they become required in May 2002. It should be able to fashion the program so that the government assumes some risk, but would not have to make financial contributions to companies. The assistance could have no adverse effect on the current litigation, and might not create any subsidies exposure in the future. Instead, hundreds of companies and thousands of jobs could be saved while Canada stands down unfair U. S. trade practices.

● (1155)

What we are dealing with now is an industry that is standing firm and is willing to take its fight to the U.S. The government needs to support that industry and those workers and it is not doing that. On top of the delay in getting on with the issue of dealing with softwood lumber in the initial days of this agreement coming to an end, the government is now lagging behind in putting in place programs that will support the industry. The government cannot do that. We have to support this industry.

I firmly believe that what happens within the softwood lumber industry and our stand with the U.S. will have an impact on trade deals in the future, whether that be in the steel industry, the dairy industry or the potato industry in P.E.I. What happens here will set the pace for what is to happen in the future. If we can show that we are a strong, united country in doing this and that the government will support its industries, we will have a chance against the bullying tactics of the U.S.

We have a very strong case. It is very strong when an entire industry from one end of the nation to the other agrees that we are doing the right thing, that we are not doing anything wrong and we will win this, but that we need some help along the way. If they are starved out, if those companies are allowed to go bankrupt, we will have accomplished nothing. We will have destroyed our industry. We will have made it open season for foreign companies to come in and buy it up later to do whatever. It is crucial at this time that the government support the industry and put in place programs to do that immediately.

I will not go on much longer because I know others want to speak on this topic and it is crucially important that everyone gets that opportunity. I want to take this time to thank my colleague from the Canadian Alliance. We have had discussions before on the softwood lumber issue. We know the seriousness of the issue and we know that we have to get some action from the government for those support programs. I want to thank him for pushing for this to be an opposition day dealing with the softwood lumber industry. I hope we will see support for the motion.

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Madam Speaker, I appreciate the comments of the hon. member. This issue of softwood lumber is very important for all Canadians, particularly people like me who come from British Columbia where it is so absolutely important to the survival of the province. Many communities in B.C. depend on softwood lumber.

The hon. member talked about the bullying tactics of the Americans. I tend to agree. I have seen it happen on two fronts since I have been in the House, on fisheries as well as on softwood lumber. We have had this unfortunate situation in dealing with these two files with the Americans. At the same time, Americans are our neighbours. I think we need to co-operate and have a co-operative

environment on various issues. We need to have free trade with them. We can always create a synergy of our resources and approaches with our neighbours.

First, I would like to know how the hon. member would balance having a co-operative approach, because the softwood lumber issue will be affecting various other industries and many other items on the agenda of co-operation and friendship between our two countries.

Second, how does the member see this hardball approach the Americans are taking with us, such as they did on Bill C-55 in the past, which affected the steel, plastics, textiles and agricultural industries and so on? What impact on other industries and free trade with America does she see as a result of this file not being dealt with properly?

● (1200)

Mrs. Bev Desjarlais: Madam Speaker, as I indicated previously I think it will have an impact if we do not stand firm when we know we are right and in a strong position. What would that say to our neighbours to the south?

We are good neighbours of the U.S. Nobody could ever deny that there has not been an excellent working relationship between Canada and the U.S. and there should be an excellent working relationship. However, being good neighbours does not mean becoming the doormat for those neighbours. We are not here for them to wipe their feet on any time they want their way, or when they do not want to treat us the same way they want to be treated if they think something will benefit Canada more.

I would like to suggest as well that we are being good neighbours to the numbers of people and organizations in the U.S. that want to see Canada succeed. They are the lobbying groups in the U.S. who support Canada's position because it allows them to benefit from prices coming out of Canada so that people in the U.S. can afford to build homes and do different things they would not be able to do if they did not have the products coming in from Canada at a reasonable price.

We are not talking about a low cost dumping price, because I think Canada is on the right track and is not doing that, and that is supported. We can be good neighbours, not just to those companies in the U.S. that are lobbying the government, not just to the lumber companies trying to get big bucks for their lumber in the U.S. and wanting to increase their prices. As well we are being good neighbours to the literally hundreds of thousands of Americans who want access to our products at a reasonable price.

Mr. Jim Pankiw (Saskatoon—Humboldt, PC/DR): Madam Speaker, there is no question that our free trade agreement with the United States and all aspects of our trade with the Americans should be done on principle. In any case where an unfair trade practice is undertaken by one of our trading partners, we should, within the rules and confines of our trade agreements, vigorously defend our position and our right to have free, open access to the markets of our trading partners.

Supply

However, my point here is that the NDP has taken a stand against free trade. Its members always spout this anti-American rhetoric despite the fact that Americans are our largest trading partner, our friends, our neighbours, our allies, and in fact even increasingly our relatives. Saskatchewan is good testimony to this because we in Saskatchewan have had a socialist government, in perpetuity it seems, and the NDP is responsible for the fact that we just keep exporting people from Saskatchewan, a lot to Alberta but many to the United States. Increasingly my constituents are telling me that their sons and daughters are going to the U.S. because of the socialist, backward mentality of the NDP in Saskatchewan.

I want to read into the record a brief statement made by Tony Blair, the leader of the social democratic party in Great Britain. When he addressed the House last year, he said:

It is time that we started to argue vigorously and clearly as to why free trade is right. It is the key to jobs for our people, to prosperity and actually to development in the poorest parts of the world. The case against it is misguided and, worse, unfair. However sincere the protests, they cannot be allowed to stand in the way of rational argument. We should start to make this case with force and determination.

I agree with the prime minister of Great Britain that NDP members have their heads screwed on backwards, and we should, as vigorously and intentionally and strongly as he did, make the case against their misguided rhetoric.

● (1205)

Mrs. Bev Desjarlais: Madam Speaker, there was a rule when I was growing up that if one does not have anything good to say one should not say it. I will go beyond acknowledging there are people in our country, even members of parliament, who are so blinded and naive and ignorant of reality that they will make statements that just are not accurate.

As I indicated in my comments, the NDP has never been opposed to trade. We have never said there should not be free trade or there should not be any trade. What we say is that there has to be fair trade. There have to be rules in place that are beneficial to both sides or to all the partners involved.

When rules are put in place that only benefit one side, it defeats the purpose. From the early days, from the beginning of the New Democratic Party and the CCF, we have strongly supported trade with our neighbours. We have strongly supported it and my hon. colleague should have been listening in his history classes in little Unity, Saskatchewan. I know that they were being taught about what was really happening in Canada within political parties because one of my assistants went to the same school, I believe. Somebody was listening, but it was not my colleague from the PC/DR coalition. What is surprising is that they have not found a chair even further outside of the House to put him in and then we would not have to listen to his ignorant comments.

The Acting Speaker (Ms. Bakopanos): I would caution hon. members on the use of certain language in the House of Commons.

As well, if we want to get everybody in we will have to keep it brief.

Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.): Madam Speaker, I agree with the NDP member that we could have a little better decorum from the member she referred to, but I had trouble keeping a straight face when she

said that if one cannot say anything good one should not say anything at all. I would encourage her to follow her own advice. Her track record is not that strong.

I want to ask her specifically, is she aware of the efforts of the Canadian government through our embassy in Washington, through this government directly, through repeated delegations from the House of Commons and through a number of delegations from the Canada-U.S. parliamentary group that we have here on the Hill? Is she aware of these repeated efforts over the past two years to educate the American public about the unfair costs they pay for softwood lumber for protectionism in the United States? Is she aware of our efforts to educate American congressmen and senators? There has been a concerted, determined and pretty successful effort carried out by the government.

Given her earlier comments, I did not think that she was aware of this and I would like her to comment.

Mrs. Bev Desjarlais: Madam Speaker, I am aware that a number of things have been happening to try to get the representatives of the U.S. government to see exactly what has happened to the U.S. people. I mentioned the number of organizations in the U.S. that have been lobbying to see the support of Canada's position, because it is the right position. I am certainly aware of that.

As I indicated, I am pleased that the minister is standing firm and is saying that he will stand firm. This is supported by the provinces nationwide.

Even though we will stand firm with the U.S., we have to make sure that we will support our industry as we take this fight. We have to make sure those frontline troops in the battle on the forestry and softwood lumber issue are able to survive the fight with the U.S. That is what is crucially important right now.

● (1210)

The Acting Speaker (Ms. Bakopanos): I do apologize to the hon. member, unless the House agrees to allow the member to ask a question. Is there agreement?

Some hon. members: Agreed.

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Madam Speaker, I will make it easy. It is not a question. It is a comment.

I would simply like to thank the NDP member for her support for the motion. She is pragmatic in carrying on with this issue.

We need non-partisanship on this issue. We need common sense, not ideology. We would be sending exactly the wrong message from this place if it ended in political bickering rather than the plight to our forest workers, communities and industries.

I thank the hon. member for her support.

Mr. Gerald Keddy (South Shore, PC/DR): Madam Speaker, I rise today in the debate on softwood lumber. It is an issue which we all need to take seriously. I congratulate the Alliance Party for bringing it forward.

Supply

About two weeks ago the hon. member for Cumberland—Colchester asked for an emergency debate on this subject. Unfortunately the Speaker did not see fit to allow an emergency debate which at the time would have been a much better ruling by the Speaker and we would have been able to actually move forward more quickly on the subject.

The supply day votable motion brought forward by the Canadian Alliance reads:

That, in the opinion of this House, the principles and provisions of the Canada-U.S. Free Trade Agreement, FTA, and the North American Free Trade Agreement, NAFTA, including their dispute resolution mechanisms, should be fully applied to trade in softwood lumber, and it urges the government not to accept any negotiated settlement of the current softwood lumber dispute outside of the FTA and the NAFTA unless it guarantees free and unfettered access to the U.S. market, and includes dispute resolution mechanisms capable of overriding domestic trade measures to resolve future disputes.

At first glance that is a very good motion. I expect it is a motion the PC Party would support. However, other issues should be taken into consideration.

The first issue that needs to be taken into consideration is that we are in a crisis situation. Some 42% of Canadian lumber exports come from British Columbia. At the present time somewhere in the neighbourhood of 30,000 forestry and forestry associated jobs have been lost in B.C.

A year and a half ago newspaper headlines in British Columbia were saying that British Columbia was bleeding jobs. It is certainly bleeding more jobs today than it was a year ago. We should be prepared to lobby extremely intensively in the U.S. to get a negotiated settlement. We need to continue this with utmost haste.

The Prime Minister has been discussing the issue with President Bush. We advised him to do that more than a year ago. The PC Party raised questions in the House when the softwood lumber agreement was about to expire. There was no panic on the other side of the House. There was no sense of urgency on the government side.

It is nearly a year and a half later and we are in a crisis situation. A huge industry is being severely threatened by its inability to export lumber and raw logs south of the border. We should understand where most of the American interference is coming from.

There is a huge demand for Canadian lumber and a larger demand for Canadian raw logs. I do not want members to think from my earlier statement that there is a problem with exporting raw logs. It is quite the contrary. That is not the problem. The Americans want our round logs to feed their sawmills. Without question that has been a great part of this entire debate.

The Prime Minister and the Minister for International Trade do not seem able to negotiate a settlement with the Americans.

●(1215)

I am not quite certain but either yesterday or the day before, the Prime Minister linked the trade in softwood lumber to the trade in other Canadian commodities. In answer to a question in the House he said that the Americans will talk to us on softwood lumber because they need our energy, because they need our heavy oil, because they need our gas. If the government knows anything at all about the very basis of trade agreements, it is that issues should not

be linked. Softwood lumber should not be linked to oil. Softwood lumber should not be linked to gas. Softwood lumber should not be linked to automobiles. The government should not link, period. It becomes a slippery slope and tit for tat. It is a hopeless situation which neither country will ever win. The fact that this agreement needs to be settled is without question.

Madam Speaker, I would like to say in the midst of debate that I will be sharing my time with the member for Fraser Valley. I am sure he will add some excellent comments to the debate.

I would like to summarize a number of the mistakes the government has made. The government failed to recognize that the deadline was looming. Long ago, more than two years ago, I raised this in the natural resources committee. The government was unaware that the softwood lumber agreement was expiring. It was completely impervious to it. The government did not understand it. It was a problem then and it is a greater problem today. The government cannot link issues. It continually tries to do that.

Only yesterday, for the first time in a year, did the government have a stakeholders meeting. The very people who are closest to this issue and who understand it the best had never been called together by the government. The government had met with some of them individually, but it had never met with them all in a group.

The timber producers and exporters in British Columbia and the timber producers and exporters in Atlantic Canada were talking to each other, but they were not talking to each other and the government at the same time. All of them were never in a room together. They did not know what Ontario's position was or what Quebec's position was because they had not been put in a room together. It is unbelievable that a government with that much arrogance on this important an issue had never had a stakeholders meeting.

We should understand that after the Canada-United States softwood lumber agreement expired in April 2001, the U.S. department of commerce levied what we would call an unfair duty, but the initial duty of 19.31% on countervail. There is some discussion from the people I have been talking to in the industry that it may be increased to as much as 50%. The U.S. followed that up on August 10, 2001 with an additional 12.58% anti-dumping charge.

Many parts of Canada were left out of the countervail. Atlantic Canada was left out of the countervail charges, however no one has been left out of the anti-dumping charges because it affects the entire country.

Since talks are resuming today in Washington, this debate is very timely. However, I question the ability and the competency of our Canadian team. We are sitting here a year later and the British Columbia economy is in tatters. In the lumber industry alone 30,000 jobs have been lost.

Madam Speaker, I recognize the one minute signal, but I do not see my colleague for Fraser Valley. Perhaps the questions and answers will take that up and if he is not here by then, I will continue if that is possible.

Supply

• (1220)

The Acting Speaker (Ms. Bakopanos): The hon. member has to make a choice at the beginning, not at the end.

Mr. Gerald Keddy: Madam Speaker, I am sure my colleague will be here on a timely basis.

The Acting Speaker (Ms. Bakopanos): We do not comment on the presence or absence of a member in the House. We will continue with the 25 seconds left in the member's speech.

Mr. Gerald Keddy: Madam Speaker, I cannot finish this speech in 25 seconds. There is much too much to be debated. I do have five minutes for questions and answers and hopefully I will have some.

The issue I want to leave the House with is the issue I raised at the very beginning. We have a government that is asleep at the wheel on this file. It did not recognize the deadline that was looming. It has not handled it in a professional and comprehensive manner and therefore we are in the position we are today.

Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.): Madam Speaker, the hon. member could not be further from the truth when he said that the government was asleep at the switch.

The hon. member does not want to listen to me and I understand that given the comments that he just made. He should be embarrassed. However, I will answer them whether he likes it or not.

The member should recognize that there was a consensus among the 10 provinces and the federal government, a deliberate strategy, to let the softwood lumber agreement run out a year ago. No one was asleep at the switch. At that time we then had free trade in softwood lumber as per the free trade agreement with the United States. If that had just continued, we would not be having this debate today.

What happened was the unfair punitive trade action by the United States, which we anticipated. There was no one asleep at the switch. There had been extensive consultations with the provinces. The member comes from Atlantic Canada. The government has taken very strenuous efforts to ensure that Atlantic Canada has been excluded every chance possible.

There has been a very deliberate strategy with wide consultations by the Minister for International Trade and the Prime Minister of Canada with the provinces and industry, the best consultations and the widest consensus ever reached on this ongoing file.

Why can the member not be a little more accurate in his comments?

Mr. Gerald Keddy: Madam Speaker, on the contrary, my comments were extremely accurate. The government was asleep at the switch or, if the member prefers, it was asleep on the stump. We have an industry that is being sacrificed because of the inability and ineptness of not only the Minister for International Trade on this file but also the Prime Minister.

What is really being discussed here is this. The United States wants a number of things from Canada. It would like to see us use something that is more closely related to its stumping system and to use a cross-border reference criteria to establish Canadian subsidies that are non-existent. It would like to see us increase raw log exports to the United States and adopt U.S. style timber auctions which

actually jack the price of lumber up instead of decreasing it. There are a number of things that it is after. We cannot just sit back and think that we do not have to bargain with the U.S. We cannot ignore our industry.

As far as Atlantic Canada is involved, we are always left out of the countervail because we have a different system in Atlantic Canada because we are based on private land ownership. That is why. It was not anything that the government did. It did nothing. We represented ourselves. Also, we are certainly willing to support Quebec, Ontario, Alberta and B.C. in trying to have free trade in lumber, but we cannot do that without the help of the government.

• (1225)

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Madam Speaker, I thank the member for South Shore for supporting our motion today. Some of the comments that he made about the Liberal government sitting on the stump while the SLA was about to expire were questioned by the parliamentary secretary. He said that up to two years before the expiry of the SLA the government knew that there was a consensus among the provinces to let it run out. That is what it did. That is the poorest form of leadership that I could possibly imagine.

If the federal government had any idea about the consequences of letting that run out without any plan A once it did run out, it would have advised the provinces on issues of international trade as important as this. It was up to us, as the federal government, to work out details in co-operation with the provinces and the United States before it ran out. It should have told the provinces about the peril that was awaiting the expiry of the SLA. However, it did not. It sat on the stump.

Does the member for South Shore not think that the Liberal government showed a complete lack of management on this issue at the time the parliamentary secretary said that it was on the job?

Mr. Gerald Keddy: Madam Speaker, the management issue is an interesting one because we cannot manage an issue unless we understand it, and that has been the problem from the beginning.

I will reiterate in closing, that we cannot work on an issue unless we are willing to negotiate with the players. After over a year, only yesterday did the government finally agree to meet with all the players. It may have met with them individually, but if they were all put in a room, we might get a solution.

Mr. Chuck Strahl (Fraser Valley, PC/DR): Madam Speaker, it is a pleasure to enter into the debate and to support the motion that is before us today. I think what we will find developing during the debate in the House of Commons is a surprising amount of support and unanimity for the motion.

I know these speeches are watched in Canada, but I would like to speak directly to our American friends. Two or three things are developing in Canada right now and I will highlight them for our American friends who may be watching.

First, they will find that all parties I believe understand and support the motion. All parties in the House of Commons know that it is in the best interests of both of our countries to have free and unfettered access to one another's markets. It is no mistake that the amount of trade that comes between the United States and Canada is the biggest trading arrangement between any two countries in the world. However our American friends probably also realize that if we just pick one province, for example Ontario, Ontario alone is the biggest trading partner with the United States.

On the issue of software lumber, there is no bigger issue in British Columbia, my province, than access to markets for our softwood lumber. It is a huge issue. Ten thousand people so far have been laid off in British Columbia with another 10,000 hanging in the balance because this issue has been allowed to deteriorate to the position it is today.

Here in the House, in the industry and among the provinces, there is unanimity at this time. This is our number one trade priority with our American friends, bar none. This is the number one trade irritant between two good, friendly trading nations. We have to deal with it and we need and ask the Americans to understand that our commitment to free trade is complete. The provinces are on side and the industry understands what is happening and it is on side.

I agree with many of the comments that have been made so far today and will be made as the day unfolds. I am none to happy that it has taken until this 11th hour to get everyone together to come to this agreement. However make no mistake about it, Canadians are united on this from coast to coast, from industry, from the provincial governments and from the stakeholders. From private woodlot owners to the House of Commons, we all recognize that this has to go ahead and has to be solved, and the sooner the better. However it cannot be solved by just shrugging our shoulders and hoping for the best. It is going to take active work.

I would argue on the American side as well to give us back an offer. We have put our offer on the table. The Prime Minister is down there today making a case for it. It is a sound offer supported, as I said, by everyone. However we need to have a commitment in return that the Americans too are committed to free trade and that they too are willing to understand the changes that have taken place.

I would like to quickly highlight some of the things that are relevant on softwood lumber. First, the meeting that took place as recently as yesterday was probably the first time that we had this degree of unanimity among all the players in the industry. Canadians, industry and everyone are totally united on this. We understand the issue well. We understand that it is the biggest trade issue affecting the nation. More important, we want our American friends to understand how serious this is to us. We are not fooling. This is not a half-hearted effort. We have done our best. We have done it in good faith. We have come together with all the partners. Now we want the Americans to respond in kind.

Second, we want our American friends, including American consumers, to wade in on this in a serious way as well. Not only is it in all our best interests, but it is also in the best interests of the American consumers that this be solved quickly and solved by March 21. If the industry has its way, and it is a special interest group in America, consumers in the United States of America will suffer.

Supply

They will suffer right when they do not need it, when we are all trying to rebuild a stagnant economy in the North American market.

• (1230)

The Americans need access to our products and they need it now. They need to know that it will be uninterrupted for years to come in order to plan, just as we need it on this side of the border for investment and so on. They should pull out all the stops to ensure that this goes ahead by next week.

Third, we have shown our willingness in Canada to change, not because of threats necessarily from other countries, but in response to new realities. In British Columbia for example, in an effort to appease environmental concerns around the world, we brought in the toughest environmental laws anywhere in the world. In fact they are so tough that an analysis done in the last few months by specialists from the University of British Columbia has said that there are regulations that are not helping the environment; they are just there to make them look tough. They add 20% or 30% to the cost of doing business in British Columbia in the lumber industry.

We are so adamant about being the best and the toughest on environment, that we have done whatever its takes to be the best at that. We have responded to international concerns. We have made our industry not only the most productive in the world, but also the cleanest and the most environmentally sensitive. We have been most co-operative in every way we can be with all the stakeholders to ensure we do whatever we can.

For example, the British Columbia government has responded to concerns about lumber sold on crown land. It has responded with a package and a proposal on how it would change. It is a new process. The Americans should know that. It will not be the same thing next year as it was four years ago. It has changed and it will continue to evolve, but what has not changed is our commitment to free trade and to open borders from north to south.

It has been reinforced perhaps by the events of the last year, specifically September 11. In the most stable continent in the world perhaps in many ways, we need one another. We need free access to one another's borders. We need to find ways to increase that, not put impediments in the way.

Again, I urge our American friends to understand that we are on their wavelength on free trade. We hope they are on ours because we have been duly diligent at the provincial level and at the industry level.

I agree with the member for South Shore that it has taken too long to reach a consensus among all the players, but it is there finally. I thank the government for pulling that together at the 11th hour. We are united on this. We want it to go ahead, and we are prepared to ensure that we have that united stance here today, I hope, by all parties supporting the motion before the House.

Supply

Finally, I would like to offer one final thing to the Americans who may be watching the debate today, the American negotiators or whoever it might be. Although this is a stand alone issue and although softwood lumber is in and of itself being debated here today and being treated in isolation, it is difficult for us in the House to say that whatever happens, happens. We cannot be prepared to accept a deal just to get us through a crisis moment in our industries. We cannot take any deal in order to put something together. We need a deal that puts this to bed. We need a deal that shows the American commitment to free trade and unfettered access to markets. We need something that will not bring us back a year from now with a similar motion. We need a deal where we will not have to spend time trying to innovate ways to get around a softwood lumber agreement, rather we need to find ways to work within an agreement that benefits both countries.

I have seen too much energy, too much time and too much money invested by remanufacturing mills in my province and my riding to try to get around the softwood lumber agreement instead of working within the parameters of a deal that benefits both countries. It is time to put this behind us, but we need to do it in a way that respects the principles of the motion. It is time to do it for the long term.

• (1235)

The sooner the Americans accept our goodwill on this subject and give us a long term agreement that adheres to these principles, the better off both countries will be. I urge our friends in the United States to understand that it is in the best interests of both countries to solve this now.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Madam Speaker, the member commented on free trade, but this is not an issue of free trade because when the agreement expired we had free trade. The problem is that the Americans are applying restrictions. They are rejecting free trade. The issue was summarized best by the member for South Shore when he said that the Americans want to impose stumpage rules and other mechanisms on Canada to jack up the price.

How do we deal with a country that wants to impose on this country unfair pricing practices? It is a matter of sovereignty. It is very difficult.

Mr. Chuck Strahl: Madam Speaker, I agree it is very difficult because we are dealing with a very powerful trading partner. Suffice it to say, the free trade agreement is a rules based agreement on trade. It is obviously in the best interests of all countries, but especially a smaller country like ours dealing with a larger trading partner like the Americans.

It is important that the Americans understand that because we have a different system does not mean we have an inferior system. Most of the land in British Columbia is crown land. Crown land is not the same as communist land. It is held by the crown for the benefit of all people. It is not the same as a system driven in Cuba.

I try to reinforce the fact that changes are taking place on crown land in British Columbia. Changes have taken place that continue to evolve. However because of the way our country evolved, Americans must understand that this is land held in common for all kinds of common uses, everything from parks and recreation and multi-uses of all kinds, including a working forest.

I was a logging contractor before I got into this business so I am aware that lumber companies pay billions of dollars into provincial coffers for the right to access timber. The process is changing. The B. C. government is doing the right thing by acknowledging that change was necessary.

Just because something is on crown land does not make it a freebie. It is not. It is a very costly thing and large obligations are placed on lumber companies in British Columbia which are tasked with everything from road building, road reclamation, environmental protection, replanting and regeneration, thinning and ensuring that the working forest is growing. All of these obligations are placed on our forest companies.

It is true that we have a different system, but it is not a communist system. It is a system that has evolved because of what we call crown land and because of the evolution of our country.

• (1240)

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I shall be brief. I simply want to invite the member who gave the last speech, one that I found fairly convincing, to make further arguments that would assure the House that the Liberal majority will vote in favour of the motion.

Until now, the government has defended its record and what it thought needed doing. We have not heard too many guarantees about what the Prime Minister will be do. The Minister of International Trade is somewhat shaky on his positions on the question.

Could the member add to his arguments, in order to convince the Liberal majority to vote in favour of the motion, so that it has the strength required, a motion adopted unanimously by the House of Commons. We need a motion stating that we want an agreement that will comply with the Free Trade Agreement and do so in conditions that would be beneficial for all those who made sacrifices in this struggle.

[English]

Mr. Chuck Strahl: Madam Speaker, I thank the member for his comments, especially because time and again I am impressed by the members of parliament from Quebec and their commitment to free trade. In many ways they have led the country with their commitment to free trade and continue to do so. I thank the member for once again pointing out the need to commit to that principle. It is sound and has a lot of leadership from the political leaders and the people of Quebec who have shown their willingness to live in a free trade, rules-based society.

We do not know what will go on in the negotiating room. This motion urges the government to commit to the principles of free trade and impress upon the Americans, at every occasion whether it is the Prime Minister or at other levels, that the House wants free trade and unfettered access to markets, as should the Americans.

Supply

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Madam Speaker, I will be sharing my time with the member for Lethbridge who has a good knowledge of this issue. He has a far better knowledge of this issue than I can say for the Liberal government. I was astounded by the comment by the member from Ancaster—Dundas when he said that the government had free trade when the SLA ran out.

I cannot imagine that the Liberal government was so oblivious to the past record of the United States on softwood lumber that it would think for a moment that there would not be challenges coming very quickly after the SLA ran out. That is the problem. There was no planning for the expiry of the SLA on behalf of the government.

It is an absolute correct statement to say that the members of the Reform Party and now the Alliance have been the pre-eminent speakers on this whole softwood lumber agreement issue. The member for Vancouver Island North has spoken in the House going back to prior to the signing of the SLA. He warned the government of the perils that awaited should the agreement be signed. He probably spoke more than 25 or 30 times in the last five years on the issue as disaster upon disaster resulted from the softwood lumber agreement. He stood in the House, as have I and many of our colleagues, and urged the government to prepare for the expiry of the softwood lumber agreement.

It is clear that the government never really got involved in this softwood lumber agreement crisis until some time in December 2000, some three months before the expiry date. Then all of a sudden it was going to waltz in and try to solve the thing. It would have been nice if it had, but the fact is it did precious little between then and the expiry date of the SLA. Since then it does not appear that the government made very much progress on it as well.

We are now faced with the free trade that we were used to in softwood lumber over the last 25 years where the United States industry through its large and powerful lobby groups would challenge the export of Canadian softwood lumber into the United States. It has quite predictably slapped a tariff and extra duties onto the Canadian softwood lumber going into the United States.

Is anybody really surprised that it has happened? Certainly not all of us in the opposition but obviously the Liberal government is surprised about it. The government did nothing for five years while it was waiting for the SLA to expire and then it hoped by some miracle that the American forest and softwood lumber industry would just let us have unfettered free trade into the United States for our softwood products.

That is the record of mismanagement of the government on the softwood lumber issue. We should not blame it too much because it simply does not understand the issue. Let us give the government some relief of blame for that.

The finance minister was out in Quesnel, B.C. about three or four weeks ago. I am told by the people in Quesnel, which is a big lumber town in north central B.C., that they almost had to smack him with a 2x4 of softwood lumber to get him to recognize that there was a problem. He said some niceties and said he would go back to Ottawa and encourage and almost demand that the Prime Minister get involved personally with President Bush and get this thing done.

That was something that was not a rocket science suggestion. We have been suggesting it for a number of years.

I come from north central British Columbia, probably the softwood lumber capital of Canada and perhaps the world. To give the House an idea of the importance of softwood lumber in our region our forest companies produce about 3.9 billion board feet of lumber every single year. We have the most modern and highly technological mills in the world. We produce enough lumber to build about 475,000 single dwelling homes every year. We could produce far more than that because of the efficiency of our mills.

● (1245)

The housing for which we can produce lumber represents about three times the annual new housing starts in Canada. We do it every year. Our mills in northern B.C. produce about 40% of B.C.'s total softwood lumber output. That represents about 21% of Canada's total production of softwood lumber.

Needless to say, the mismanagement of the softwood lumber issue by the Liberal government has had a disastrous effect on the economy of British Columbia as a whole but in particular the area of B.C. I come from because it is so forestry dependent.

We are faced with a government that seems willing to seek a band aid approach to the softwood lumber crisis rather than fight for what we should rightfully have in Canada: free and unfettered trade in softwood lumber with the United States of America. It appears the government, having let the issue get into an absolute crisis mode, is willing to sign an agreement that would give us not free trade in softwood lumber but managed trade.

That is not what the government should do. It is not about free trade with the United States. The government has mismanaged the case. It is looking for a band aid fix. It is the same way it has managed the country for the last nine years. It has never made substantive changes. It has always preferred a band aid approach. That is not the way to run a country and it is certainly not the way to run the softwood lumber issue.

For five years our member for Vancouver Island North has constantly stood in the House and given the Liberal government every amount of assistance he could give to help it manage the softwood lumber issue. He has gone to the United States and made close associations with Americans in the industry and in government. He has talked with representatives of the American Affordable Housing Institute and the National Association of Homebuilders. He has been in touch with the industry in Canada and worked closely with it.

However the government has been so partisan minded that it has discounted every bit of good advice the hon. member for Vancouver Island North has given it. It is fair comment to say my hon. colleague from Vancouver Island has forgotten more about softwood lumber than the Liberals ever knew. The Minister for International Trade has demonstrated that in spades. So has the Prime Minister. So has the parliamentary secretary. I am sure the Minister of Indian Affairs and Northern Development has not given the issue a thought.

We are in a crisis. We need to protect the right of Canada to unfettered free trade with the United States. That is the bottom line.

Supply

The government says it is okay to have unfettered free trade in the oil and gas industry and some manufacturing sectors but for some reason it refuses to fight for it in the softwood lumber industry. This is a pure example of the federal government's attitude toward western Canada and some of the eastern provinces in which our party is under-represented from an electoral point of view.

• (1250)

Most disturbing of all is that ministers of the government who live in British Columbia and know the issue and its impact have been telling the government to get it done and it has not. That is typical of the Liberal government.

Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.): Madam Speaker, when the hon. member's party shows it can manage its own caucus it will perhaps be in a position to offer advice about important national issues of the day including softwood lumber. However Alliance members are a long way from demonstrating they can manage their own party.

The hon. member says the government did nothing. He asks why the Prime Minister was not involved until recently. The Prime Minister of Canada has raised the issue repeatedly over the past year with President Bush at almost every opportunity.

The Minister for International Trade has been the leader in the file. He has built the strongest national consensus on how to proceed on the softwood lumber file that Canada has ever had. This was acknowledged by someone who knows far more about softwood lumber than the member who just spoke: the hon. member for Fraser Valley, his former colleague, who moved to another part of the House for reasons most Canadians know.

The member tried to portray the government as having done nothing. The reality is that there was consensus a year ago between the provinces and the federal government that the softwood lumber agreement should be allowed to run out. We did not do nothing. We were arguing for free trade which would now be in place if the United States had not taken unfair and punitive trade action. We were not naive. We knew the Americans would probably take trade action. To build a national consensus the government led by the Minister for International Trade therefore held extensive consultations with all the provinces including British Columbia.

It has been a deliberate and co-ordinated strategy. However the Alliance Party does not want to accept it because it serves their purpose to play petty partisan politics. It has gotten them nowhere in the House of Commons. It has not advanced their position politically and it does not help the important softwood lumber dispute.

Is the hon. member not at all aware that there was a co-ordinated and deliberate strategy led by the Minister for International Trade? Does he not understand that all provincial trade ministers and the industry have been extensively consulted on the issue and are in full agreement? Does he not understand that we must proceed on the two track policy of the government? Does he even understand the two track policy?

• (1255)

Mr. Richard Harris: Madam Speaker, we have been giving the Liberal government advice since before 1996. We advised it not to sign the SLA. It did. We pointed out the perils that awaited it if it

signed. It signed. The perils began to emerge as disasters throughout the five year period.

We told the Liberals the SLA would expire in 2001 and asked them to prepare for it. We suggested they make friendly and close alliances with large lobby groups in the United States such as the National Association of Home Builders, the American Affordable Housing Institute and whatever lobby group it could find to fight the large and powerful U.S. softwood lumber lobby. The government failed to do that.

Most importantly, we advised the government to form a friendly and close relationship with the new president of the United States. It failed to do that. It should have reacted in a more friendly and eager way when George Bush came to power. If it had formed a partnership to work co-operatively with the president we would not be having this problem.

However the Prime Minister was almost oblivious to the new president. During the U.S. election he had the audacity to say he hoped the Democrats would win. Can members imagine the stupidity of a statement like that? We are paying the price for it now.

Mr. Jim Pankiw (Saskatoon—Humboldt, PC/DR): Madam Speaker, I made a comment earlier about the prime minister of Great Britain. The British prime minister is the leader of the labour party in the U.K. which correlates to the NDP in Canada. He stated to Canada's parliament that the case against free trade was misguided and, worse, unfair. I read his whole quote to the House. I pointed out that we in Saskatchewan are victims because we export our people because of socialist policies.

The hon. member for Churchill said the NDP supported free trade. My Conservative colleagues assure me the NDP vigorously opposed it. Does the hon. member for Prince George—Bulkley Valley know what the facts are? Did the NDP support the free trade agreement or not? My understanding is that it has always been opposed to it.

Mr. Richard Harris: Madam Speaker, I have a great answer. The record will show the NDP, otherwise known as friends of Maude Barlow, vigorously opposed the free trade agreement and still do. However it is convenient for them to support both it and our motion today. We thank them for the little deviation from their normal stand on the free trade agreement.

Supply

• (1300)

Mr. Rick Casson (Lethbridge, Canadian Alliance): Madam Speaker, it is good to rise today and speak to the motion, a motion brought forward by our party and particularly by the member for Vancouver Island North who, I agree with the former speaker, has probably forgotten more about softwood lumber than many of us will ever know. He has been on top of this file for years. He has done a tremendous job for this party and for the country to do what an opposition party should do, to criticize the government for what it has not done and to bring forward alternatives. Today is an example of that.

I want to make sure that people understand the motion we are debating. It states:

That, in the opinion of this House, the principles and provisions of the Canada-U.S. Free Trade Agreement, FTA, and the North American Free Trade Agreement, NAFTA, including their dispute resolution mechanisms, should be fully applied to trade in softwood lumber, and it urges the government not to accept any negotiated settlement of the current softwood lumber dispute outside of the FTA and the NAFTA unless it guarantees free and unfettered access to the U.S. market, and includes dispute resolution mechanisms capable of overriding domestic trade measures to resolve future disputes.

That indicates that mechanisms are already in place through the free trade agreements that we have. The softwood lumber agreement that was in place expired. Free trade should have been the ultimate function that kicked into place but it did not.

For a country like Canada, which has been through one trade dispute after another with the Americans on softwood lumber, not to be fully prepared for the day that agreement expired was wrong.

I had the opportunity to go to Washington, D.C. last June with the Canada-U.S. parliamentary group and meet with senators and lobby on this issue. We were fortunate enough to have a meeting with Secretary of Commerce Evans. We tried to let him know just exactly how important this was to Canada.

Mr. Evan's answer to us at that time was that they knew on a daily basis what was happening between Canada and the U.S. with regard to trade, that it was huge and that this was part of it, but that we were not to worry because it would be sorted out. That kind of attitude indicates to me that the Government of Canada did not do its job in letting Secretary of Commerce Evans know how serious the issue was. The government did not supply the Americans with the information they needed to understand our position so that when the SLA ceased to be in existence they could come to the table to work toward free trade.

As it turned out, a huge tax or tariff was immediately put on our lumber and it absolutely devastated the lumber industry. Some of the headlines we see about profits being down and losses being taken, as far as the companies are concerned, is one thing, but when one realizes the effect it is having on the families, the businesses and the communities right across the country, the communities that depend on softwood lumber exports and on the manufacture of the products, is something else.

Hopefully the Minister of Human Resources Development understands the implications of what is happening to the families across Canada. It has been a year now since the agreement expired

and the tariffs were put in place against Canada, and the business industry has gone into a tailspin.

Some of the support that is in place for people without work is starting to dry up. As we stand here today discussing the issue, families are facing real life decisions on how they will feed their families and pay their rent. They are losing their homes and their way of life.

It is important that this issue be brought to resolution as soon as possible. It should not have gone on this long. There should have been a process put in place to end this before it started.

A couple of summers ago I had the opportunity, through invitations from the west coast forestry operations, the industry and the union, to tour the west coast. I did not know much about the practices that were put in place but they wanted to demonstrate how hard they worked as an industry to address some of the environmental concerns that have faced their industry, and there have been many. It was really educational to see the lengths to which the industry would go to protect the environment and ensure that the lumber industry was sustainable.

• (1305)

When an industry is in trouble and it does not have the funds to invest in proper environmental projects, those projects will suffer. This whole issue of the industry being in trouble has far reaching ramifications and through no fault of its own. It may have to backtrack. I am not saying it is but that would be one area that it would look at and say that it cannot afford to do some of the things it has been doing as far as protecting the environment because of the situation in which it finds itself. Hopefully that will not happen and we can bring the dispute to resolution very quickly.

The Prime Minister is meeting today with President Bush. Both countries have a lot to talk about but I hope the softwood lumber dispute is at the top of the list so we can get some resolution or some commitment from our American partners to come to the table and bring free trade to this industry.

This agreement was one of the largest trade agreements in the world. The lumber going across the border between Canada and the United States was unprecedented, almost in the world, as far as the value and what was needed.

The Americans do need our lumber. They do not have the supply themselves. In the interim, when we are being damaged by this situation, other countries are looking at that and taking advantage of it to seek out new markets in the United States, and they are finding them.

It is important for us to resolve this dispute quickly so we can maintain our market share or we will lose out on that as well. When we have an industry that is this huge, in so far as the trade aspect is involved, it has created on the south side of the border in the United States a huge lobby group that supports our position. The homebuilders and the Home Depot know they need our lumber. They know it is of high quality. They need it to build homes. It is better than the lumber they produce themselves and so we have a whole industry down there that is supportive of what we are doing and the position we are seeking.

Supply

We should have had that lobby lined up, onside and doing the deal for Canada long before this softwood lumber agreement expired. I heard the comment from across the way this morning that once the lumber agreement expired free trade was supposed to kick in. That is fine and that was where it was supposed to go but we are not naive enough to think that would automatically happen. We should have been ready for it. We should have been preparing ourselves, building the alliances necessary to bring our point forward and get it across in the United States.

Another issue came to light this week with the release of Statistic Canada's latest census numbers. This country is growing at a very slow rate and if we are going to maintain and create growth in the service and commercial industries, we need to find markets for our products, and that means that we will need trade agreements with the United States and the rest of the world in order for our people to create jobs and move Canada along.

We continually have situations which arise, and there are many. We could talk about agriculture, softwood lumber, potato farmers, cattle producers, tomatoes and it goes on and on. It seems that at every opportunity available we come under attack. The government and the country need to take a far more forceful attitude or position in negotiating trade deals.

We need to firm up markets for our products. We need to make sure industry is confident enough in the future of its markets and that it can invest, create the jobs and wealth that a country needs to grow.

● (1310)

It all comes together. The way it is shaping up right now, Canada will need to find vast markets outside of Canada to keep the growth going. We need to work on smart trade deals that do not always end up in dispute and cause harm to Canadians.

I hope we can have the support of all parties for the motion today. I think everyone in the House realizes how important it is to Canada as a whole.

Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.): Madam Speaker, I listened carefully to my colleague from Lethbridge and I support some of the comments he made but I want to raise some questions about others.

May I remind my colleague and all Canadians that, yes, we are in a very protracted and unfair dispute on softwood lumber caused by the United States, but 46% of our national wealth of our GDP is based on exports, the vast majority of that going to the United States, and the vast majority of that trade with the United States is virtually problem-free.

We have disputes from time to time. This unfortunately has been one that, as Yogi Berra said, is déjà vu all over again. We have fought this a number of times and if necessary we will win this again at the WTO.

Does the member not recognize that it is incorrect to say that the softwood lumber deal was just allowed to run out and nothing was done, that the government somehow was not prepared? That simply is incorrect.

There were extensive consultations before the softwood lumber agreement ran out. My colleague, the Minister for International

Trade, was meeting with the provinces and warning them about the potential problems we would face before the agreement ran out. The hon. minister was cobbling together the best national consensus we have ever had in this country. Some members of the opposition parties have acknowledged it today. He cobbled that consensus together and he started before the agreement ran out.

We were not naive. We knew the Americans likely would be petty and punitive once again on this issue and unfortunately they were.

Could the hon. member not acknowledge, because I know him to be a person who is pretty objective and fair in the House, that it is wrong to say that the government took no actions before the agreement ran out?

Mr. Rick Casson: Madam Speaker, perhaps it would be better if I did admit to what the member is saying, but on the other hand, if what he is saying is indeed true, that they were well aware this was coming to an end, that they worked hard on trying to bring the agreement to some resolution here in Canada and utterly failed, maybe it would be better to say that they did not do anything and here we are, but to say that they worked hard at it, that they did everything they could to bring the parties together yet still it came to this position, shows that the job was not done.

The thing is that we have a whole industry and thousands and thousands of families across the country suffering. We should have known that was going to happen long before this deal transpired. If what the member has just said was happening, why are we a year later still scrapping, trying to figure this thing out and people are still being harmed day after day?

This argument has turned on them. They say they were doing their job but obviously the job they were doing was not adequate and they should have been at it maybe earlier and maybe more intensely.

It goes to the whole global issue. If we want to maintain our position as a strong, viable part of the new global world, we had better get to the trade negotiations wherever they are, in whatever venue. We must be strong and firm in negotiating long lasting trade agreements that will benefit this country.

I urge members opposite, as the governing party for now, to make sure that happens so that every industry in the country can feel comfortable in the fact that their future will be stable and they can have confidence in investing further in Canada.

● (1315)

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Madam Speaker, I found the member's remarks very ingenuous because his own first speaker mentioned that it was a powerful lumber lobby in the United States. It is a bully. They are not acting very American, if I may say so, and they are applying muscle against the Canadians. We have done everything in our power. What it really boils down to is that in this sector there is a lack of goodwill on the American side. They are far more powerful than us.

Supply

In the end, will he not agree that the only way this situation will be resolved, short of going to the WTO, is to appeal to the goodwill of the president of the United States? That is precisely what the Prime Minister is doing at this moment. We have to hope that the Prime Minister is successful because there appears to be no way that we are going to find our way through the powerful lumber lobby.

Mr. Rick Casson: Madam Speaker, there is a powerful lumber lobby in the United States, but there is also a powerful lobby in the United States supportive of our position.

Why are we not finding the allies that we need to promote our position instead of continually talking about the other side? Let us bring the parties together that will help defend Canada's position on this issue.

Mr. Steve Mahoney (Mississauga West, Lib.): Madam Speaker, I will be sharing my time with the member for Vancouver Centre. More and more in the House we are hearing debates on opposition day motions wherein members of the opposition seem to be struggling to find a position that substantively criticizes the actions of the government and to be moving on to more personalized attacks against the government.

I would like to bring this debate back to more of a businesslike atmosphere rather than the chirping that seems to be coming from across the way. I do not mind that; it tends to motivate and encourage me to carry on with my remarks.

I want to point out a couple of things. The first is that I really believe what is happening here is actually an attack on our sovereignty as a nation. It is an attack on our ability through our Confederation to determine how we will do business within our country and with other parts of the world.

Let us take the issue of stumpage. Stumpage, for the folks at home, is basically a system used by the provincial governments to manage the forests. They give out licences to lumber companies that in turn go out and harvest, and I use the word harvest because that is exactly what it is, the product from the forest under terms of the agreement that require them to replenish what they take away. The object under a proper forest management program strategy is that we not deplete what is clearly an important resource to our country.

The Americans do not like that because they operate a little differently. They simply go out in the world of let the strongest survive and buy the stumpage, buy the forest and do with it what they will. I do not challenge their right to do that. I would say, though, that under agreements like Kyoto and in other environmental areas there are concerns internationally about too much clear-cutting and raping of the land.

I would hope the Americans would look at it as more than just a trade dispute and recognize the impact that unfettered forestry operations could have on the environment. It also has a major impact on the economy.

We cannot sit back and tell the Americans to go ahead and tell us how we should manage our forests. Under the terms of Confederation that is a provincial responsibility. The issue we are debating is one of fair and free trade. What has happened?

Let us be fair to our friends south of the border in this regard. How do they compete with a 62 cent or 63 cent dollar? On top of that, how do they compete with an industry that is much more efficient, that produces a better quality product which their consumers are demanding in huge numbers?

They have difficulty because they would have to then turn around and invest tens or maybe hundreds of millions of dollars to upgrade the quality of their industry, of what they are producing in terms of a quality product. How can they address this issue? Either they make those investments over the long term and compete with the good quality Canadian wood or they call up George and slap on a duty. That is the easier way for them to do it. By slapping on a duty they then make our products more expensive to consumers in the United States.

I am quite sure the Prime Minister will be pointing out to President Bush that a number of very important groups in the United States actually want Canadian softwood lumber. Consumer associations have called for it. The housing and building industries are demanding that they be allowed to have access to softwood lumber.

● (1320)

A company we all know well, Home Depot, has stated on record in the United States that this is an unfair duty, that it is anti-free trade and that it should be eliminated.

I say to my friends opposite that the wording of their motion is almost like motherhood. Their simple solution is that we should somehow negotiate an agreement. For every major problem in government there is a simple solution and it is inevitably the wrong solution. What we need to do with the Americans is to put in place a long term sustainable agreement.

Our minister has met with and negotiated agreements with the provinces and industry. This is a dispute that has been going on back and forth for 20 or 25 years in one way or another. People are standing with the minister on a platform and saying that for the first time there is a united front in Canada.

People can poke fun at the fact that Canada is not as big and powerful as the United States. However let us not take away the impact that a trade war would have on both sides of the border. Some 87% of our exports go to the United States. An official opposition member suggested that all team Canada trade missions should be cancelled until this dispute is solved. What a brilliant strategy it would be to tell everyone around the world that we will stay in bed, pull the covers over our head and not carry on trade until this one dispute is resolved.

For members opposite to suggest in any way that the government has not taken firm action is just ludicrous. It is painting a picture to suggest that somehow we have poisoned relationships. A member opposite accused our Prime Minister of stating during the last federal election in the United States that he was rooting for the Democrats. Comments like that are misleading the Canadian public. It is very unfortunate that members opposite would use this kind of tactic during a serious debate on an issue which has an impact on jobs in virtually every part of the country.

Supply

People ask me why someone from Mississauga would care about this dispute. Let us think of the impact in a community like Mississauga with its growth rate and the building that has gone on in the housing industry. Let us think of the economic impact if our lumber industry were severely damaged. When 10,000 people lose their jobs in Thunder Bay in the lumber industry, I can assure the House that the ripple effect will come down the Great Lakes into Mississauga, into the greater Toronto area and throughout the rest of Canada. There is no question.

This is not just a British Columbia issue. I do not deny the significance to British Columbia. It is critical. I hope we can resolve it to save jobs in that province. However this is a critical issue for Ontario, New Brunswick and for every part of the province of Quebec. It is critical for all of us.

Alliance members have an attitude of wanting to embarrass the government. They pontificate about how supposedly we do not care about the issue. I would suggest that our Minister for International Trade has done a lot of things in the past well, but no issue has been worked on more diligently and with greater effort than the dispute in softwood lumber.

We had success in the steel negotiations. It could have been catastrophic for Algoma Steel and my home town of Sault Ste. Marie if we had not been able to make a deal that made sense and at least gave us an exclusion from what the Americans did. I do not happen to like what they did in other parts of the world, but we are not elected to represent all of the world.

• (1325)

We have to protect Canadian business interests, Canadian jobs and the Canadian economy. I challenge anyone in this place who says the government is not doing that. As we speak our Prime Minister is meeting with the president and we will hopefully get a resolution to this issue.

Mrs. Elsie Wayne (Saint John, PC/DR): Madam Speaker, the softwood lumber situation is a very serious one. I was glad to hear my colleague from Mississauga refer to New Brunswick because my city is the one that is closest to the U.S. border. The lumber industry of my province is in my city and the surrounding area. We ship into the United States. Americans love the lumber from our part of Canada. The U.S. industry wants our lumber. Yes, it is cheaper than if they had to buy it in their own country and it is the best that can be bought anywhere in Canada.

I have had a major concern since I have been here when it comes to what the U.S. did to our sugar industry. What happened to it? It is gone. I lost my sugar refinery. It was closed down because the Americans were to ship hundreds of thousands of tonnes of sugar containing products and said we could only ship 9,000 tonnes into the U.S. Also the Jones act protects their shipbuilding industry. They can bid on our contracts but we cannot bid on theirs.

It is very important because they think they are so powerful that they can take over Canada. They truly do. I agree it is not easy to go down there to negotiate. We have to take the strongest stands we can. Like our colleague from Mississauga said about the steel industry, my city is the one that ships the steel as well. I have Irving Steel in Saint John which ships into the U.S. as well.

When I came here in 1993 the population of Saint John was over 85,000 people and today it is 69,000. We have lost almost 20,000 people. It has never been like this in the history of Canada. Mine is the first city incorporated by royal charter.

I ask my hon. friend, and he is a friend of mine, what we can do. How can we turn it around? How do we all work together to make sure we keep our industry moving and put our people back to work?

Mr. Steve Mahoney: Madam Speaker, probably the best way we could help Saint John is to have the hon. member return and be mayor again. Clearly she is renowned for having done a marvellous job in that regard.

I do not have a simple solution. There is not one. I think I made the point that there is a simple solution for all major problems in government which is usually the wrong one.

What we have to do is appeal to the good common sense of people like President Bush and others in the United States to recognize that Canada is a sovereign nation. It is interesting to see us go from the opposition wrapping itself in the American flag one day to trashing it the next and saying we have to fight them, man the turrets and do all that stuff. The reality is the U.S. is a friend and a business partner in many different relationships.

We have to impress upon the Americans that 25% of their exports come into our country and 87% of ours goes into their country. This is truly a partnership. There is a bit of an imbalance in the percentage. Yet we do much better on the dollar side of that equation having a very strong balance in our trade relation with the Americans.

It is a win-win. We have to say to President Bush and to all Americans that we do not need to be fighting among each other over these things. We can work together. We can provide good quality products in wood or in steel. Their consumers, home builders and taxpayers can benefit from them. In turn we will take many different products from them and people in Canada will benefit. There has to be some quid pro quo. There has to be co-operation. I am confident that is where we are headed.

• (1330)

Mrs. Elsie Wayne: Madam Speaker, I want to bring to the attention of my hon. colleague from Mississauga West that I met with Vice-president Cheney in the U.S. and we discussed the Jones act. He agreed with me that it was unfair and that we should do something about it. I ask my colleagues on the government side to please take it up with the Prime Minister and ask him to speak with Mr. Bush and straighten out the Jones act.

Hon. Ralph Goodale (Leader of the Government in the House of Commons, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Madam Speaker, I rise on a point of order. Discussions have taken place among all the parties in the House and I believe you would find that there is unanimous consent for the following motion. I move:

That at the conclusion of today's debate on the Opposition motion standing under the name of the Member from Vancouver Island North, the said motion be deemed carried unanimously.

The Acting Speaker (Ms. Bakopanos): The House has heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

(Motion agreed to)

Hon. Hedy Fry (Vancouver Centre, Lib.): Madam Speaker, I am pleased to respond to the motion put forward by the hon. member for Vancouver Island North.

This is viewed as a force in twenty years. It impacts hundreds of thousands of Canadian jobs directly and many more indirectly. Resolving the lumber dispute is a priority for the Government of Canada. The livelihood of many Canadians and their communities depend on this very important industry.

The hon. member for Saint John asked what we can do with regard to some of these trade disputes. Today is an example of what we can do. All members of the House are coming together with one strategy forming a clear team Canada approach.

I am delighted to see that the Alliance has finally come around to the government's way of thinking and to give a comprehensive stance on this particular issue. The stance has been a bit changeable over the past while. The hon. member for Nanaimo—Alberni has said in the House that our mill workers and mills cannot afford to wait one and a half years or two years for the WTO process to work its way through. The government has been looking at that. We have been aware of that. It is nice to see that the opposition agrees with us.

Alliance members seem to have faith in the WTO and NAFTA dispute resolution mechanisms only until they start to see their own constituents lose their jobs. Then suddenly they want a cost benefit analysis of litigation versus negotiation. Not just that, but Alliance members, including the former leader, have tried to tie softwood to trade in energy or tied to a support for a North American perimeter.

They have finally made a decision today to bring a motion to the House that all of us can buy into because that is the key thing. We must stand together as Canadians across the country regardless of party differences so that we can let the Americans see that we agree regardless of our affiliation.

While this has been going on our Prime Minister has been taking every opportunity in Washington to find a real solution. He is doing that as we are speaking here today on this issue. We have been advocating a team Canada approach for a long time. We have been talking with the provinces, with industry and with communities.

I am pleased to see that the NDP is finally on side for negotiating freer trade with the U.S. This amazing change of heart by the members of the New Democratic Party is a good one. I know that they have begun to see the error of their ways. I remember the hon. Ed Broadbent saying:

The truth is: we overestimated the negative impact of the free trade deal back in '88. We believed that free trade would result in massive job losses. But at this point, economists seem to agree that it's had a positive impact on jobs. If we're going to be intellectually honest, we have to admit it.

Supply

I am hoping this is a start of a trend in this House, whether it be on issues of free trade, issues of negotiation or issues of dealing with terrorism, that we come together on those common ground issues, that we find a workable solution that we can all agree with, that we can move together as a nation on those clear issues instead of playing the games that we have been playing in the past. Flip-flopping on softwood lumber reminds me of the old question, "If a tree falls in the woods, and there is no one there to hear it, does it make a sound?"

Free trade is our right and we will win. However we recognize that it may take some time. This is an issue that is important to all regions of Canada. Our government supports the best solution that will promote free trade for all regions of Canada.

This is a solid team Canada stance. Over 300 Canadian communities are at least 50% dependent on a strong lumber industry and about 1,200 communities across Canada have lumber as a key component of their local economy. The livelihoods of almost one million Canadians are related to this industry. We have heard in B.C. alone of about 15,000 to 20,000 workers who have been laid off.

I want to speak on a key area relating to the dispute. The state of Canadian lumber producers, the mill and the forest workers, is of utmost concern not only to the government but to all of us here in the House. I want to lay out for the House what we can expect in the days ahead relating to the pending U.S. decision and what the government will do to defend the interests of our industry, its workers and the communities that depend upon them.

We have been pursuing a two track strategy. We are engaging the United States in negotiations while challenging them on trade action at the WTO and under the NAFTA.

● (1335)

We are in detailed and intense negotiations with the United States. Later today the Prime Minister will raise the lumber dispute with President Bush, emphasizing the importance of reaching a durable resolution to the benefit of companies, workers and communities. We are committed to addressing the root causes of the dispute so that we do not face this kind of ongoing uncertainty again. An agreement designed to get us to free trade will be good for both the U.S. and for Canada, but more important, we will finally achieve the stability that industry, workers and communities have sought.

My colleague, the Minister for International Trade, held a very successful meeting with his provincial counterparts and industry leaders yesterday. There was unanimous agreement that we should continue to seek a durable negotiated resolution to the issue and one that would ensure long term, unfettered and open access to the U.S. market. While it is not possible to go into much detail at this time, given the delicate nature of negotiations, it is clear that the main elements of any agreement could include: the U.S. terminating the ongoing trade cases or a U.S. commitment of no future trade cases; and a commitment by provinces to change their forest management regimes.

Supply

We know the provinces of British Columbia, Quebec and other provinces have taken this very seriously. There is a possibility of a border measure on behalf of the provinces while provincial governments implement their policy commitments and a bilateral body at the ministerial level to oversee the implementation of the agreement.

These negotiations are exactly what industry, the provinces and the Government of Canada have agreed to pursue. We are hopeful that these negotiations will be successful; we know there are no guarantees. Government and industry have agreed to continue to litigate the dispute through all legal venues available. With the support of the provinces and the industry we have initiated several WTO organization challenges of the U.S. trade actions, its laws and its practices.

For example, last August the government commenced a WTO challenge of the commerce department's preliminary subsidy determination. Canadian industry is not subsidized. We are attacking the basis of the determination, the decision to apply duties retroactively and a provision of U.S. law that denies Canadian companies their WTO right to an expedited review of the result of the final subsidy determination following the investigation.

It is important to recognize that the government initiated two proceedings under the North America Free Trade Agreement. The NAFTA provides for binding panel review of final determinations in these cases. Last month the government filed notices of intent that it would seek panel review of those final determinations of a subsidy and dumping. These are the first steps. The notices have triggered panel selection and appointment processes and those are on the way.

The department of commerce is scheduled to make a final determination next week. If we were able to reach an agreement favourable to Canada and avoid these rulings Canada would be formally challenging the rulings under the NAFTA dispute settlement proceeding. The result would be binding on the U.S. so the request for a dispute resolution mechanism is already there and it has been included in chapter 19 under NAFTA. This would make for bilateral panels that would allow us to have binding decisions. That is the kind of thing that we have been seeking and that we have been pursuing for all of this time.

Everyone realizes the punitive and unfair U.S. trade sanctions on our industry. That is why we are trying to find a durable solution. We have found not only industry and provinces are on side, but first nations groups, communities, manufacturers and all of the communities. In the past we know there have been differences between the provinces. That is gone. The provinces are looking at changing policies so that we have some fair rules of the game. We are also looking at how we come together and form a very complete stand.

We have long advocated in the government this team Canada approach. We have had everyone else come on side so it is good to see that the opposition parties are now finally joining the team.

● (1340)

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Madam Speaker, there has been a lot of activity by the government of late, but the fact is, and apparently the hon. member does not know, that this has been a burning issue since 1996 when the softwood lumber agreement was first signed.

We advised the government about the perils that awaited during the signing of the softwood lumber agreement. We advised it that it would come to an end and it had better be prepared. The hon. member said the government has been involved, but the government has simply allowed the SLA to run out while embracing the misguided notion that despite its history, the U.S. lumber industry would simply roll over and accept free trade on softwood lumber.

The member clearly demonstrated today that she has as little understanding about the softwood lumber issue as she did some time back about when crosses were burning in this country. That was a fiasco as well.

Hon. Hedy Fry: Madam Speaker, it is fairly clear and it is on record that the minister of trade had been dealing with these issues long before this. He met with the provinces, and I know he met with the province of British Columbia, to warn them of the consequences and to look at how we could deal with the issue well before it got to this point.

I would say to my hon. colleague from British Columbia that he might also try to be very clear on the history of how this has been going on with the government and with the provinces.

Mr. Brent St. Denis (Algoma—Manitoulin, Lib.): Madam Speaker, I first want to say in commenting on my colleague's very helpful remarks that what is really good about the issue, as difficult as it is, is that there is support on both sides of the House for a fair and appropriate resolution. Urban members and rural members are coming together on an issue that is of importance not just to rural Canada but to the whole country. I commend our urban colleagues on both sides for their support on the issue.

I also want to thank my colleague who just spoke for her helpful remarks. I agree with her that our team Canada approach under the leadership of our trade minister, the provincial ministers and industry leaders, has for the first time in a long time shown a united front when it comes to dealing with this very difficult issue.

Does my colleague from British Columbia agree with me, and I am sure she does, that a strong rural economy has an impact on our urban cities? The Statistics Canada report has indicated that many of our rural citizens are moving to the cities because we really love our cities. However, by having a strong rural Canada we hope to get some of them back in the years ahead.

I am sure she agrees that a strong rural economy is important to our urban cities.

● (1345)

Hon. Hedy Fry: Madam Speaker, we in British Columbia know very well about the dependence of the British Columbia economy on rural industries and natural resources. We know very well that the lumber industry has been a major one for us in British Columbia.

This issue has affected not only the rural communities but all of us in the urban areas. That is one of the reasons we have come forth and formed a solid coalition in British Columbia. It is why our government has been saying to put aside our differences across the country and speak with one voice.

The strength of Canada depends on its natural resources in so many ways, on the rural economies and on agriculture. We know this. We have taken this position all along.

It is another reason we have a Secretary of State for Rural Development. We believe this is important. He has produced a sound document that analyzes all the policies we make in terms of economic development in the rural communities as well as in the urban communities. We know there are differences and that one size does not fit all. That has always been the strength of Liberal understanding. We understand that one size does not fit all, that rural communities need to have special strategies. We all have to come together to help them.

Mrs. Bev Desjarlais (Churchill, NDP): Madam Speaker, my hon. colleague said it was great that the opposition has come on side.

I want to remind her that as New Democrats we did not support the free trade agreement specifically because of the type of situation we are facing right now because the Government of Canada negotiated a flawed agreement. When people negotiate on behalf of Canadians, we want them to negotiate for the benefit of Canadians and not end up in a dispute such as the one on softwood lumber. The Liberals are back at the table because they bungled the first job and it is time they fixed it.

Hon. Hedy Fry: Madam Speaker, there could be all sorts of reasons for disputing free trade agreements in a country where 45% of its gross domestic product depends on trade. That to me is kind of an ostrich attitude.

The hon. member should understand negotiations. Negotiating means we continually pursue how we move within the box and how we look at resolution mechanisms. That is what we are doing.

[*Translation*]

Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance): Madam Speaker, we have here today a very serious situation. In the province where my riding is located alone, approximately 20,000 people have lost their jobs, their living, their salary and their hope. This is unfortunate, and it is very serious.

[*English*]

Once again, as we have already heard a number of times in the House, I want to speak to the inaction of the government on this important issue.

It is incredible to think that in one province alone, the province in which I have my constituency, 20,000 people have lost their jobs. Think of that number which is said so easily in some sectors of the south, but 20,000 people have lost their jobs.

Madam Speaker, although I cannot push you for agreement, but I think you would agree that if in the Prime Minister's riding, even 20 people were out of work in Shawinigan, there would be a rapid accumulation of contracts for golf courses, hotels, or who knows

Supply

what. However, 20,000 people in British Columbia have lost their jobs.

[*Translation*]

This is also the case for many people in the province of Quebec.

[*English*]

I want to speak to the inaction of the government on this issue.

My colleagues have eloquently pointed out time and time again in the preceding few years that when this agreement came to an end, Canadian industry would face these countervails. Time and time again it was raised and time and time again we were assured it was not a problem. It was whistling in the dark. That do not worry, be happy attitude which prevails with the government blinded it to the effects that would be felt in our country by its lack of diligence on this file.

When I and some of my colleagues met in Washington with Vice-President Cheney, it was obvious there had not been an aggressive case made by the government on this issue. When I met with the senator who prepared the petition which went to the president of the United States to get agreement in the White House on the countervails, it was obvious that the senator and others had not been presented with a vigorous case from the government on this issue.

We have seen this with the government on everything, that it is not a problem, what are we getting worried about, that it is not that serious. We have seen the same reflection from the Prime Minister on other issues. He went to Russia and said that Saddam Hussein is not that bad a guy. He went to Australia and said that Mugabe is not that bad a guy, it is not that bad a problem. For months when we talked about this issue he said that it is not that bad an issue and not to worry about it. It is terrible the way the government has mismanaged this file.

In Okanagan—Coquihalla a number of people have been thrown out of work. In the neighbouring ridings, in Okanagan—Shuswap and others, a number of people have been thrown out of work. I would not like to think that this is the case but the evidence seems very strong that the federal government reacts only if it is a case that affects constituencies of its members. If the constituency does not fly that flag, it does not seem to get the action. There is case after case of where we saw action on behalf of the federal government if it affected Liberal constituencies. However, when entire provinces are affected very negatively, we see inaction.

In the House at one point when discussing this file we were informed by the minister and the junior minister that the Byrd amendment in the United States was nothing to worry about and that it was over with, it was off the charts. We thought that good work had been performed by the federal government. Then we found out that the amendment which would not require the industry south of the border to repay the fines was in fact still in place.

Supply

We have seen inaction. We have seen incompetence. Now all we hear from the Liberal members opposite is raging, trying to cover the fact that this file has been horrendously mismanaged. This is an issue of free and fair trade. It is an issue which requires a binding resolution process on both sides. It is an issue that belongs at the level of the Prime Minister. Finally the Prime Minister has indicated he will talk seriously about this with the president.

The Americans are our friends and neighbours. However, on this issue we have to be tough. We just heard from a Liberal member who said that it was I who was linking energy and other issues. I do not know how many times in the last few days we have heard the Prime Minister reflect about energy and other products that are free and fair trade and that if the United States wants these looked at, it will have to consider the issue on softwood lumber.

On this side of the House we as the official opposition have always maintained that a relationship is built on a number of issues, a number of facets, whether it is a relationship between two people or a relationship between two nations. There are a number of issues at stake in our relationship with the United States. This is clearly one of them.

We need action. We need this issue settled. We do not need the Prime Minister to come back empty-handed from his visit to the White House. Some 20,000 people in British Columbia cannot wait. Tens of thousands of people in the rest of the country cannot wait any longer.

• (1350)

We need to see action. More than that, we need to see a change of attitude by the federal Liberal government and a change of the arrogance which says all these issues, some of which I articulated today, are not serious. This is serious business. It is the business of the nation. We expect to see appropriate action and a quick resolution to the issue.

• (1355)

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Madam Speaker, I followed the hon. member's comments about softwood lumber. On February 26 the premier of B.C. organized a conference attended by at least 20 members of parliament and senators, almost all the MLAs in B.C., and representatives of 50 municipalities and first nations. One of the subjects they discussed was softwood lumber. The hon. member was not at the meeting. Could he comment on why he was not at the meeting to defend the citizens of B.C. and softwood lumber?

Mr. Stockwell Day: Madam Speaker, maybe the hon. member can tell the House where the entire government was for three years when we raised the issue here. It was nowhere. Maybe he can tell us where he was when my colleague was leading the file.

Where was the government when we were in British Columbia as far back as last summer to meet with people who were thrown out of work? Where was the government when we were at a joint meeting with the head of the union who agreed with the Canadian Alliance on the file? Where was the government when we were meeting with businesses that were thrown out of work? Where was the government when we were meeting with men, women and children? Where was the hon. member when we were at all those meetings?

Where was the government on the file for three years? The hon. member should answer that question.

Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.): Madam Speaker, we have just seen clearly why the hon. member cannot get the support of his own caucus for his leadership run. He practices the worst politics of division and regionalism. Does he not understand that jobs are at stake in northern Ontario, the Atlantic provinces, Quebec and the Prime Minister's riding? His vision is limited to a few people in western Canada.

I will ask the member a specific question. When he was leader of his party, and quite frankly I hope with his performance today he will be back, why did he go weeks without appointing a trade critic on the file? That is the truth. We demand an answer.

The Acting Speaker (Ms. Bakopanos): Could we keep the tone of the House at a certain level please. It is very hard for the Speaker to hear the questions and the answers.

Mr. Stockwell Day: Madam Speaker, this is a clear demonstration that when government members totally lose an argument they go ballistic, start shrieking and stay away from the facts. My colleague from Vancouver Island North has been on the file consistently. We will send to the hon. member *Hansard* citations of how many times in the last three years official opposition members have stood in the House and addressed the file.

Why was the hon. member not listening moments ago when I talked about not only British Columbia but the thousands of people out of work in Quebec? I was in Quebec three weeks ago in places like Chicoutimi talking to people affected by the file. It appears the hon. member has accepted the performance standard of his Prime Minister. He does not listen. He does not care. He does not stick to the facts.

Madam Speaker, I may not have indicated it earlier but I will be sharing my time with the member for Saanich—Gulf Islands. He will be addressing the issue as well.

The government and its failed red books have talked about jobs, jobs, jobs. When tens of thousands of Canadians were thrown out of work as the deadline was drawing near, where was the Prime Minister? He was in Russia. There is nothing wrong with pursuing trade with Russia. However we do more trade with the United States in a day than with Russia in a year.

The government has not been on the file. We have the citations to prove it. I have been at the meetings. The hon. member does not listen and does not care.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Madam Speaker, just very quickly, the member might not have been in the House because he does not seem to realize that a motion was passed for unanimous agreement. We all agree with the motion. That is because everyone in the House on both sides, including urban MPs like myself and the member from Mississauga who spoke, were all concerned about this. We agree because we passionately feel this must be repaired. This did not become a partisan debate until the member rose.

● (1400)

Mr. Stockwell Day: Madam Speaker, it was quite partisan. I was sitting here listening to totally erroneous quotes being attributed not just to me but to other members. It was very partisan.

With tens of thousands of Canadians thrown out of work because of federal Liberal inaction on the file we finally got agreement that it is a free trade issue. After years of faithful work by members of the official opposition in bringing the issue forward we finally got agreement that it is a free trade issue.

The lack of action by the federal government to this point has been very partisan. It has hurt tens of thousands of Canadians in Quebec, western Canada and the Maritimes although there have been certain exemptions depending on the province. Government members should not get upset—

The Acting Speaker (Ms. Bakopanos): Statements by members, the hon. member for Frontenac—Mégantic.

STATEMENTS BY MEMBERS

[Translation]

GUARANTEED INCOME SUPPLEMENT

Mr. Gérard Binet (Frontenac—Mégantic, Lib.): Mr. Speaker, as part of its responsible approach to guaranteed income supplement, the Department of Human Resources Development has embarked upon a number of initiatives to inform those who are entitled to this comprehensive pension program.

Even though the Bloc Québécois supports the recommendations of the committee that reviewed the guaranteed income supplement, the reactionary nature of Bloc Québécois members pushes them to use their own operating budget to give information that has already been provided by my office or by HRDC, which, incidentally, has done an exceptional job.

The hon. member for Lotbinière—L'Érable has launched a biased and incomplete information campaign in my riding on this program. Is he trying to justify his salary by redefining the boundaries of his riding?

I am disappointed by his attitude. I think he was ordered to do that by his leader, who is using every possible avenue, even if it means being unethical, to justify his presence in Ottawa.

* * *

[English]

SOFTWOOD LUMBER

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Madam Speaker, I am pleased to report that today at 1.30 p.m. all parties joined together in a non-partisan, unanimous vote to support the Canadian Alliance motion in favour of free trade in lumber. Given that the Prime Minister is still in Washington meeting with President Bush this is very timely coming from the House. I will repeat the motion. It reads:

That...the principles and provisions of the Canada-U.S. Free Trade Agreement, FTA, and the North American Free Trade Agreement, NAFTA, including their dispute resolution mechanisms, should be fully applied to trade in softwood lumber,

S. O. 31

and it urges the government not to accept any negotiated settlement of the current softwood lumber dispute outside of the FTA and the NAFTA unless it guarantees free and unfettered access to the U.S. market, and includes dispute resolution mechanisms capable of overriding domestic trade measures to resolve future disputes.

I thank all hon. members who spoke to the issue this morning.

* * *

YORK UNIVERSITY

Ms. Judy Sgro (York West, Lib.): Madam Speaker, York University is one of Canada's leading research institutes and I am pleased to rise today to announce the opening of an exciting new computer sciences building on its campus in my riding.

The state of the art building demonstrates the growing interest in pure and applied science at York University and solidifies the key role in the development of scientific expertise. It also sets a high standard for energy efficient green buildings designed for cold climates. Because of unique building materials utilized in the construction as well as special methods for harnessing solar power, natural heat from the earth and lots of natural light and fresh air, the facility will use two-thirds less energy for heating and cooling. The building is an example of green technology at its best.

I am proud that the faculty and students at York University play such a large and integral role in the advancement of science in Canada. I ask members to please join me in congratulating York University for leading the way in innovative architectural and environmental design.

* * *

2002 WINTER PARALYMPIC GAMES

Mrs. Judi Longfield (Whitby—Ajax, Lib.): Madam Speaker, it gives me great pleasure to stand today to acknowledge the accomplishment of Brian McKeever of Calgary, Alberta, one of Canada's outstanding paralympians.

On March 12 Mr. McKeever along with his guide and brother Robin McKeever brought home a gold medal Monday in the Men's Cross-Country Middle Distance (10 km) event. At 22 years old Brian has also had excellent results at the able bodied Canadian Cross Country Championships in 2001 where he had two 4th place finishes in the sprint and 15 km freestyle events. This is not the first experience for his brother Robin who also participated in the Olympics at Nagano in 1998.

Also on March 12, making her country proud, Shauna Maria Whyte of Hinton, Alberta placed 6th in the Women's Cross-Country Middle Distance (5 km) event at her second Paralympic Games.

At his second Paralympic Games Scott Patterson of British Columbia won his first Paralympic medal. Scott won the bronze yesterday in the Men's Giant Slalom with a combined time of 2:25:25 on a very difficult course. At 40, Scott is still considered one of the—

● (1405)

The Speaker: The hon. member for Fredericton.

S. O. 31

ARTS AND CULTURE

Hon. Andy Scott (Fredericton, Lib.): Mr. Speaker, I take this occasion to speak about the four hour dramatic series *Trudeau* which will air on CBC television on Sunday, March 31, and Monday, April 1. The two part series was produced by Nova Scotia's Big Motion Pictures. It takes a candid look at 15 years in the political and personal life of one of our greatest prime ministers, Pierre Elliott Trudeau.

I am also pleased to have with us on the Hill today a splendid actor who has appeared in over 40 Stratford Festival productions. He also frequently acts on television and in film and is well known for his performance in the title role of *Thirty-Two Short Films About Glenn Gould*, portraying the eccentric concert pianist. It is my pleasure to salute Mr. Colm Feore as Pierre Elliott Trudeau in the miniseries *Trudeau*.

* * *

EMPLOYMENT INSURANCE

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, we heard a lot about the EI fiasco over the last few days and now we find out the government is not only refusing to pay back employees but is refusing to pay back employers.

Each year over 3 million Canadians overpay EI and CPP premiums which amount to \$411 million and they get the money back at tax time. Employers, though, are not so lucky. Last year they overpaid an estimated \$628 million. How much of this do they get back? Absolutely nothing. The government charges that it is too complicated to give the money back. It never makes that claim when it comes time to collect taxes.

There is no provision to refund EI or CPP overpayments to employers. The government just keeps it and for every dollar it keeps in its hands it takes away from jobs and from the people doing the hiring.

It is pretty simple. EI and CPP overpayments belong to the employers.

* * *

ISRAEL

Ms. Colleen Beaumier (Brampton West—Mississauga, Lib.): Mr. Speaker, information received at my office this week from Amnesty International, Physicians for Peace, and Rabbis for Human Rights in Israel compels me to call on our government to act immediately to assist in assuring that an international body be present in Israeli occupied territories.

Over the past week more than 130 Palestinians have been killed. At least 18 of the wounded have died because of denial of access to medical services. Physicians for Peace reports that Palestinian children are being slaughtered, towns and villages are being sealed off and Red Cross vehicles are being fired upon. As a result all medical services in Ramallah are completely cut off. Neither doctors nor patients can get to the hospitals.

Rabbis for Human Rights in Israel is pleading for foreign governments to force an immediate end to the atrocities and for the restoration of medical services.

Remaining silent amounts to condoning the escalation of killings, violence and retaliation. Respect for human rights and humanitarian law is the only viable path toward lasting peace and security in the region.

* * *

[*Translation*]

RENDEZ-VOUS DE LA FRANCOPHONIE

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, les Rendez-vous de la Francophonie began on Monday and will continue until March 24. This event, which was created four years ago is a celebration of the French language and culture through more than one thousand activities across Quebec and Canada.

The Bloc Québécois is taking this opportunity to salute all the stakeholders who are contributing to the development and preservation of the ties between the various players in the Francophonie.

It is important to remember that French is used in every part of the cultural spectrum, often with original accents, and that the use of this language by the various communities not only helps promote French, but also the communities themselves.

* * *

INTERNATIONAL CRIMINAL COURT

Mr. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, I wish to draw members' attention to a preparation meeting for the International Criminal Court to be held this week in The Hague.

The Government of Canada is co-sponsoring this meeting with the governments of the United Kingdom, Germany and the Netherlands. The International Criminal Court is a key element of Canada's Human Security Agenda and Canada has long been one of its principal proponents.

[*English*]

The preparation meeting will bring together representatives of government and experts from the international criminal tribunals for the former Yugoslavia and Rwanda to assess the documentation of human resources, budgetary and operational issues. Canada's leadership on the ICC continues with experts from Canada participating in the meeting.

[*Translation*]

The Statute of Rome now has 55 ratifications and needs only five more to become reality. This meeting is being held so that the documents needed to get the court up and running quickly will be available and so that the court can operate effectively.

I invite members of the House to join with me in wishing the delegates to this meeting every success in their important work of getting ready for the International Criminal Court.

•(1410)

[English]

FOREST INDUSTRY

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Mr. Speaker, after years of mine being the pre-eminent voice on softwood lumber issues in the House, after years of me warning the government about the perils that awaited if it signed the softwood lumber agreement, after me warning it about the crisis that would occur once this SLA ran out if it did not act in a much prior way, the government finally got it. I want to congratulate the government for supporting our motion today. It may have been a little slow, but it got there and should be congratulated for that.

Now I would like to ask the government to be just a little bit faster on recognizing the devastation caused by the mountain pine beetle out in British Columbia. Literally tens of thousands of hectares of good softwood lumber are being devastated as we speak because help has not been forthcoming from the government. It has had a formal request for help on this issue from the province of B.C. and it has yet to respond.

* * *

FARM SAFETY WEEK

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, March 13 to March 20 is National Farm Safety Week and the theme for this year's event is "Safety While Handling Livestock".

It is estimated that every year in Canada there are 130 farm related deaths, 1,200 people are hospitalized from farm related injuries and 50,000 people sustain farm related injuries requiring them to either seek medical attention or to take a day away from normal work activities. Of all agriculture related injuries, 65% of all fatal injuries and 50% of injuries requiring hospitalization are related to the use of agricultural machinery. The very young and the elderly are at greatest risk on the farm.

Agriculture and Agri-Food Canada and the Canadian Federation of Agriculture are urging farmers and their families to think about how they can protect themselves from the possible hazards of living and working on a farm.

I too would like to take this opportunity to urge all my constituents in Lambton—Kent—Middlesex and other farm families throughout Canada to participate in safe farming practices.

* * *

ARTS AND CULTURE

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, the cast and producer of the miniseries *Trudeau*, premiering tonight in Ottawa, are in our gallery today. I want to salute the creators of this important drama.

We hope this series is just the latest success for the CBC, which started with *Canada—A People's History* and continued with *Random Passage* and *The Last Chapter*.

Trudeau has been produced and written by the Big Motion Picture Company and Halifax resident Wayne Grigsby, which have also brought us *Black Harbour*, *North of 60*, *ENG* and *Blessed Stranger*.

S. O. 31

These are Canadian stories. They talk about the realities of life in our parliament, they look at how small maritime fishing communities face hard times, they explore the passions of life near the Arctic Circle, and they show us the fast paced relationships of a Toronto newsroom. Programs such as these tell the stories of our people. They let us pause and reflect on what keeps us together, not on what drives us apart.

We should also be frank here. These stories are only told because of a strong public broadcaster, strong Canadian content rules and a strong Telefilm Canada.

I would like to thank Wayne and the cast for telling our stories.

* * *

[Translation]

WINTER PARALYMPICS

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, the Winter Paralympics are being held in Salt Lake City, Utah, until March 16.

The Paralympics are based on three principles: the awakening of the mind, the liberation of the body and the inspiration of the emotions. These athletes have shown us that they possess an unshakeable will and exemplary determination when the mind overcomes physical obstacles in the pursuit of the highest summits of their sport.

Quebecers can follow the example of these athletes in the attainment of their dream. These are athletes who reach beyond their own limits.

On behalf of the Bloc Québécois, I wish all the athletes and trainers taking part in these games, as well as the medical staff who play a large role in the athletes' success, the best of luck. We are all proud of you.

* * *

•(1415)

TRUDEAU MINISERIES

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I would like to take this opportunity to draw attention to the dramatic series *Trudeau*, which will feature a number of our top television and screen performers in both French and English.

Moreover, we have the pleasure of welcoming some of the cast to the Hill today. They are: in the role of Gérard Pelletier, Montreal's Raymond Cloutier; in the role of the hon. member for Shawinigan, Guy Richer of Montreal; in the role of Mitchell Sharpe, R. H. Thompson of Toronto; in the role of advisor Greenbaum, Don McKellar of Toronto. Patrick McKenna of Hamilton will play executive assistant Duncan, and none other than Jean Marchand of Montreal will play Marc Lalonde.

We are very much looking forward to seeing them in *Trudeau* when the miniseries airs shortly on CBC/Radio-Canada.

Oral Questions

[English]

ST. PATRICK'S DAY

Mrs. Elsie Wayne (Saint John, PC/DR): Mr. Speaker, this Sunday, March 17 is St. Patrick's Day across this whole nation of ours and all of our Irish people will be celebrating. We need to thank the Irish people for what they have done to help build this country of ours. Now I ask all of my colleagues in the House of Commons to join me in paying respect to the Irish by singing:

When Irish eyes are smiling,
 Sure it's like a morning spring.
 In the lilt of Irish laughter,
 You can hear the angels sing.
 When Irish hearts are happy,
 All the world seems bright and gay.
 And when Irish eyes are smiling,
 Sure, they'll steal your heart away.

ORAL QUESTION PERIOD

[English]

THE ECONOMY

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the finance minister may be trying to talk up the dollar but his leadership rival, the Deputy Prime Minister, seems to prefer trash-talking the dollar. His ill considered remarks drove the dollar down one-third of a cent in one afternoon.

Does the finance minister agree with the financial community that the Deputy Prime Minister's comments were irresponsible and hurt our already battered dollar?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, I know that Herb Gray said I had a real job, but not quite as much power as the Leader of the Opposition is trying to ascribe to me.

What is clear is that in order to have a strong currency we need strong economic fundamentals. That in fact is what we have been producing over the last eight years of our government: eliminating the deficit, creating a surplus, paying down our debt and lowering taxes. Corporate taxes are at lower rates than in the United States. Those are the elements that are contributing to a stronger currency and that will in turn help Canadian firms be more competitive.

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, a stronger currency, after one comment by the Deputy Prime Minister yesterday, drops a third of a point.

In this government the minister of human resources blames victims and the public works minister loses documents worth half a million dollars.

Why do they not look in the mirror to see who is really causing the problem? Who is at fault here? Hard working Canadian businessmen or the failed economic policies of the government?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, the Leader of the Opposition surely knows that the dollar moves around frequently. In fact it has moved up today.

The point is, what exactly does it take in order to create a strong economy? We know what those fundamentals are.

We also know that for Canadian businesses as they move into export markets, they need to be continuing to make the investments in technology and equipment in order to ensure that their productivity is such that they continue to be competitive with firms in those markets they are trying to succeed in.

● (1420)

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I am sure his leadership rival, the Minister of Finance, hopes he does not make too many speeches that move the dollar around a little bit too much.

We agree with the Deputy Prime Minister and with the Minister of Industry that productivity is weak in Canada, which is a statement he made yesterday, but we think that instead of blaming Canadian businesses he and his cabinet colleagues should look in the mirror.

Instead of blaming the business sector, why will the government not end Canada's shameful record of having the highest income taxes and the second highest debt levels in the G-7?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if the Leader of the Opposition had been paying attention to government policy in the House what he would see is that as a result of the actions of the government, our corporate taxes, in a couple of years, will be lower than the United States'. Our capital gains taxes are now lower than the United States'. Those are the kinds of policies that will lead to increased productivity. On our debt, we have the highest reduction in the debt ratio of any industrial country over the last number of years. The fact is, we have produced and Canadians are producing.

[Translation]

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, even if the Minister of Finance tries to avoid saying anything negative about the dollar, one of his main rivals for the leadership, the Deputy Prime Minister, seems to prefer a more negative approach.

In fact, he has succeeded in bringing the loonie down half a cent in a single afternoon. Good work.

Can the Minister of Finance tell us whether he agrees with the financial community, which accuses his rival of irresponsibility in this affair?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, it is rather silly to say that the value of the dollar went down merely because of a comment, when it has already gone up today.

It must be clearly understood that we have a highly competitive economy, because we have reduced our debt, eliminated the deficit, and reduced taxes, particularly for corporations, compared to the U. S. These are factors that will create a competitive economy here in Canada.

Oral Questions

[English]

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, this is the same minister who two years ago said that high taxes help make Canadian companies more competitive. Now he is blaming those companies, saying “it's not up to us...the private sector has got to make the investments”.

How does the minister expect Canadian companies to cure the falling loonie when they are having to deal with the pressure of the highest income tax burden in the G-7, the second highest debt burden, a debt that is \$35 billion higher than when the government took power, and labour markets that do not work? How does he expect the private sector to solve the problems that the government has created?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, I expect that the private sector will recognize not only the elimination of the deficit, not only the reduction of corporate taxes below those levels in the United States, not only the reduction of capital gains taxes below those in the United States, but will also recognize that right now today we can buy more goods and services for a dollar in Canada than we can buy for 62 cents in the United States.

That means they need to prepare by making the investment in equipment, in research and development and in technology that is going to ensure that they win those markets and retain those markets.

* * *

[Translation]

TAXATION

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Minister of Finance is spreading untruths to deny the existence of fiscal imbalance in Canada. To support his erroneous argument, he has gone so far as to distort the conclusions of the conference board. I quote the conference board, and it is very clear, “the dynamics in place for each level of government will unquestionably create a problem of fiscal imbalance”.

That is what the conference board says.

Is the Minister of Finance prepared to be more forthcoming and recognize, as the conference board has done, that a significant fiscal imbalance exists, to the detriment of Quebec and the provinces?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, allow me to quote the conference board, which says that “This scenario assumes that the government will not allocate any of its surplus to tax reductions, new spending or additional transfers”.

And here is its conclusion, I am quoting the conference board once again, “The exercise is purely hypothetical—”.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, one must always start with the hypothetical. If he does not yet understand this, I wonder how he prepares his budgets.

Let us have a look at these five years to which he constantly refers. The conference board concludes there is fiscal imbalance. For the next five years, the conference board is forecasting a deficit of \$10 billion for Quebec and a surplus of \$14 billion for Canada, for the five years he refers.

Rather than twisting the conclusions of the conference board, which are good for the short, medium and long term, will the minister have the honesty to admit that there is a fiscal imbalance, call a meeting of provincial ministers and discuss the issue with them?

● (1425)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, again, looking at the figures quoted by the leader of the Bloc Québécois, the conference board, according to its projections, is predicting, as he just mentioned, a deficit next year for Quebec, and the PQ government.

However, we see this morning that what Quebec is predicting for next year is a surplus.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I would remind the minister that the figures for the first five years he is criticizing in the conference board study are the figures in his own budget. It is completely ridiculous.

The Minister of Finance is well known for underestimating budget surpluses. And since 1994, he has been out an average of over 171% per year. This year, he will be out by close to 500%.

Will the Minister of Finance admit that even his own figures are clearly and deliberately low?

In its study, the conference board concludes that there is fiscal imbalance in Canada now—not in the future—and that it will become worse over time.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the member says that the conference board used our figures.

It did projections over a 20 year period. We have always said that projections over 20 years are not realistic.

Take the last 15 years in the United States. Last year, the United States predicted an incredible surplus and this year they are looking at a deficit. We say that projections over 20 years are not realistic.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, if the conference board has no credibility with the minister, how is it that he himself gave it a \$185,000 contract this year to do a study?

Will the Minister of Finance have the decency and the honesty to admit that the conference board study which he is using to deny the existence of fiscal imbalance concludes, on the contrary, that there is indeed fiscal imbalance for each of the years, starting with this one, to the benefit of the federal government and its popularity and to the detriment of the provinces?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the problem is not the conference board but the mandate it was given by the Séguin commission.

For example, it said, “In 20 years, no recession”. But, in the past 20 years, we have seen the 1980-81 recession, and the 1989-90 recession, with years of after-effects. It said that there would be no tax cuts. Last year marked the largest tax cuts in the history of Canada.

Oral Questions

This shows that the problem is the mandate given by the Séguin commission.

* * *

[English]

THE ECONOMY

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, let us be clear about what the Deputy Prime Minister actually said. He said "Many Canadian firms would enter the land of the living dead if the Canadian dollar were strengthened". These grotesquely irresponsible remarks broadcast worldwide caused the dollar to fall another one-half cent.

Rather than fearmongering about what could happen if the Canadian dollar actually rose to 80¢, what steps is the minister prepared to take to ensure that it actually does?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, the efforts we have made in order to improve Canada's fiscal situation, including the reduction of taxes at various levels, are in fact contributing to the conditions that will see a stronger currency over time.

The point the hon. member needs to take into account is that not only do the federal government and provincial governments have to invest in science, research and development technology but also in education and training, things I am sure the hon. member agrees with. The private sector also needs to take advantage of the favourable environment which is being created and make likewise investments in research and development technology and equipment to ensure that they can compete.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, we do not want the minister to dwell on what he has actually done. We saw the effects of that yesterday. We want to hear what he is going to do to get us out of this mess.

For a whole week the dollar was firmly above 63¢. It was the first time it had remained that high since before Christmas. Then the Deputy Prime Minister worked his magic. The foreign exchange players point the finger of blame directly at the minister. Why did he make those reckless comments? Does the minister want to go down in history as the 60¢ dollar man?

• (1430)

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, the hon. member alludes to reading the remarks that I actually made which in fact forecast that the direction the dollar is likely to go is up. The challenge therefore for Canadian firms is to ensure that they make the investments that are going to be necessary. Those include training and skills development for workers that will ensure that we can compete, that our firms continue to compete as they have been competing in that environment.

Mr. Scott Brison (Kings—Hants, PC/DR): Mr. Speaker, yesterday the Deputy Prime Minister blamed Canadian business for low productivity rates.

Does the Deputy Prime Minister honestly believe that insulting Canadian businesses by describing them as being uncompetitive will

help strengthen Canadian productivity and will help strengthen the Canadian dollar?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, I do not place the blame on anybody except to say that the government does not run the decision making in private firms. Of course we ought to be encouraging the private sector to make the investments in science, research and development, training and skills development. Those are the essence of the innovation strategy which the government has put forward. We believe it is important not just for the public sector but also for the private sector to make the right decisions to enable Canada to compete in the 21st century.

Mr. Scott Brison (Kings—Hants, PC/DR): Mr. Speaker, this is not the first time the Deputy Prime Minister has failed economics 101. He tripped over the blue line with his bungled NHL bailout plan. He was on even thinner ice when he once said that high taxes were good for productivity.

Does he honestly believe that by keeping Canadian corporate and capital taxes among the highest in the world that the government is doing its part to improve Canadian productivity?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, in fact this government has made corporate taxes among the lowest in the world, lower than in the United States.

Does the hon. member think that the government should make all the decisions on investments in the private sector? I hope not.

* * *

EMPLOYMENT INSURANCE

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance): Mr. Speaker, the minister of human resources continues to smear innocent EI complainants to hide her neglect and incompetence.

Unemployed workers across Canada were unfairly penalized by her department. Instead of smearing innocent victims, why will the minister not own up to her own incompetence and pay back these victims?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is wrong and she is misguided.

Let me be clear. Individuals who through no fault of their own made mistakes in their declared earnings will not be penalized. There is no administrative penalty. Further, if individuals have more information about their individual circumstances that they would like the department to review for application of the law, we would be glad to do that.

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance): Mr. Speaker, I enjoyed the minister's response to her EI rip off rule.

The workers victimized by the minister lost benefits they were legally entitled to. These people did nothing wrong. Will the minister do what is right and pay back her victims?

Oral Questions

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, it is absolutely absurd that the Alliance Party is pretending to be sympathetic to employment insurance recipients. It is the party that on page 7 of its own platform said it would do nothing but cut employment insurance benefits. It is the party whose member for Calgary—Nose Hill said that EI fraud is rampant and “a significant drain on the system”. It is the party whose member for North Vancouver said of EI fraud “If you have cheated and been fined, you should be off for life”. Now where is the compassion in that?

* * *

[Translation]

TAXATION

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Séguin commission, the conference board, the Premier of Quebec, Bernard Landry, the leader of the Quebec Liberal Party, Jean Charest, and the provincial ministers of finance—that is a quite a lot of credible people—say that there is a tax imbalance in Canada.

Would the Minister of Finance not act responsibly by looking at this issue in an honest and open fashion with his provincial counterparts, the next time they meet?

• (1435)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, yesterday I made it very clear that I was prepared to discuss the issues that my provincial counterparts wish to raise at our next meeting. If this is really what they want to discuss, I am certainly prepared to do so.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, there are two essential conditions. First, this discussion must be conducted in an open fashion, which does not seem to be the case right now.

Second, the minister must agree to put this issue on the agenda, so that people can get ready and know that it is a common concern.

Is the Minister of Finance serious about this and will he agree to put this issue on the agenda and discuss it with an open mind, which is something he is not doing right now?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, all our meetings are always conducted in a spirit of co-operation. As I just said, the agenda is jointly decided by the Canadian government and the provinces. If my counterparts wish to raise any issue, I am very open to discussing their priorities.

* * *

[English]

EMPLOYMENT INSURANCE

Mr. Randy White (Langley—Abbotsford, Canadian Alliance): Mr. Speaker, I will tell you what we are sympathetic to. We are sympathetic to the employers and the employees who have been ripped off consistently by the minister's department over the years. That is what we are sympathetic to.

The minister's own HRD department had an audit and it found that 70% of the people who were told they overpaid had not. Her own audit implies that half a billion dollars was taken from over 200,000 workers.

Would the minister tell us how much she gouged, how many victims were ripped off and will she pay them back?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is completely out of touch. In fact, the report that was done by officials in the department was a very useful document which encouraged the department to make changes and improvements to the administration of the provisions of undeclared earnings.

I can do nothing more than remind the House that the member's party was vociferous against our making these changes just a year ago.

Mr. Randy White (Langley—Abbotsford, Canadian Alliance): Mr. Speaker, we are asking the minister to look at files to find people who were overbilled by the department. We want the minister to go into those files, find out who was overbilled and pay the darn money back to them. I would like a commitment to that today.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I would remind the hon. member that there is a full appeal process in the employment insurance system.

I would also reiterate my commitment to look at any new information in individual files and have the department ensure that the law was applied appropriately.

I find it very strange that the member's party is asking me not to recover public funds that were paid to individuals who were not eligible. Since when did that party lose its concern for accountability for public funds?

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, HRDC has lost sight of its social mandate.

The EI fund and the guaranteed income supplement are two flagrant examples of this. As well, we have the business of undeclared income and excessive penalties being charged for nearly five years.

By modifying the regulatory provisions of subsection 19(3) of the Employment Insurance Act in August 2001, the minister acknowledged that her department had made a mistake. Can the minister then, as a consequence to this, make the commitment today to reimburse retroactively those who have been unjustly penalized since 1996?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, let me say again that individuals who through no fault of their own made mistakes in declaring their earnings are not charged an administrative penalty.

We have a system in place where individuals who were working and receiving benefits and did not declare their earnings had those moneys recovered for the public purse.

The system is clear. There are appeal systems in place and those systems are applied.

Oral Questions

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, despite what the minister thinks, people committing fraud are the exception.

Since her department has acknowledged that the penalties imposed at the time were excessive, can the minister commit to retroactive reimbursement of those her department has fleeced?

• (1440)

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the only people who were charged administrative penalties were found to have committed fraud.

* * *

HEALTH CARE

Mr. Scott Reid (Lanark—Carleton, Canadian Alliance): Mr. Speaker, the primary victim of the federal-provincial fiscal inequity that the finance minister is always so anxious to deny is the health care system.

The minister knows full well that the needs of our health care system will continue to grow as the population ages. He also knows full well that these needs could be met in the future if the government would agree to alter the CHST formula to allow for greater transfers of tax points since this would lead to a predictable and expanding supply of funds as the economy and tax base grows.

Why therefore does he insist that the health care golden rule must be that Ottawa withholds the gold while demanding the maintenance of rules?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, even among the provinces the issue of tax points is highly controversial for the very simple reason that tax points benefit the richer provinces to the detriment of the poorer provinces.

If the hon. member is suggesting that there should be better health care in the richer provinces as compared to the poorer provinces because of the transfer of tax points, because they are worth less, then that may well be his party's policy. However, our policy is that all Canadians should be treated fairly.

Mr. Scott Reid (Lanark—Carleton, Canadian Alliance): Mr. Speaker, the minister's policy is evidently that if we withhold money from all provinces this would somehow benefit the poorer provinces.

Let me draw the attention of the finance minister to the remarks of Canada's academic authority on fiscal federalism. Thomas Courchene recently observed that by denying adequate health care funding, the Liberal government is engaged in the practice of:

—forcing the provinces to transfer resources away from all other programs into health will lead to a situation where there is a willing and receptive citizenry for Ottawa's spending in areas...which are...under provincial jurisdiction.

Academic authorities and provincial governments agree this is a jurisdiction grab. Why does the minister deny the obvious?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, a little over a year ago the Prime Minister signed an agreement with the provinces, \$21 billion over five years plus another \$2.5 billion for early childhood development. That was the largest single transfer

to the provinces for health care in the history of the country. It was over a year ago. The hon. member and his party voted against it.

* * *

CANADA POST CORPORATION

Mr. David Price (Compton—Stanstead, Lib.): Mr. Speaker, in 1994, this Liberal government declared a moratorium on rural post office closures. In the past month there have been two such closures, one in Saskatchewan and one in B.C. Rural post offices give an essential service in these communities.

I ask the Deputy Prime Minister this. Is this a new Canada Post management plan?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, I have met with the president of Canada Post Corporation. I have made it very clear that the government policy of having a moratorium on the closure of rural post offices remains in effect.

I have received his assurance that there is no plan to go about the country closing rural post offices. We have also maintained the strong commitment on the part of Canada Post Corporation to maintain the standards of rural postal services across Canada.

* * *

[Translation]

EMPLOYMENT INSURANCE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, a Mrs. Arsenault in my region, who was receiving employment insurance, signed a delivery receipt for items delivered to the take-out restaurant run by her brother-in-law, where she used to work. She did so because his employee was busy at the back.

She has now been asked to pay back \$17,300. What is more, the Minister of Human Resources Development is thinking of charging interest on amounts obtained by fraud.

I would like the minister to tell us whether this is a case of fraud.

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I will be glad to take a look at the individual case, but on balance, penalties are paid only when fraud has been discovered. In other cases, the recoveries are only to the amounts that were equal to the undeclared earnings.

Oral Questions

Mr. Yvon Godin (Acadie—Bathurst, NDP): For your information, Mr. Speaker, I sent a letter to her on December 7 and I never got an answer. A lot of corporations in Canada evade taxation for millions of dollars and are never caught, much less accused of fraud. People on EI have no choice about whether or not they are on the program. Yet, because of a signature, this lady has been accused of fraud, charged not by the court but by the Liberal government.

How does the Minister of Human Resources Development justify putting more effort into criminalizing working people who have lost their job than going after the real criminals?

• (1445)

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I cannot accept the premise of the hon. member's words today. What I can say is that in every system and in every program we have investigative and fraud discovery programs, and that is very important for the integrity of all our systems.

I will look at this case and ensure that the appropriate action has been taken.

* * *

SOFTWOOD LUMBER

Mr. Chuck Strahl (Fraser Valley, PC/DR): Mr. Speaker, as the softwood lumber negotiations reach a critical stage, it is important that our American friends realize that although this is the number one trade irritant between our nations and we want passionately for this issue to be settled before March 21, Canadians are united on this one front. We will not sign a deal at any cost.

Will the minister insist that the principles of free trade and free and unfettered access are built into any agreement and that any agreement bring long term stability to an industry that is simply unprepared to go through this process on an ongoing basis?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I want to thank the member for his important question, particularly this on very day when the Prime Minister is at the White House with President Bush and will be raising this important file on softwood lumber.

Indeed, yesterday we received unanimous support by all ten provinces, and the industry was completely behind us. They have been asking us to spare no effort at trying to resolve this through a negotiated settlement with the United States giving Canada free market access to the United States, and no, we are not—

The Speaker: The hon. member for Fraser Valley.

Mr. Chuck Strahl (Fraser Valley, PC/DR): Mr. Speaker, the Prime Minister is in Washington today, hopefully concluding a new softwood lumber agreement that will put this issue to rest for a long time. There are proposals on the table that would create a binational panel to force arbitrated settlements in any future disputes.

In an effort to bring long term stability to the softwood lumber issue, will the minister urge the Americans to allow any binational panel to address not only Canadian domestic forest policies but also to address U.S. protectionist domestic trade policies?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I very much appreciate the member's questions. There

is a lot to look at in the United States in terms of its own forestry management practices.

However right now we are not ready to negotiate a deal at any cost. We want a deal that will serve Canadian interests well. We want unfettered market access to the United States in exchange for good management practices involved in our respective provinces. I think we are on the right track in the next week.

* * *

ZIMBABWE

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, Britain, the United States, the European Union observers, New Zealand and Australia have all described the election in Zimbabwe as a shame and a fraud. The Commonwealth observer group in Zimbabwe has said the election does not represent the will of the people of Zimbabwe.

Will this government immediately impose economic sanctions on Zimbabwe and send its high commissioner in this country back home with a message for Mugabe to step down?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, of course we are reviewing the preliminary report issued by the observers, but I think it is clear that based on that report it would be impossible to say that the election in Zimbabwe was free and fair.

In the meantime, just as we have sought to establish the requirement for process in an election, likewise the Commonwealth needs to follow the process that was established in Australia. Steps that will be taken will be based upon consensus within the Commonwealth.

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, I guess it is difficult for the government to tell that dictator to step down, especially when it is coming from one dinosaur to another.

This is not the first time the Canadian government has been soft on Mugabe. The member for Calgary Centre, as prime minister, urged the Commonwealth to reject the democratic elections of 1979 because Mugabe's Marxist guerilla group did not participate. Then in 1988, as foreign affairs minister, he offered Mugabe military aid.

Will the Liberal government reject the failed appeasement of the past and tell that Mugabe his time over and he must step down?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, the result of the election is very much an issue that needs to be considered by the Commonwealth in terms of the response that it needs to take.

However, in the meantime look at the facts. Canada through CIDA changed its aid programs with Zimbabwe many months ago. We took a clear position leading up to the election, that the election needed to be free and fair.

Oral Questions

The suggestions that we somehow tell governments who should lead them is simply ridiculous and suggests an immaturity on the part—

• (1450)

The Speaker: The hon. member for Drummond.

* * *

[Translation]

AIRPORT SECURITY

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, the Minister of Finance plans to impose a tax on air travel starting April 1, to meet the costs of airport security.

Imposition of such a tax will be prejudicial to the airline industry, tourism and economic development in general.

Under the circumstances, is the Minister of Finance going to come to his senses, abolish the tax on air travel, and finance the cost of security measures from the government's consolidated fund?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member must realize that the cost of all the measures for national security comes to about \$7.5 billion.

Of that amount, over \$5 billion has been assumed by the taxpayer. The users have been asked to pay the other \$2 billion, because the users are the ones who stand to benefit the most.

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, the minister seems not to understand the irreparable harm that this tax is going to have on the regions.

Does he agree with this dubious approach, which means the government will be making a profit at the expense of regional development?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I can assure the hon. member that we will be very open, very transparent, on the costs and their relationship to the charge, and that we are going to revisit, review, the entire situation in the fall, once we have an exact idea of its effects.

* * *

[English]

TRADE

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, the government has a horrible record when it comes to protecting Canada's trade interests. Just ask potato farmers, softwood lumber workers or cattle producers.

In the last year the Minister for International Trade refused to enforce Canada's tariff rate quotas allowing imports of 40,000 tonnes of beef over and above the agreed upon limit. These imports deny Canadian producers domestic markets and harm our trade relationship with the United States. Some in the U.S. are accusing Canada of allowing third party access through the back door and are calling for increased border restrictions.

Why does the minister of trade continue to grant harmful supplementary import permits and when will he stop?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I am very surprised to hear the Alliance today, this very

day in this very week, complain about Canada's international trade policies. Just last week we got an exemption for steel, an exemption that will benefit thousands of workers. Yesterday we received the endorsement of the whole country, all 10 Canadian provinces, supporting the government.

We had a stakeholders meeting yesterday and 95% of the industry in Canada supported our stand on softwood lumber.

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, I do not think the minister should be bragging until there is a softwood deal in place.

The government is also harming our cattle producers through its inaction. In a previous answer in the House, the minister of agriculture stated that the Canadian cattlemen had grave concerns about expanding the free flow of cattle between Canada and the U.S. He is grossly mistaken. Our cattle producers understand that if we fail to reduce Canadian border restrictions, our exports to the U.S. will be restricted.

The government is choosing inaction again and this will lead to another trade crisis. Why does the minister of agriculture continue to refuse to implement the terminal feedlot protocol?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. member knows full well that the research is being done on that in co-operation with the industry and the United States. Our primary concern has been and will continue to be the consistent maintenance of the health of the Canadian livestock herd.

We have shown in the past that when we can ensure regional recognition of health standards, with certification from the United States, we move ahead, but we will not move ahead until we have that assurance.

* * *

• (1455)

YOUTH JUSTICE

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, the issue of bullying and teen violence is a serious one. Could the Minister of Justice tell the house how the government and the new Youth Criminal Justice Act will deal with youth who commit serious violent crimes against individuals, as in the case of Jonathan Wamback?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I speak for all Canadians when I say that we deplore the violence that Jonathan Wamback suffered. I admire the courage and determination that Jonathan and his family have shown in dealing with this tragedy.

Even though we know that over the past few years violent youth crime has declined, we all know that we have to keep working on it. The government has invested in crime prevention and not long ago we enacted a new legal system regarding the youth justice system. That will improve the situation. As well, we have increased the participation of families, victims and community members.

* * *

AIRLINE SAFETY

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, in December the government told the Canadian people it would establish an air marshals program, but the Air Line Pilots Association and CUPE, which represents the majority of cabin crew, said that the government had not given any procedural guidelines on working with air marshals to Canadian flight crews or flight attendants.

This means that either the government is being incompetent and irresponsible in setting up the program, or the government has not hired air marshals beyond the Toronto-Washington, D.C. route. Which is it?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, as announced in the budget we will have armed police, RCMP, on flights. This has been in effect on flights to Reagan National Airport for some period of time. It is also the case on other selected domestic and international flights as the risk warrants.

However we do not discuss operational details that depend upon security in the House of Commons. These are matters that the RCMP will deal with at the appropriate time.

* * *

[Translation]

TAXATION

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, earlier, the Minister of Finance told us that he was fully prepared to put the issue of fiscal imbalance on the agenda of the next federal-provincial meeting of finance ministers, provided he is asked to do so.

I have here a copy of a letter dated March 8, signed by Pauline Marois, the Quebec Minister of Finance, formally asking him to put this topic on the agenda.

Will the minister confirm that this topic will be on the agenda, since it has been requested, as suggested earlier?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I already answered the question. If my provincial counterparts wish to discuss any topic, I am very open to discussing their priorities.

* * *

[English]

TAXATION

Mr. Grant McNally (Dewdney—Alouette, PC/DR): Mr. Speaker, there is a new Liberal tax in town. The government is imposing a new tax on blank CDs, memory cards and MP3 players.

This new tax means a box of blank CDs will cost nearly twice as much. When a person gets to the cash register to pay for a \$600 MP3 player, the government will reach into his or her other pocket and rip

Oral Questions

away another \$400 with this new tax. How could the heritage minister and her government possibly defend this Sheila stealth tax?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, unlike the Conservative Party that claims to support intellectual property rights and copyright we actually support copyright.

* * *

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, the finance minister is right today to pooh-pooh the Alliance idea of simply transferring tax points for health care. What he failed to mention is that all provinces are unanimous in terms of wanting cash transfer increases, or at least transitional funding before Romanow reports.

It is particularly important today given the report by Statistics Canada yesterday showing that one out of eight Canadians report problems accessing health care compared to before the Liberal cuts when it was one out of twenty-four having problems.

Will the minister tell us what he will do today, not what he did yesterday, and will he help stop this appalling slide in medicare?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if anyone would like to take a look at the agreement that was signed a year ago for \$21 billion, they will see that year after year those amounts in the base year are increasing: over \$2 billion this year, over \$3 billion the following year and over \$4 billion by the end.

Year after year the Canadian government is increasing the transfers to the provinces for health care. In a great number of the provinces the only increases that they are putting into health care are coming from the Canadian government.

* * *

• (1500)

[Translation]

STEEL INDUSTRY

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, reference was made to this earlier. The United States will soon impose customs tariffs of some 8% to 30% on imports of certain steel products into their market.

Following this announcement, the Minister for International Trade stated that Canada could follow the same path as the United States by imposing tariff barriers on steel imports if foreign producers used its territory to gain for their products indirect access to the U.S. market.

Business of the House

Now that the time has come to act, what does the Minister for International Trade intend to do, in practical terms, to prevent his fears from coming to pass?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I believe that, first and foremost, we must rejoice in the fact that Canada has been exempted from the U.S. measures regarding steel. This is excellent news, of course, for the whole industry in Canada.

Within the next week or perhaps ten days, we shall meet with our partners in industry, with the steelworkers' union representatives, to ensure that Canada is not used as a dumping ground for the rest of the world.

I can assure the hon. member that, at this time, we are monitoring imports very closely and that we will take action, in co-operation with the industry and other partners as soon as possible.

* * *

[English]

AIRPORT SECURITY

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, Canadians start getting ripped off with the new \$24 air tax on April 1. The new airport authority, the security authority, does not get set up until November or December of this year. There is a one year backlog with bomb detection equipment. Air marshals have not been hired. Procedures have not been given to the unions and flight crews and there has been no impact assessment on the tax.

My question is for the minister. Why should Canadians pay this huge tax grab when they will not receive the services for the tax? Why is the government ripping off consumers and destroying the air industry?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, once again the hon. member is wrong. Since September 11 there have been more stringent security measures, including the implementation of explosive detection equipment. The government has already announced and is expending money for the security of Canadians. The particular charge will cover that.

If the hon. member wants us to formally announce a board of directors for the new agency, he would know that we cannot do that before parliament has pronounced upon it. We respect parliament. The bill is in another place. He should know what democracy is all about.

* * *

VETERANS AFFAIRS

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR): Mr. Speaker, yesterday the Ontario appeal court issued a scathing ruling against the government saying that disabled veterans may receive as much as \$4 billion. In a written decision the Department of Veterans Affairs was condemned for mismanagement of pensions since 1919 and the judge called it reprehensible.

Will the Minister of Veterans Affairs intervene to afford aging veterans their dignity and security, or will we be treated again to the usual government tactic of putting principle behind procedural delay

through appeals? Why will he not act now? Why will he not do the right thing?

Hon. Rey Pagtakhan (Minister of Veterans Affairs, Lib.): Mr. Speaker, the ruling was issued yesterday. It is of course a very complex legal issue and government lawyers are indeed reviewing the ruling.

Let me assure the hon. member that Veterans Affairs Canada will continue its commitment and continue to deliver quality services to veterans. In fact since 1990 we have been paying interest on the administered accounts.

THE ROYAL ASSENT

[English]

The Speaker: Order, please. I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

March 13, 2002

Mr. Speaker:

I have the honour to inform you that The Right Honourable Adrienne Clarkson, Governor General of Canada, will proceed to the Senate Chamber, on the 21st day of March 2002, at 3:00 p.m., for the purpose of giving Royal Assent to certain bills of law.

Yours sincerely,

Barbara Uteck
Secretary to the Governor General

* * *

• (1505)

BUSINESS OF THE HOUSE

Mr. Randy White (Langley—Abbotsford, Canadian Alliance): Mr. Speaker, I would like to ask the government House leader about the business for the rest of the week in the House of Commons and the business for the following week.

I would also like to know from the government House leader about the anticipated legislation for the national sex offender registry which was committed to us by the government and expected by all provinces throughout the country and it is not yet tabled.

[Translation]

Hon. Ralph Goodale (Leader of the Government in the House of Commons, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, tomorrow, we will conclude the third reading stage of Bill C-49, the Budget Implementation Act, 2001.

Monday and Tuesday shall be allotted days.

[English]

Next Wednesday we will consider report stage of Bill C-15, certain amendments to the criminal code. On Thursday, March 21, I expect to return to report stage of Bill C-5, the species at risk legislation or perhaps other unfinished business. On Friday, March 23, we will again consider Bill C-50 respecting the WTO followed by Bill C-47, the excise tax amendments.

With respect to the specific legislation that the House leader for the official opposition has referred to I will pursue that matter with the solicitor general to determine what plans he may have.

* * *

POINTS OF ORDER

STANDING JOINT COMMITTEE FOR THE SCRUTINY OF REGULATIONS

Mr. Jim Pankiw (Saskatoon—Humboldt, PC/DR): Mr. Speaker, I rise on a point of order. Five years ago, the Standing Joint Committee for the Scrutiny of Regulations informed the minister of fisheries that some Indian only fishing regulations were ultra vires the act of parliament. In other words, they were defective regulations that were in effect illegal. For five years the committee has been trying to have those regulations revoked but the minister's office has just stonewalled.

In December the committee voted to have a draft disallowance report prepared. The disallowance procedure for regulations would have the committee chair table the disallowance report in parliament. Today however at the Standing Joint Committee for the Scrutiny of Regulations the Liberal members voted against a motion to adopt the report. This means the chair of the committee could not come today to table the disallowance report of these race based regulations which discriminate against people on the basis of race, not to mention the fact that they are illegal.

I would like to seek unanimous consent of the House to table this report nonetheless right now.

The Speaker: Does the hon. member have unanimous consent of the House to table this report?

Some hon. members: Agreed.

Some hon. members: No

Mr. Jim Pankiw: Mr. Speaker, I seek your guidance because the mandate of the committee has been prostituted. The committee is not fulfilling its mandate and its responsibility. We know these regulations are illegal. They have been in place for five years and now the committee is refusing to put a disallowance report to parliament.

Mr. Speaker, what is your guidance? What is the point in having the committee if it will not act to disallow regulations that it knows are illegal? Where do we go from here?

The Speaker: Far be it for the Chair to advise the hon. member on what other steps he might want to take in the face of a decision of the committee. I can suggest to him that he look at the authorities in Marleau and Montpetit, Beauchesne's and Bourinot's. He could spend perhaps the next weekend reading to see if he can gain from those authorities some clue as to the kind of things he might do with the particular draft report which I assume he was holding in his hand a few moments ago.

It is not for the Chair to advise hon. members on the course of conduct to take in relation to these matters, tempting as it might be. I can only suggest to the hon. member that thorough reading of the authorities will give him ideas that are beyond even what the Chair could suggest.

Supply

Mr. Jim Pankiw: Mr. Speaker, more specifically, I am asking if you have any authority to intervene in the case of a committee that refuses to carry out its mandate?

The Speaker: No. The committee is master of its own proceedings. The committee can make decisions as to whether it wishes to fulfill its mandate, do something else or even go beyond. The powers of the Chair in relation to committees are, in my view, quite limited. I think the member would discover that if he were to read the texts I have suggested to him over the weekend.

GOVERNMENT ORDERS

● (1510)

[English]

SUPPLY

ALLOTTED DAY - SOFTWOOD LUMBER

The House resumed consideration of the motion.

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, I am pleased to rise today to speak to the Canadian Alliance opposition supply day motion. I am also pleased that all five political parties in the House were able to unanimously adopt the motion to send a very strong message to the United States that we are united on this issue which is a critical issue.

I would like to go back a little bit. I think the motion has been read a number of times but I will read it again. It states:

That, in the opinion of this House, the principles and provisions of the Canada-U.S. Free Trade Agreement, FTA, and the North American Free Trade Agreement, NAFTA, including their dispute resolution mechanisms, should be fully applied to trade in softwood lumber, and it urges the government not to accept any negotiated settlement of the current softwood lumber dispute outside of the FTA and the NAFTA unless it guarantees free and unfettered access to the U.S. market, and includes dispute resolution mechanisms capable of overriding domestic trade measures to resolve future disputes.

I am pleased the House adopted that. I know the minister, and I have spoken to him numerous times, is in very intense negotiations on this file. We do get people asking us if we are looking toward a negotiated settlement. As I expressed to the minister before, I think it is very important to keep all the doors open. If he is able to reach some type of agreement that will eventually get us unfettered access, whether if it is a bridging agreement for a year or whatever, then we should look at it and be open to it. Of course until we see all the details we will not know.

I know the industry in British Columbia is very much saying that if the government can do something that will ultimately give Canada free and unfettered access to the U.S. markets, that would be a good thing.

Although the motion passed with unanimous consent less than two hours ago, I feel it is important to continue talking about what it is all about. One in 16 Canadians employed in this country work in the forest industry sectors. In over 337 communities 50% of the people are directly dependent on the forest industry for economic survival. We have in Canada today in the neighbourhood of 50,000 people who have lost their jobs as a result of this dispute.

Supply

The softwood lumber agreement expired last year around this time. It is absolutely critical that we stand united in this country. This is not a partisan issue. The parties in this parliament and the provinces should stand together on this issue against our friends to the south.

Having said that, it is critically important that the federal government negotiate hard and find a solution. It is the responsibility of the federal government on this file. I also have to add that there is a huge level of frustration because of the pain we have had to go through over the last year. A lot of people felt we should have been doing more through the duration of the softwood lumber agreement and that was our opportunity to reach a deal.

A lot of things have happened within the U.S. domestic situation. I agree that they are out of our control but the Americans keep claiming that they are big free traders. However, when we look at some of the things they have done, they are not acceptable.

I want to talk specifically about the Byrd amendment, which is still in place under U.S. domestic law. The countervail duties and the anti-dumping duties are being collected by the department of commerce in the United States. It takes the money Canadian forest companies pay in duties and gives it to the American forest industry. If we want to talk about who is subsidizing whom, it is pretty clear that our Canadian forest industry is subsidizing the U.S. industry simply through this Byrd amendment.

● (1515)

I have put these facts on the table in the hope that the government will take a hard stance on these issues and not back down. If there is an opportunity to reach a bridging agreement, the challenge for the government is to reach an agreement that has an end goal, whether it is six months or twelve months. If we hear the words export tax does that mean it is in place for six months, gets cut in half for the next six months and then we have free and unfettered access?

If we go toward this type of agreement, it is critical that the United States gives us its assurance that we will have free and unfettered access and, if necessary, that the government will amend the legislation to ensure that the U.S. forest industry will not have the ability to cut us off at the knees again. This dispute has been going on for a number of years. It is no secret to the forestry industry, I believe it calls it lumber four, and it has to come to an end.

In my province of British Columbia we export about \$5 billion a year worth of softwood lumber to the United States. British Columbia alone exports over half that amount to the United States. There are 30,000 people right now who have lost their jobs and more mills are at risk of going permanently out of business.

Today the Prime Minister is in Washington speaking with President Bush. I hope this issue gets some serious attention on the agenda and not just some passing thoughts. I hope they do not discuss it for a few minutes in a conversation and then move on to other items. The Prime Minister should give it the attention it deserves.

We are at a critical point now as we await the final determination from the U.S. department of commerce next week. The Canadian forest industry could be faced with enormous countervail duties which, I argue, are patently unfair. We must take the United States to

task. It claims to be the best free traders when in fact its record shows otherwise.

We have been around this issue a number of times in this parliament. The point I want to make is that it is critically important that the government make this its number one priority. If we end up not being successful in the next few weeks we could be looking at a two or three year litigation process. I admit that if that is what we must do then we should follow that course but Canada needs to make sure that the United States understands what is needed if it wants our co-operation. I appreciate that it is not good trade policy to start linking other issues, and I am not advocating that, but the Americans need to understand that if they want to sing free trade we expect them to live up to whatever agreement they sign.

Canada has been a very good friend, neighbour and ally with the United States in the war on terrorism. We have done more than our share. Looking back to the conflict in Kosovo, the Canadian armed forces were there in great numbers and did a great job. Our armed forces are now in Afghanistan taking a leading role in the war, as we should. I have to tell the House that there are people wondering why we still face these trade issues.

● (1520)

I will conclude by saying how very pleased I am that all five political parties in the House of Commons adopted the Canadian Alliance supply day motion: that in any agreement we reach we ensure in writing that we can reach free and unfettered access—it is critical that we do not compromise that—and that the necessary safeguards and measures are in place to ensure that we will not face countervail duties and repeat claims from the United States.

Mr. Joe Comuzzi (Thunder Bay—Superior North, Lib.): Mr. Speaker, I compliment my friend across the way. I know how concerned he is today about what is going on in Washington because he comes from the heart of an area that is so dependent not only on softwood lumber but on other forestry products.

However I wonder if he would consider one element in the comments he just made. I think it is something that we should always remember in the House when we are discussing and talking about this dispute that we have with the United States.

I am absolutely convinced, and I wonder if he is, that most of the members of the house of representatives and of the senate in the United States, who have to go out and get elected, like we do, are sympathetic toward our case?

Where we really come into some difficulty as country is not in dealing with the president, the members of the senate or the members from the house of representatives but in dealing with the department of commerce in the United States. When we get into the area of the interpretation of NAFTA, we fail to realize that it is the department of commerce that has jurisdiction. It is dealing, as our minister has over the last year and done an admirable job, with Mr. Evans, the secretary of the commerce department; Mr. Zoellick, the trade commissioner for the department of commerce; and, most recently, in dealing with the former governor of the state of Montana, a friend and ally of Senator Baucus who was asked by the president to try to bring some conclusion to this very difficult trade dispute.

Supply

When my colleague talks about the United States, does he not think he should perhaps couch his remarks? Should he not be talking in more specific terms, at this particular period of time, after one year, about the people in the department of commerce in the United States, the leaders in that area, and not about our friends in the United States generally?

Mr. Gary Lunn: Mr. Speaker, the hon. member for Thunder Bay—Superior North also has great concerns with this file. Let me just say that our friends in the United States, the Americans, are not all of one label. I married one of those great friends and she is still an American. I have the highest regard for those people. They are our true friends and our greatest allies.

What I am talking about on the softwood lumber file is that we have no other course but to go under the political masters any more than I can hold accountable the international trade people who worked very hard on this file for success or failure ultimately is the responsibility of the Minister for International Trade and his government.

The same holds true in the United States. I appreciate the pressure on the department of commerce in the United States. The people that we have to go after aggressively are some of the political people. We have friends there. Over 100 congressmen signed on to supporting the Canadian position. They have signed a letter saying that they need free trade with Canadian lumber. It is in their own interest for affordable housing and otherwise.

Can we put more pressure on the department of commerce? Perhaps, and if we do we should probably take the lead of the government. I emphasize, just to follow up on the member's question, that the U.S. people are our greatest friend and ally. This is a dispute we are having. We need to get it resolved so we can move on to other things.

We will be successful if we can stay united, speak with one voice from all political persuasions across the country at all political levels: government, industry, trades and unions. If we present a strong united front against the U.S. government we will be successful on this file.

• (1525)

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I thank the member for Vancouver Island North for having tabled in the House on this very day this important resolution on softwood lumber which I am very pleased we have been able to support unanimously already this morning.

If we were able to support it very easily and unanimously this morning, it was that the member for Vancouver Island North was generous enough to describe in his resolution the actual policy of the government. As this is the policy of the government we were quite pleased to get up with members of the other four parties and support this resolution.

It is very useful today that the House of Commons allied yesterday all 10 provinces at the federal-provincial conference in Ottawa. All 10 provinces and the 3 territories stood by the government, by the very policy we have been advocating, by the two track strategy that we have designed. Such a show of unanimity has been quite rare on

the softwood lumber file. That made Canada stand united and when Canada stands united it stands tall.

I believe that it increases our chances to get the sort of resolution to the dispute that we care for: a long term policy based resolution that would give Canadian softwood lumber unfettered access to the market in the United States. This is what we are after.

We have had some success lately with the Bush administration. We had extraordinary success last week obtaining for Canada's export of steel into the United States an exemption of U.S. action. This is very good news.

Our international trade policy has been very active and we have been engaging with the United States. We have not always been pleased with its actions but we know that we can deal with them. We hope very much that in the course of the next few days, in the course of the next week, the unanimous message will be sent from this House, the unanimous message sent by all 10 provinces and the 3 territories, a message reinforced and supported by 95% of Canadian industry and by the stakeholders that actually think we are on the right track.

I believe that what has been done on this file is very useful. Unfortunately I heard this morning a number of opposition members who, despite this unanimity, despite the very fact that the resolution is being supported by all members of the House, were insinuating that the government had not done a thing on the softwood lumber issue. They were trying to say that we did not see the termination of the agreement come March 31, 2001. Nothing could be further from the truth.

In 1999 I appointed a senior facilitator to consult with Canadians on the options for our industry. In December 1999 the government began a formal consultation process with Canadians, with provinces and with stakeholders in the industry, two years before the March 31, 2001, termination of the earlier agreement. We knew it was coming.

In 2000 I went to British Columbia. I met with the industry. I met with the stakeholders. I met with the British Columbia government at the time, the NDP government. That government could not come to the table in a meaningful way. I am not talking about some members of the Alliance who unfortunately decided this morning that we had done nothing prior to that date, but the opposition knows full well that we tried to engage with the then government of British Columbia that had responsibility for managing forestry in that province and could not do a thing at that time.

• (1530)

There was uncertainty in that province and it could not engage in addressing the issue by preparing forceful, constructive forestry management improvements for British Columbians. I must commend the extraordinary contribution of the Campbell government, and in particular its minister of forests, Mike de Jong. They were elected on a platform that included forestry management practices.

Supply

I would like to talk about the sovereignty issue. Some people have been saying that Washington is dictating our forestry management practices now and that Canadian sovereignty is at stake. This is revisiting history. A few months ago the Campbell government was elected on a platform proposing changes to the forestry management practices of that province for the benefit of British Columbians. It was elected, so the changes proposed were not dictated by Washington. They were part of the platform on which the government was elected.

We are discussing on that basis what the Americans could deliver in terms of unfettered market access and free trade, considering our decision in our country supported by Canadian citizens to improve our forestry management practices.

What saddens me most is that the former leader of the Alliance, the member for Okanagan—Coquihalla who aspires to becoming national leader again, played the divisive politics of regionalism today. I was astounded by the ignorance of that member when he said the Prime Minister of Canada, who is completely committed to our work on softwood lumber, would have moved if there had been jobs in the Saint Maurice riding.

The Saint Maurice riding is the heart of the softwood lumber industry in Quebec. He said if there were 20 jobs in Saint Maurice he would have moved. This is absolutely ridiculous and it shows the ignorance of a man who aspires to becoming national leader again.

The Prime Minister does not need to have the softwood lumber industry in his riding to care about it. I do not have softwood lumber in my riding of Papineau—Saint-Denis which is a very urban riding, but I care about British Columbia's softwood lumber industry. At the very beginning of my term as Minister for International Trade I travelled back and forth to British Columbia, engaging with industry, engaging with the provincial government and working very hard, so much so that I have their total support now for the action we are taking.

I was saddened by that unfortunate approach to regional politics on an issue that requires for us to be united. That is what we have been doing. We have one more week before the March 21 final determination by the Americans and we want success. We will not negotiate a deal at any cost. We want a good deal for Canadians, but we know that it would be a lot better to make a resolution with the Americans that would bring a long term solution based on policies in our country.

• (1535)

[Translation]

In connection with the softwood lumber issue, we also managed to get the industries at both ends of the country working together. Both east and west engaged in a dialogue as never before. Despite sometimes diverging interests, representatives of the industry from Quebec, from British Columbia and from throughout the country understood that by working together we would get better results.

Today, on behalf of the Government of Canada, I wish to say a heartfelt thanks to the industry and the unions from throughout the country, which, on this occasion, worked together. I wish to thank the government of Quebec for supporting the initiative and the approach recommended by our government. The government of

Quebec has also chosen to take the approach of improving its forest policies in the coming months and years in order to win us free trade with the United States.

I am very happy that, yesterday, the Minister of Trade, Mrs. Papineau, and the Minister of Natural Resources and Forests, François Gendron, congratulated us and thanked us for our leadership and work on this issue. It is this approach which will enable us to do much better in our dealings with the United States and to hold our heads high. We have received support from throughout the community.

[English]

On Monday, Mike de Jong, the forestry minister of British Columbia, visited us with representatives of industry, leaders of communities and unions as well, and aboriginal representatives. It was beautiful to see how these British Columbians, caring for their industry, came here to express their unity and support for the approach that everyone in the country supports.

The number of representatives that we have had has been extremely useful all along. I for one have discovered wonderful friends in British Columbia. Mayor Kinsley of Prince George, whom I met with a number of times over the years, and I have been on the phone and have been able to develop a friendship over the file. Together we care about solving this. There is also the mayor of Squamish, Corinne Lonsdale, whom I visited over a meal in Squamish and who has become a good friend as well because we care passionately. Because a minister comes from Quebec does not mean that he cannot be a true Canadian and care for an issue in the country that mostly affects British Columbia. That is despite what the former leader of the Alliance insinuated today, along with a number of other Alliance speakers. We in the Government of Canada care for all Canadians, whatever the issues.

I believe very much that our two track strategy is quite useful. I believe very much that our negotiations with the United States are in exactly the right direction in the sense that we will not negotiate a deal at any cost because that would be to the detriment of our people and we know that very well. We will, however, spare no effort in the next week to make the very best effort. That is what Canadians are asking us for. That is what industry and provincial leaders asked us for yesterday. I am extremely pleased that the Prime Minister is in Washington today and I know very well that he will be raising it with President Bush. That will be quite helpful. I am extremely impressed by what we have been able to do over this issue so far.

• (1540)

[Translation]

It is certain that we are now awaiting from the U.S. administration an effort equivalent to the one Canadians have put into it.

We have made the effort to get the provinces, which have jurisdiction over forestry resources, to agree to some major changes in the way we manage our forests, in our best interests. We will not, of course, be giving up our crown lands, the public lands we have. This is the way we do things in Canada, and we want to remain Canadian, with our own model, our own approach.

We are, however, prepared to introduce some elements of transparency. We are prepared to establish some elements of a procedure for price setting that will be very close to the realities of the market.

[English]

No one wants a free lunch in the United States market, that is clear, but we are ready to make some changes in our provincial practices. What would count very much is if the United States would now engage fully as an administration in being as creative as we on the Canadian side have been at identifying the ways in which it could guarantee us market access in the United States for the long term, with a mechanism that would guarantee us that access for the long term. That is very important.

The administration realizes that it too at one stage will have to push back on some of the coalition members in the United States who are resisting because basically they just do not want any deal at all. They just do not want any successful resolution to this one. I am not talking about the majority of them. I am talking about the more vocal ones who are resisting the resolution.

We have allies in the United States. We have allies among the producers, who want a resolution to this dispute. We have allies among the consumers like never before. The consumers have organized in the United States and they have been able to get support, along with our Canadian embassy. I want to thank all members of parliament of all parties who participated in parliamentary delegations and who went to Washington to explain to Americans the different system we have and to explain that being different does not mean we are subsidizing.

I want to thank all of those who have contributed and are contributing to the success we are having in Washington now. I hope very much that the Bush administration, like it did on steel, realizes the particular circumstances of Canada and realizes that it is in the interests of their home buyers and their economy that they have a dynamic home building sector in the next few months to make sure that the recovery we have seen in the last few months will actually become even more concrete and more solidified.

[Translation]

This rare unanimity we Canadians enjoy is extremely useful. It means that we can move toward free trade as far as softwood lumber is concerned, but free trade that will, of course, respect who we are and where we are at. We are entitled to our difference.

Clearly, we in Canada are different as far as our Crown lands are concerned, our public land. We want to maintain this system and to make it more transparent, in order to be sure that the Americans can understand how prices are set, in order for there to be true free trade.

We have a good case, however, We are not going to sign an agreement regardless of the price. We know that, if it comes to that, if the negotiations are not successful in the coming week, we would have a very good case to submit to the World Trade Organization and would also have a very good case to submit to NAFTA.

Thank you for your patience, Mr. Speaker, and thank you to all members of this House for supporting this motion, which fits in perfectly with the path being taken, the policy of our government,

Supply

with the unanimous support of the ten provinces of this country, and the partners in the industry.

• (1545)

[English]

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, of course I listened to the minister very carefully and congratulate the minister on the parts of his speech that were non-partisan. I have to wonder about the rest of the speech in terms of whether it was productive or not. That is all I will say about it.

The minister has said that he has 10 provinces, the territories and 95% of industry supporting the two tracks. I understand that. I do not think anybody will argue that the two track set-up is the right way to go, but there is a difference between that and the negotiating tactics. That clearly creates some distinct separations and it is not our job here to try to create divisions.

My first question for the minister is, you said in your preamble that the Canadian Alliance motion today reflected government policy. My question is this. Will you apply this to—

Mr. Pat O'Brien: Mr. Speaker, I rise on a point of order. I am not one that is given to frivolous niceties but I already made this point earlier with my hon. colleague. I guess it is a slip. He has been in the House as long as I have, I think, but he consistently does not speak through you, Mr. Speaker. He consistently refers to other members as "you".

The Deputy Speaker: The Chair thanks the parliamentary secretary for his support, but I had every intention to intervene once the question had been finalized.

Mr. John Duncan: Mr. Speaker, I apologize. This has been a long week for all of us. I do not normally lapse that way, but I somehow have done that today and I will try very hard not to do it again.

Will the minister and the negotiators be applying the intent of the motion to negotiating tactics as well as to policy? I just wanted to comment on some of the timing historically to try to correct the record, because I met the minister's appointed facilitator in Washington in early 2000. I followed it right through from that time until the expiry of the softwood lumber agreement. Clearly the government's position was to wait for industry and British Columbia to develop a consensus, not the other way round. The government was not committed to free trade until March 2001.

Hon. Pierre Pettigrew: Honestly, Mr. Speaker, I fail to exactly understand the logic of the hon. member, but I am so grateful for his resolution that I will try to take this as a contribution to the message we, as the House of Commons, I think, are trying to send to the United States of America.

On what has been the government's policy from day one on the softwood lumber issue, certainly since 1999, since I have been following it very closely, I can guarantee the hon. member that precisely what we have been preparing for is to move toward free trade.

Supply

There was a wide consensus in Canada when I started raising this issue years before the March 31, 2001, termination of the earlier agreement. The minute I was appointed minister in August 1999 I consulted with the provinces and with industry. There was a vast consensus, not for renegotiating a managed trade agreement but for a move toward free trade.

Indeed, that has been the government's policy, to reflect the views of Canadians and to really identify the best possible strategy to get there. I hope very much that time will come sometime next week before the final determination.

• (1550)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ) Mr. Speaker, I am very pleased to see that today's debate has allowed the minister to come to the conclusion that the motion should be passed unanimously. This is what I gleaned from his presentation.

I think that this will indeed help strengthen the position and repeat it. This is an appeal that I launched this morning, and I am very happy with the results.

I went to Washington with the delegation and if there is one thing that I learned, it is that Canada should be promoting its reality more abroad. Perhaps the money that is spent on communications within Canada would be spent well if it were used to promote our reality in the United States.

I had a meeting with an American representative and, really, we had to explain to him the fundamentals. This is someone who worked in the forestry sector and he knew nothing about our reality. I think that we have our work cut out for us when it comes to this.

I fully agree with the fact that the motion being adopted unanimously will help. However, it is important to send a clear message—this is the meaning of my question—about workers in the businesses affected.

The government announced a support program to help businesses ride out the crisis. I have small sawmills in mind, but also big businesses, if it is needed. I think that we must move on this right away so that the Americans are fully aware that we are serious, that our position shows the U.S. government that if there is no agreement, the Government of Canada will support its businesses and its workers.

The minister has taken some interesting positions when it comes to business. I would like it if he could provide me with the details. But I would also like it if he could call on his colleague, the Minister of Human Resources Development, to help people who are experiencing the hardship of the softwood crisis on a daily basis, those who are no longer getting employment insurance benefits, so that they might receive them.

Could the minister confirm for us, that in addition to the motion, the government will take meaningful, additional measures to help these people?

Hon. Pierre Pettigrew: Mr. Speaker, first, I would like to thank the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques for his comments. I also thank him for taking part in

the meetings of the Canadian parliamentary delegation that travelled to New York to present our point of view regarding the softwood lumber issue.

It is true that the Americans have a hard time grasping the concept of public land, of what we call crown land. It is extremely difficult to explain this concept to the Americans. We tried many times. Our Canadian embassy is doing a very good job, and parliamentarians have explained this concept a number of times. We have led very energetic campaigns to that end.

The problem is that as soon as we leave, or maybe three weeks later, it seems as though we have to start all over again. This lack of understanding is essentially based on differing views of what the role of the government should be in the economy. So, we constantly have to redo the work.

I really appreciate the hon. member's view and I thank him for being prepared to contribute to this effort, as have all parliamentarians so far. I can say that no effort will be spared.

As regards help for workers, the Department of Human Resources Development—and I take this opportunity to thank my colleague—has shown great sensitivity when workers across the country were suddenly faced with this situation.

I am very grateful to the employees working in HRDC's offices for having been receptive to the claims of these workers. As a government, we will continue, through our various programs at Human Resources Development Canada and elsewhere, to do our best for our workers.

I sincerely hope that the precarious situation in which our industry, our workers, their families and their communities have been in recent months, because of the punitive—and often overly protectionist—measures demanded by the industry in the U.S., will soon end and that the issue will be settled in the coming days.

[*English*]

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, I am glad to take part in the debate today. This is far from a new issue in the House of Commons or in the U.S. congress for that matter. The problem with free trade in lumber between Canada and the United States goes back some 25 years.

I thank my colleague from Vancouver Island North for raising this important issue for debate in the House. It is very timely because the Prime Minister is in Washington and the deadline of March 21 for the final determination on duties is looming.

Mr. Speaker, I am splitting my time with the member for Surrey Central.

Supply

There is a 25 year history to this issue and most of it has not been very good from Canada's point of view. Although we have won all the disputes in the past, we are continually being harassed by the United States on this issue and we do not have free trade in lumber. There have been many attempts to put Canada on the defensive. Canada's softwood lumber industry is far more competitive than that in the United States. It is simply a matter of protectionism by the U. S. congress, the U.S. department of commerce and the U.S. softwood lumber industry which is not as competitive as our Canadian industry and therefore tries to protect its interests.

It goes against the whole spirit of the free trade agreement between Canada and the United States which was negotiated in 1987-88. The trade law has put us in this position, the discussions which took place in 1988 in the softwood lumber and the free trade negotiations. There was an attempt at that time to do away with trade law, countervail and anti-dumping. The United States and Canada put many things on the table. Eventually we came to an agreement on the free trade agreement but there were a number of areas that both sides wanted to protect.

The U.S. did not want to give up its trade law. In fact the U.S. kept it. One of the reasons was that Canada was also trying to defend certain areas that it did not want to give up, such as the cultural industries, for example the magazine industry, and the textile industry. Canada did not want to give up the ability to subsidize other areas such as supply management in agriculture. There was some resistance on both sides to complete the whole process of free trade.

We have not had free trade. In fact, we have many integrated industries which have become more integrated with the United States some 15 years after the free trade agreement. There is not as much need or will in the United States to protect its trade law.

A panel was struck at that time to study whether there was a need in many areas for trade law between Canada and the United States. Unfortunately, the federal government dropped the ball. Those negotiations broke down in 1994 and never were completed as was intended. Had they been completed perhaps we would not be in the situation we are in today of having to defend an industry that we believe is right and is not being subsidized by the Canadian government. Because the Liberals did not continue to do their homework, that whole area of countervail and anti-dumping was dropped in 1994.

This is a huge problem in my riding in northern Alberta. A lot of very efficient mills are producing softwood lumber and exporting it to the United States. If we had a true free trade agreement, if we had the access we think we should have, there would not be a problem because lumber is manufactured cheaper in Canada and we are very competitive. Because we still have these barriers to trade, it is hurting people in my riding to a great extent. Their jobs are based on the softwood lumber industry and they manufacture and produce a huge amount of it. There will be future layoffs.

The minister says that we have to be all loving in here today and there is an all party agreement. I appreciate that but I have to point out nonetheless that the Liberal government dropped the ball. It let the working group between Canada and the United States on trade law drop.

●(1555)

I was there. I was the trade critic for our party for five years, from 1993-99. It was a different minister at the time, but I was there when the government signed the softwood lumber agreement with the United States. Many of us, including myself, said it was a huge mistake.

We are getting something less than we are entitled to under the free trade agreement. Why would we cave in and accept limitations on the amount of product we are putting into the United States? Others have pointed out that it probably cost our Canadian industry between \$6 billion and \$8 billion a year in lost opportunities.

Some claims were made by industry officials especially from some of the big corporations from British Columbia. They said they could not use the World Trade Organization because it would be a five year process and no one would know what would happen afterward.

The minister of the day did not challenge those claims. He did not say that the World Trade Organization was different from the original GATT. He did not say that improvements had been made. From the time this thing started until it concluded was probably more like two years. We know there are some problems with that agreement as well. Ultimately that is where the dispute has to end up. There has to be a clear decision. The issue has to be taken out of the hands of the two combatants, Canada and the United States.

Some 150 member countries signed on at the World Trade Organization, including Canada and the United States. I would welcome a panel at the World Trade Organization to hear this issue.

Canada is right. We have a different system than that in the United States, but that does not mean it is wrong and it does not mean we are subsidizing our industry. If the panel found that we were subsidizing our industry and agreed with the United States, we would have to change our domestic policy. This has happened in many other areas. I would submit that the United States is finding that it is actually winning more cases at the World Trade Organization and that this vehicle is not as suspect as it used to be.

There are still some problems. We do not know what will happen with the duties being charged to our industry in the interim, which may be up to two years. I submit that might be a better route to go than a poor agreement that we may be forced to sign in a negotiated sense.

I continually hold out the hope that things are going to improve and that the United States will come to its senses. I guess I am from Missouri. I want to see it happen. Although the minister has said that there is a good chance of a negotiated settlement, I am concerned it will not be a good settlement for Canada.

The Government of Canada should put the same kind of will and resources into protecting the softwood lumber industry as it does for the aerospace industry and as it does for Bombardier when it takes EDC's guarantees and helps it. The aerospace industry gets a lot of attention, but when it comes to supporting the softwood lumber industry, the government should put more resources into helping it get a final determination.

Supply

Hon. Pierre Pettigrew: That is very unfair. That is unfair and wrong.

Mr. Charlie Penson: Mr. Speaker, I hear the minister talking. Maybe he would show some respect because I did not do it when he was talking.

Hon. Pierre Pettigrew: Show respect and stop doing divisive politics or regionalism. I am sorry, but I have had enough of that.

• (1600)

The Deputy Speaker: Order. I hope the hon. member for Peace River will be able to finish his intervention and then we will get to questions and comments and other members may choose to engage the hon. member for Peace River.

Mr. Charlie Penson: Mr. Speaker, I suspect I have hit a nerve over there.

There seems to be a lot more attention paid to the aerospace industry and Bombardier than there is to the softwood lumber file. Perhaps we can come to an agreement in Washington.

Hon. Pierre Pettigrew: You hate Quebec.

Mr. Charlie Penson: Please, Mr. Speaker, would you ask the minister to show some respect.

The Deputy Speaker: Only one member can have the floor at a time. Hopefully members will co-operate with the Chair and allow the member to have his say. We will have questions and comments and if other members want to seek the floor, the Chair will be quite willing to recognize them at the appropriate time.

Mr. Charlie Penson: Mr. Speaker, I hope *Hansard* caught the comment from the minister. It was not very respectful I would say.

I hope that this issue can come to an appropriate resolution in negotiations, but I am not convinced it will happen. It would have helped quite a bit if the Prime Minister and our ambassador at the time who happened to be the Prime Minister's nephew had shown better judgment during the U.S. elections when they suggested they supported Al Gore and wanted him to be president of the United States. I suspect they burned some bridges in terms of goodwill and that has not helped the matter any.

There are some opportunities. We may even want to go to an expanded free trade agreement with the United States. The government had the opportunity for a five year review of NAFTA. The government did not choose to expand NAFTA. We have the opportunity to tell the United States that we need a third round of negotiations and expand this further with more integration and perhaps it could give up on trade law which is hurting our industry so much.

• (1605)

Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.): Mr. Speaker, I listened with a great deal of sadness to the member's comments. Frankly, I do not know how my colleague, the hon. Minister for International Trade, was able to restrain himself so well in the face of code words, of the pettiest kind of politics of division, playing region against region.

It has been insinuated repeatedly in the House by the member that if only we had a Minister for International Trade and a Prime

Minister who were not francophones from Quebec, that then they would care and act on behalf of the west.

It is the most petty, divisive, destructive, and regional kind of politics that we can see in the House. We saw it earlier from his former leader and frankly, I hope he is back as leader because with those kinds of attitudes he will never win government in this country. We certainly hope not and would not imagine that he could win government with those kinds of petty comments and they have all been backed up by this member. It is just terrible that in the House we have to be subjected to that kind of nonsense.

Can the hon. member not rise above that kind of petty nonsense and realize that one can be a proud francophone minister and Prime Minister and still stand up as both men do for this country from coast to coast to coast? Can he not rise above it and realize that?

Mr. Charlie Penson: Mr. Speaker, I am not sure if that deserves a comment or not. I will let *Hansard* show what I said in the House and what the parliamentary secretary said and Canadians will be the judge.

Softwood lumber is an issue that affects all of Canada. My understanding is that Ontario, Quebec, Manitoba, Saskatchewan and even northern Saskatchewan, B.C. and Alberta are part of the softwood lumber agreement that failed and now are subject to either free trade in lumber or more harassment from the United States. The maritimes have a different situation. Part of it has to do with their private woodlots there.

Perhaps Canada has to make some change in its forest management system. Provincial governments are probably prepared to do that.

Forest companies have tremendous investments in their forest management agreements. They have investments in roads. That does not happen in the United States. Under the system in the United States companies have private wood and then the government pays for the infrastructure, so they have a different system than we do. Nonetheless on balance it is about the same.

If we were to change our forest management system to a private system under bid or auction every few years those companies that make investments in Canada would be lost under any new agreement. Canfor is a good example of that in my riding. It makes huge investments in roads and electrical services in the forest area.

I am not sure where the parliamentary secretary is coming from but it sounds like a very defensive sort of mood that he is in. I maintain that there are forests in Quebec, Ontario and all across the country. Those same people are concerned that the government may cave in to the U.S. again. It has done it many times before.

One thing has changed since we were successful in winning disputes under the NAFTA panel. A few years ago the United States changed its domestic legislation. It would be difficult for Canada to win a case under NAFTA. That is not to say that something new cannot be arranged, and that is what we are all hoping for.

Supply

I am suggesting that forward thinking people should move beyond the current NAFTA and think about negotiating new terms. Conditions have changed. Maybe the things Canada was protecting in the past do not need to be protected any more. Maybe the United States can find that its domestic trade law does not serve it as well as it thinks and that the new arrangements at the World Trade Organization would be better.

I am suggesting that terms are probably there for an advancement of the free trade agreement and progressive thinking governments should be thinking along those lines instead of going into the defensive shell that seems to be the case today.

•(1610)

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, it is my pleasure to rise in the House on behalf of the people of Surrey Central and British Columbians in general to take part in the debate on the official opposition's motion regarding softwood lumber.

This is a very important issue in various communities, particularly in British Columbia, where thousands of jobs have been lost, businesses have been crumbling and communities have been hurting because of mismanagement of this issue by our federal government.

Today the Canadian Alliance is using its supply day for the important issue of softwood lumber. It seems to me that all parties in the House are supporting it. It is due to the ineffective, weak and submissive position of the Liberal government that led us into this chaotic situation. The hon. member for Vancouver Island North, who is the international trade critic for the Canadian Alliance and the former international trade critic, the hon. member for Peace River, who has just spoken on this issue, have highlighted some of the weaknesses in our trade policy. I would like to spend some time looking into the background of this issue.

In 1987 John Turner, then leader of the official opposition, said that Prime Minister Brian Mulroney had abandoned his federal leadership responsibilities by proposing higher prices for softwood lumber exports to the United States. The Liberals also said that in offering a 15% price hike as a substitute for a new American tariff, Mulroney sacrificed the national interest to regional concerns.

Back then Turner accused Mulroney of selling out the national interest which demanded that Canada resist the American duty through an uncompromising legal and diplomatic fight. When in opposition the Liberals called on the government to have the matter decided through the forerunner of the WTO, the GATT, to find a solution rather than dealing bilaterally with the Americans who were intent on imposing a hefty duty on softwood lumber. This was true when the Liberals were in opposition. Why is it not true now when they are in government?

Softwood lumber agreements were signed in 1986 and 1991 but when the Liberals came into power they signed the agreement in 1996. In a massive flip-flop Canada signed a softwood lumber agreement in which it agreed to cap Canadian shipments to buy some peace with the Americans. The peace was not to last or we would not be debating this issue here today.

They have been abetted in this by a Liberal government that failed to intervene earlier in the process before the 1996-2001 period when the softwood lumber agreement expired.

Turner called it the greatest sell out in the history of negotiations with the U.S. Today it seems not to be free trade but a managed trade dominated by the bigger elephant. It seems like a veritable capitulation by the Canadian government to pressure from the United States lumber interests.

What is at stake is our sovereignty and ability to create our own resource policies in our country. If the policies of the government are not working we should probably look into reviewing our international trade policies. Unlike the government, the Americans know they hold a stronger hand in any bilateral trade negotiations. Why? Because 87% of our exports are destined for their country. We have the largest bilateral trade with the Americans. Canada supplies about one-third of the softwood lumber used in the United States.

•(1615)

They take advantage of our trade, economic situation and dependency on them. They know that the Canadian government will not be doing anything to jeopardize all this trade by playing hardball with softwood or other industries. Like the Canadian Alliance they also know that the Canadian government is a soft touch when it comes to negotiations.

I was talking to one American senator who was surprised at how Canadians were negotiating with the U.S. He was talking to me in confidence. He said that when Canadians come to the negotiating table they are not well-prepared. When Americans are sitting at the table they are determined to win the negotiations whereas their Canadian counterparts are not fully prepared. They do not do their homework properly to prepare for negotiations whether it is on fisheries, softwood lumber or any other industry.

The motivation of the Americans, driven by U.S. lumber interests, is to keep as much Canadian timber out of their market as possible. The only motivation behind the measures being suggested by the Americans is to drive up the price of Canadian softwood lumber relative to U.S. timber to reduce its supply in the U.S. market. This is a demand and supply situation. This is true whether it takes the form of reduced stumpage fees or countervailing duties.

Part of the conflict arises from the Bush administration's backing of the U.S. forest industry's bid to hit Canadian lumber with billions of dollars in duties. Canadian exports south of the border are charged a 19.3% countervailing duty, a tax applied on imports found to be unfairly subsidized, that the American government imposed on Canadian exporters earlier this year. Then there is the anti-dumping duty of 12.57% introduced in October 2001. Dumping is a term used to describe the sale of goods to another country at less than what it costs to produce them.

Supply

The two duties were applied separately in the period since the expiration of the softwood lumber agreement between the Canadian and U.S. governments which governed exports from April 1, 1996 to March 31, 2001. Under the agreement, the U.S. guaranteed market access to Canadian exporters for five years and permitted the import of 14.7 billion board feet per year of lumber without fees. It applied to \$10 billion worth of lumber manufactured in British Columbia, Alberta, Ontario and Quebec.

About two years ago, along with the member for Vancouver Island North, I organized some meetings in my constituency and neighbouring constituencies. We met with lumber mill owners and people who were working in the industry, as well as the remanufacturing industry of the wood. I was surprised at how those people felt. They felt that the government was not doing the right thing and they warned the government then. The international trade critic from the official opposition of Canada has risen from his seat time and time again and raised this issue but the Liberals did not take any action.

When the U.S. coalition for fair lumber imports commenced the court challenge against Canada's lumber industry on April 2, 2001, it asked for a countervail duty rate of 40%. When the department of commerce made a preliminary determination in August 2001, a duty of 19.3% was imposed.

The most recent request by the U.S. coalition for fair lumber imports is asking for a 50% duty. It is using this as a bargaining tactic. It is an attempt to gain some leverage for bullying and an attempt to stampede Canada into a bad deal prior to the March 21 deadline. It should not be given any credibility; rather, it should be vigorously opposed.

On March 21 the U.S. department of commerce will make its final determination. I ask the government to stand by its nerve, negotiate with the Americans and be firm on their position to protect our lumber industry. We all know that the Canadian government cannot negotiate with the Americans. When we were debating Bill C-55, the heritage minister threatened the Americans by saying they were affecting the steel, plastic, auto, and textile industries. However, when the stuff hit the fan and they started their offence, the minister caved in.

The Canadian government should not cave into the Americans. It should protect Canadian interests, the interests of British Columbians and others where the livelihoods of people are affected.

•(1620)

I urge the government that if its policy does not work it should change it.

Hon. Stephen Owen (Secretary of State (Indian Affairs and Northern Development), Lib.): Mr. Speaker, it is an important thing for all of us today to rise in the House and speak to this most important issue, particularly those of us from British Columbia. I thank and recognize our colleague from Vancouver Island North for putting this resolution to the House. I also thank and recognize the House as a whole for demonstrating the unity of our purpose in insisting upon unhindered access and free trade in softwood lumber to the United States. Surely this is something we are all in favour of and are supporting today.

Being an MP and minister from British Columbia, this is something that hits me, like my colleagues and MPs from other parties and the government from British Columbia, particularly hard.

I will be splitting my time, Mr. Speaker, with my colleague from Chicoutimi—Le Fjord.

We know across the country that the impact on B.C., and I think it is appreciated, is particularly hard. Of the \$10 billion in exports of softwood lumber to the United States, approximately half of that comes from British Columbia. The barriers that have been put in place, the countervail measures and penalties over the last year have led to approximately 16,000 people being laid off in the forest industry in British Columbia.

This has an immediate and immense impact on communities and on the wealth and health of the whole province of B.C. I listened to my colleague opposite from Peace River talk about the direct impact of this on his constituency. I can say that every constituency in British Columbia, and even in my constituency of Vancouver Quadra, is immensely affected by this impact. That is true of the economy as a whole.

Let me talk a bit on what this is about. We are not talking about crown management of forest land in Canada. It is not about subsidy to industry through low stumpage rates. It is not about poor forest practices. It is not about us taking advantage of the United States. Pure and simple, this is about protectionism. It is protecting market share in the United States by inefficient American mills. That is what we are talking about and we have to keep that firmly in our minds as we consider how to deal with this.

At the moment we have a unified country across industry, across provinces and between provinces and the federal government. However it goes beyond that. On Tuesday a delegation of 33 British Columbians led by the minister of forestry of British Columbia, together with mayors from resource communities, first nations leaders, labour leaders and corporate CEOs, visited us. Together they thanked our Minister for International Trade for his leadership on this file and the federal government for the unity of purpose across the country in fighting for unfettered access to the American markets, as we have the right to under NAFTA and the WTO.

This resolution today is a welcome one. It is a welcome opportunity for us again. I think this is the third or fourth time we have had open debate in the House on this critical issue in the last year. I have only been in the House over a year and there is no issue, not even anti-terrorism legislation and issues related to September 11, that has received more parliamentary time, and is of greater importance to my province of British Columbia, than this issue.

We have to look briefly at the history of this debate. The member for Surrey Central mentioned that we had managed trade under a five year deal and it expired at the end of last March. He asked why nothing had been done. Something was not done because we did not have an American president. Even after the November 2000 election in the United States, we did not know who the president would be until almost the end of January. We did not have a U.S. trade representative. We did not have a nominated and confirmed secretary of commerce. Very simply, with whom were we to negotiate? Quite apart from that and of much more importance was we were not about to negotiate.

•(1625)

Industry, the provinces and the federal government were unified in saying that we wanted free trade and would litigate for it. People were putting together defence funds, strategies and cohesion to do that. The suggestion that this was let go for five years and neglected is patent nonsense.

However over the last year, once we did have someone to negotiate with, there has been concentrated effort, not only in the House of which I have spoken, but between our Prime Minister and the president of the United States, among our Minister for International Trade and the secretary of commerce, the U.S. trade representative and the president's special envoy, to deal with Canada on these issues.

We have had interparliamentary discussions between congress and parliament. Many of us have been to Washington to speak directly with members of congress and senators. We have had concentrated effort. We have had discussions and discussions trying to educate members of the U.S. government and administration in Montreal, Toronto, Vancouver, and in Washington several times. We have been trying to educate them to the way of and the reasons behind our efficient handling of the forest products industry in this country.

It is a delicate web. We hope we are coming close to an end but we hear from members opposite, and have heard over the last year, that we should just have an export tax. It is a little more complicated than that. If we jump into an export tax, it is like admitting there is a subsidy. That may be something in the consideration of an interim deal but it just cannot be jumped into.

We hear from members opposite that we should link it to oil and gas. I can tell the House that in my province of British Columbia we make more public revenues through the sale of oil and gas to the United States than we do even from softwood lumber. That is cutting off our nose to spite our face.

Members opposite say to link it to all trade. We are immensely dependent upon trade with the United States. Eighty-four per cent of our trade goes to the United States. Only 25% of theirs comes to us. What would that do for us?

People say to link it to our fight against terrorism and our support for the U.S. in Afghanistan or perhaps in the future in Iraq. That is patent nonsense. We have a very clear mandate from the Canadian people and broad support in the government to set our own security policy. It may be in step with the U.S. or it may not, but it will not be linked to something else. It has to do with our security and our sovereignty.

Supply

Let us look at where we are today. We have pulled these threads, little by little, in British Columbia and in other provinces. We are looking at changing the way stumpage is charged and the way crown forests are managed, but those discussions have been going on in different provinces, certainly in British Columbia, for a long time. It is just another piece of this complicated puzzle which is now coming together.

Yes, if we have an interim deal we may have an export tax but that is only until we can do what we want to do anyway, which is perhaps change some of our forest management practices, stumpage charges and marketing systems. That is because it is good for Canada not because it is subsidized.

We will bring these together we hope for the benefit of all Canada. We are all highly dependent upon this industry. It is of special importance of course to British Columbia, That is why for the last year I have been proud to be part of the government that has not divided the country, that has insisted that British Columbia not be cut adrift and that there be no concession to the idea of subsidies or low forest practices, but rather that we would stick together as a country. We would consult and litigate against the Americans in NAFTA and WTO, while we had discussions with them, but we would stick together as a country.

Finally, this is not a battle of Canada against the U.S. This is very much in the interests of the U.S. consumer, whose prices of new houses are going up constantly, whose house building industries are being hobbled and whose building material companies are being hobbled by this. We can come together as we litigate, negotiate and help educate the American public that this is something that is good for both our countries and is something to which we are certainly entitled under the free trade agreement, the NAFTA, and the WTO.

•(1630)

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, recognizing that I have agreed that the route to go is for Canada to stand firm and take the U.S. on in this trade dispute, I also recognize that the lumber industry, the companies and the workers, are in dire straits. They are feeling it. We know that. There have been literally thousands of layoffs nationwide, with the greatest impact, no question, being in B. C. and I believe Quebec.

There have been requests and submissions made to the government from those industries to put some programs in place to allow them to survive during this time of litigation and challenges through the WTO or the NAFTA.

I would like to know is exactly what the government is doing. What has it done to address the specific concerns and the specific suggestions that were made to the government by representatives of the free trade lumber coalition?

Supply

Hon. Stephen Owen: Mr. Speaker, I thank my hon. colleague opposite for raising that immensely important issue. How can we as the Government of Canada assist not only companies of course, but individuals who have been laid off and communities that are suffering greatly by the slowdown being caused by these restrictions?

Certainly we have to be very careful as a government not to directly subsidize industry to make up for the punitive actions of the United States. If we did that, it would simply add that amount of money to the subsidy claim and the countervail. It would simply flow more money to the U.S. against our interests and against the justice of the situation.

However we are looking at ways, through applications that have been received at EDC, of assistance at a market rate for the bonding requirements that have been imposed upon us. I emphasize we must do that very delicately and ensure it does not lay us open to perhaps a real subsidy. The subsidies that have been claimed in the past, and what the countervails are based on, have been bogus ones. We have to be very careful of that.

Also the humanity of the situation demands that we bring to bear, in the most efficient way possible, every support for individuals and communities available to us in our social safety net programs.

We have heard the Minister of Human Resources Development speak about the efficiencies and the programs that have been made available in the most efficient possible way. We have to continue to ensure that all people get the full benefit of those social programs.

That is why we in the government and some members opposite are so insistent that the social safety net programs of our country are such an important part of our social fabric.

The Deputy Speaker: It is my duty pursuant to Standing Order 38 to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Pictou—Antigonish—Guysborough, Fisheries and Oceans.

[*Translation*]

Mr. André Harvey (Parliamentary Secretary to the Minister of Transport, Lib.): Mr. Speaker, it is with pleasure that I will be sharing my time with my colleague from British Columbia. It is interesting to see all the solidarity that has been expressed in the country on this important issue.

At the very time that we have a unanimous motion in the House of Commons, supported by all the parties, let us not forget that the Prime Minister is in Washington to try to move matters forward. I think that we should have faith in his 39 years of experience as an elected official. Obviously, we hope that his experience will allow us to emerge victorious in this dispute with our principal partner, the U. S. government. I naturally wish him good luck on behalf of all Canadians and especially on behalf of the people in my area.

I take this opportunity to pay tribute not only to the Minister for International Trade but also to the parliamentary secretary, the member for London—Fanshawe. I have met many people in politics, but I wish to thank the politician, the Minister for International Trade, who has for many months now been responsible for an issue that is extremely important for each of our small communities.

The Minister for International Trade was in the lovely Saguenay—Lac-Saint-Jean area a few days ago, on March 4 to be exact. Together, we met with forestry industry stakeholders. We met with representatives from ten of the eleven sawmills in my region. The minister has succeeded in winning the unanimous respect both of parliamentarians and of all Canadians through his devotion to the task. He is very generous with his time, being very available to us all and to our constituents, with whom he meets regularly. I therefore wish to express the appreciation of the public for his efforts and to thank him once again for his extremely productive visit to my region.

As my colleague said, in politics, not all issues have a great impact on ordinary citizens. Sometimes there are some very important issues. One of them is research, which does not always have that much of an impact on most people. However, the softwood lumber dispute affects all our families in the vast majority of ridings.

I am pleased to have this opportunity to exchange a few words with my colleagues in the House today, obviously for the purpose of illustrating all the importance we attach to this matter. Considerable loss of employment has already hit those who work in this industry. The last debate we had in the House on this was four or five months ago. It is worth reminding ourselves, moreover, that this is not the first dispute we have had with the Americans.

Fortunately, the other was some time ago, and we have acquired some experience in our conflicts with the U.S. government. I am convinced that is what strengthens our position this time. Once again, I must congratulate the minister on his work. Where our strength lies is in the very solid consensus with each of the Canadian provinces and territories which our minister has obtained, and particularly that with the entire Canadian industry involved in softwood lumber. There is unanimity here such as has been rarely seen in Canada.

When the softwood lumber matter has been settled, it will certainly stand as a shining example of how successful a few people can be when they work first and foremost in collaboration and seek a consensus that will enable us to face up to a major economic adversary. When the Americans make a move, our economy is hard hit. Goodness knows it is a good thing to have a very strong consensus here within the country to be able to face up to them and get them to listen to reason.

We are trying to settle this through negotiation. We know we have some solid legal grounds: the Free Trade Agreement signed with the U.S. government, and NAFTA, the North American Free Trade Agreement, provide us with some heavy guns to use against the Americans' claims as far as surcharges and countervailing duties are concerned.

•(1635)

As we are acting in good faith, I believe that negotiating is the most productive approach on this issue, as it should be with all issues. This is why I have so much faith in the work the Prime Minister is doing today. I think that we should think of him, since he is representing the interests of 30 million Canadians, across the country.

The industry involved in this dispute is one that affects us all. Clearly, the presence of the Prime Minister in Washington is raising many hopes. I hope that the days that follow his meeting with Mr. Bush will bring good, constructive news to defuse this dispute.

The timing of the Americans' measures, which stem from purely protectionist motives, and severe ones at that, implemented several months ago, is very poor and comes at a difficult time. We are in an economic context in which, following the events of September 11 and others, all western economies are trying to recover. I think that we are doing relatively well now and this is not the time to ignore international agreements and challenge measures that affect tens of thousands of jobs. This also affects the quality of our relations with the United States.

We must recognize that, in the vast majority of cases, the harmonization of our trade relations, through various agreements, makes us the world's most important economic duo. We want to continue to develop and promote these relations.

Following the work done by our government officials, particularly the Prime Minister and the Minister for International Trade, it is interesting to see all the support that we have among officials representing formal associations in the United States, including the consumers association, the Spanish builders association and a number of others. These organizations are in a position to objectively look at the issue and say "Yes, Canadians are right. Yes, Canada's Minister for International Trade, who spends hours trying to convince Americans of the soundness of the trade agreement that we developed and signed with them is right". And this is very much to the credit of the Minister for International Trade.

I am convinced that the basic problem is related to the quality and expertise of the industry that our minister is currently defending before the U.S. government. This issue reflects the extremely competitive nature of our industry, and I think this is where the problem lies. The Americans want to protect their industry with compensating duties and additional tariffs to make up for its lack of competitiveness.

It is not for the fun of it that we have developed two approaches to arrive at a solution in this dispute. One is negotiation, which requires a considerable number of hours of work on the part of the government, particularly the minister, and the other is the legal process.

Fortunately, we are realizing that economies such as ours, which perform well in a context of liberalization and free trade, absolutely need tools to protect their claims when the other side is no longer acting in good faith.

I am convinced that we will benefit from this lumber dispute and I hope that the Americans will come to the conclusion that the

Supply

Canadian position is perfectly legal and that it complies with the FTA and NAFTA. Some day, the Americans will have to apologize for having made us waste considerable time resolving this dispute, which, I hope, will be settled through negotiation.

In conclusion, I wish to pay tribute to the Canadian Alliance member for tabling a motion that was unanimously supported by the House of Commons.

•(1640)

[*English*]

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, I am pleased to rise in debate on this very important motion which is critical to the economic future of many communities in this country and the economic future of a critically important and historic industry. I would like to say at the outset I am pleased to see that the government will be supporting the motion.

On Monday under a question in the House the Prime Minister was asked whether it would strengthen the hand of Canadian negotiators to lay out the Canadian position by means of a resolution of the House of Commons. The Prime Minister replied clearly and emphatically on this point, which is a rare change from the usual vagueness and obfuscation we see on the other side.

Excuse me, Mr. Speaker, I will be splitting my time with the member from Kamloops.

The Prime Minister said:

The position of the Canadian government is very clear. We want the American government to implement the free trade agreement that we signed with it. If the House of Commons wants to vote for that, it is fine with me.

Yesterday, in reply to a question from the Leader of the Opposition, the Prime Minister gave a similar answer when he said:

—we want the Americans to respect the free trade agreement that we have with them on all aspects, including softwood lumber.

The Prime Minister has set the bar: that we want free trade in softwood lumber in accordance with the Canada-U.S. free trade accord, and he has invited the House of Commons to express its support for unfettered free trade. I look forward to that and I appreciate the fact that the government is supporting the motion.

There are, however, consistent rumours that the government is ready to sign a negotiated side deal on softwood lumber with the United States. Now we in this party are political realists and we know that convincing the U.S. department of commerce, the U.S. lumber lobby and protectionist interests in congress to accept free trade in softwood under the FTA may be, practically speaking, unattainable, at least in the short term.

We also know that Canadian workers and companies could face layoffs and bankruptcies if the U.S. imposes new anti-dumping penalties. That is why there is pressure for a negotiated deal. However, we are confident that we could prove our case at the WTO or under a NAFTA panel, as our country has done in the past in similar disputes.

Supply

The U.S. department of commerce would rather not announce its final determination on this issue until March 21. This shows its hand. The members of the WTO are subject to scrutiny by the WTO and NAFTA panels. We have leverage, and it is not immediate imposition of tariffs, even after March 21. The international trade commission has an injury determination yet to make which would take us into May with only the current anti-dumping tariff of 12.6%.

Let me be clear. From our perspective, no deal on softwood is acceptable without certain specific guarantees. We must extract from the Americans a commitment that we will finally enjoy free and unfettered access to the U.S. market. That means no to tariffs, no to special taxes and no to quotas.

Second, we must win assurances that never again will the U.S. congress and the U.S. lumber industry be allowed to hold a gun to our head through outrageous protectionist threats.

We need a dispute settlement mechanism that has real teeth and can override domestic trade law if it is being abused for simple trade harassment.

Finally, if the government is pushing for a Canada-U.S. softwood commission, it too must have real teeth. It must be able to make binding rulings on both parties. A politicized working group with only advisory powers that can be overridden by U.S. protectionists in congress or in the commerce department would not be acceptable to this opposition party, and I hope not acceptable to the government.

If full free trade is not possible and the government feels that we have to get some kind of deal to protect our industry, we must ensure that this deal is not effectively another sellout. When Pat Carney agreed to the original softwood lumber deal in 1986, the Liberals were quick to call it a sellout of Canadian sovereignty and a major compromise in Canada's free trade bargaining position. In fact, the then opposition leader, John Turner, called the Mulroney government's acceptance of a 15% export tax the gravest sellout in the history of negotiations with the United States.

• (1645)

If a 15% export tax was the greatest sellout in history, what will we make of the rumours of an export tax approaching 25% which the government may accept? The 1986 sellout has only encouraged American protectionists to continue their harassment of Canada, notwithstanding the free trade agreement of 1988.

Fifteen years later things really have not changed. The Prime Minister cannot just grab a deal for the sake of a rose garden photo opportunity with President Bush. We must have guarantees that we will have guaranteed access to the U.S. market. We must have a dispute settlement mechanism that can override U.S. protectionist measures. We must have guarantees that our products such as western red cedar and value added and processed wood products enter the U.S. tax and tariff free. Only under these conditions will a negotiated settlement be truly a win-win situation.

Just signing a deal which says that Canada will impose an export tax, drop its trade actions before the WTO and NAFTA simply in order to keep talking would not be a good deal. It would be a sellout of Canadian interests and an abandonment of our free trade principles.

The motion before us sends a clear signal from the House that we will not accept a sellout deal and that the only acceptable negotiated settlement is one that puts us firmly on the road to real free trade.

I am glad the Prime Minister is in Washington today. At least he is in the right place at the right time. Earlier this year when the softwood dispute was reaching a critical point, the Prime Minister and the Minister for International Trade took off for a two week trip to Russia and Germany. To put this in perspective, we do more business with the United States in a single day than we do with Russia in an entire year.

Softwood lumber is the \$10 billion question, but because it primarily affects communities in British Columbia and rural Quebec that do not support the government it seems that it just does not care as much as it should.

Workers and families in logging communities are not a priority of the government. The government would rather be flown off to exotic locations on team Canada corporate trips than meeting with the people who are suffering in Squamish or Prince George.

We have already lost over 10,000 jobs in British Columbia due to the duties on softwood lumber which have already been imposed. The March 21 imposition of dumping duties for a total of 32% could lead to thousands more layoffs and bankruptcies for mills and companies which are already on the economic brink.

The government has finally focused some attention on this issue just as we approach the final deadline. For five years the government knew this was coming.

Almost two years ago, in June 2000, the Canadian Alliance moved a motion in the House calling for the government to take action to prepare for the expiry of the softwood lumber agreement. It failed to do so. It waited until the agreement expired and then thought it had better do something about it.

Since then the government has blown hot and cold on the issue, one day threatening to go straight to the WTO and fight this in court, calling those worried about losing their jobs nervous Nellies and the next day they are the nervous Nellies leaking to the press that they might consider a sellout deal for a short term extension of talks.

Only now, with an execution in less than a fortnight, has the government's mind been concentrated by the real threat facing the lumber industry. The motion that we have proposed forces the government to state clearly what its free trade principles are. We will look forward with interest to see whether the Prime Minister's brave words on the floor of the House this week will be matched by their actions in the days to come.

In closing, I would like to say how disappointing it is from my perspective as an MP and a member of a party that strongly supports our alliance with the United States in matters military and economic to see a U.S. administration, which is ostensibly free trade, which preaches the virtues of free commerce and exchange throughout the world, stoop to this kind of trade harassment against its closest friend and best trading partner.

• (1650)

I hope all of us as parliamentarians will do our part in joining with the government to lobby those we know in congress to ask them to be consistent about their principles. If the United States stands for free trade now is the time for it to prove it. Enough talk. Now is the time to actually come to a binding agreement which ensures in the long run free trade and prosperity for people on both sides of the border.

Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.): Mr. Speaker, I listened very carefully to my colleague's comments. He was as eloquent as always but I am afraid he seeks to claim a little more credit than is due his party. The government supports this motion for one very simple reason. All parties in the House support the motion. It simply reiterates what has been the longstanding policy of the government.

My colleague says that it has forced us to state our position on free trade. The position of the Government of Canada has been for several years that we need free trade in softwood lumber. We have been working toward that very clearly. We would have it right now and this debate would not be necessary except for the punitive trade actions unfairly taken by the United States to which the hon. member referred at the end of his remarks. I agree with him on that. If that punitive trade action had not been taken on the free trade that was in existence for a short few days until they did intervene, we would have free trade.

My colleague chastises the Minister for International Trade and the Prime Minister for doing their jobs and for going to Mexico and Germany on trade promotion. It is hardly an exotic sojourn in the month of February. During that trip the deputy minister was in Ottawa quarterbacking the negotiations with his counterpart at the very same level in the United States.

I would ask my colleague to be a little more reasonable. The Prime Minister and the Minister for International Trade were simply off doing their jobs. While they were doing their jobs they were in daily communication with industry and provincial leaders.

I understand we have different points of view to make from both sides of the House but I know the hon. member as a highly intelligent person. Surely he knows the government has been on record long before this motion as supporting free trade in softwood lumber. I almost got sick of hearing myself say it day after day in the House of Commons as a parliamentary secretary.

• (1655)

Mr. Jason Kenney: Mr. Speaker, let me begin by saying I have considerable regard for the member, particularly because he does such a marvellous job defending a very difficult policy on the part of the government.

Supply

Yes, the Americans are the culprits. I do not mean to suggest that the government or parliament is to blame for the tariffs being imposed by the Americans. I do mean to suggest, however, that we have had years to prepare for this. It really has not been the top trade priority of the government until the last agreement collapsed and the U.S. protectionists were on our backs again.

I am simply suggesting we should learn from history and not go through the cycle again. We should look in the long term and not the short term, stand firm for free trade principles and not collapse under American pressure like we have in the past under this and previous Conservative governments.

In terms of the government doing other trade work my point is simply that we need to focus on priorities. The trade we have with the United States just in the softwood lumber area exceeds the total trade that we have with most countries in the world, including most of the countries we visit on so-called team Canada missions.

In terms of the real, tangible economic interests of the country, the trade minister and the Prime Minister should be spending the overwhelming majority of their time on files like this one rather than engaging in photo op style trips that yield very few economic benefits for working Canadians.

Mr. Scott Brison (Kings—Hants, PC/DR): Mr. Speaker, my first question for the hon. member is whether he feels the government's clumsiness in dealing with free trade issues comes from the fact that the party opposite fought so vociferously against free trade in opposition that it has taken nine years to completely swallow itself whole, to the extent that it is only beginning to realize how to actually exercise levers of free trade in a legitimate way. I would appreciate his comments on that. Hypocrisy being only half a mortal sin, perhaps the government is over that.

Second, he mentioned trade missions. Is he aware of the fact that without exception in the year after almost every team Canada mission the level of trade we have in the countries in which the missions occurred actually declines? Is he aware of the fact that team Canada missions seem to actually reduce the level of trade we do with some of the countries which are visited by the Prime Minister? I would appreciate his comments on that.

Mr. Jason Kenney: Mr. Speaker, the member obviously strikes a very acute point when he talks about the credibility of the Liberal Party and government on the question of free trade and hypocrisy. Somebody once said that hypocrisy was the honour that vice paid to virtue. It is nice to see that there are some born again free traders opposite, but I suspect if we scratch just beneath the surface there lie some real protectionists.

Canada would have a lot more credibility on the issue of free trade in general if we had a government that was consistently committed to it historically rather than having run an election campaign in 1988 against it.

However in terms of team Canada trips the member is absolutely accurate. There are very few real benefits that derive from them.

Supply

I have just one last point. I know many people who go on team Canada trips from corporations in order to have access to senior government ministers and premiers, not to sell goods or products abroad. It is a big travelling lobby show and it does not produce real results for Canadians.

• (1700)

Mrs. Betty Hinton (Kamloops, Thompson and Highland Valleys, Canadian Alliance): Mr. Speaker, I will be much kinder than some of my colleagues have been today. I will leave it to them to be mean. Personally, I am happy to see this issue come to fruition today.

Today, finally, I believe members on the opposite side of the House have actually begun to listen to what I and my colleagues have been saying over and over for years. Today we agreed unanimously to uphold the principles of free trade in the softwood lumber negotiations. The motion came from the Canadian Alliance, from my colleague from Vancouver North, a man I am very proud to say I supported by seconding his motion. He did an excellent job.

What happened today is wonderful. My only regret is that people in my riding have been put at risk because the government failed to take the softwood lumber issue seriously. I will look at this from the more human side of the issue.

Leasing companies, banks and other creditors are busy placing liens against my constituents' assets, houses and payroll accounts. These constituents' companies ran into difficulty when the interior forestry industry spiralled into slow mode last fall. During October and November the mills turned away trucks full of logs.

We cannot blame the mills. They cannot be expected to operate properly with threats of large tariffs, stumpage fees and export duties hanging over their heads.

Managers and owners of both small and large mills in my area have been at the softwood lumber negotiating table. Individual loggers and truck drivers have lobbied everyone they could find. Business owners affected by the downturn spinoff have written their MPs and MLAs. I had several of these people in my office and the stories they told would break anyone's heart.

These people are counting on us to ensure they free and unfettered access to the U.S. market. This means not giving in to all U.S. demands or in creating an agreement that requires Canadians to jump through so many hoops it becomes easier to leave the trees standing in the forest than it does to meet the demand.

The only people not 100% concerned with this crucial Canadian issue during this difficult winter have been the members of the Liberal government. I am pleased to say that there is more action in some of the communities in laid back British Columbia than I have seen coming from the government side of the House.

I can give an example of some of that action. I went from one area to another in my own riding and listened to the concerns of my constituents who were very upset and angry about the situation they found themselves in. As I was driving from one community to another, the people constantly asked me how they could communicate their pain and their needs to the government. They told me they knew I was doing the job I was sent to do but that the

government did not seem to be listening. They wanted to know what they could do to back me up.

As it is with some really good ideas, they just come out of the blue. The idea that was put together was what we call the green lumber card. We composed a little green card not much bigger than a doubled sized postcard which carried a very simple message to the minister, "Do your job, save mine".

The only good thing that I can think of in the last few months regarding this entire issue has been the fact that the minister could have 200 of those cards on his desk on one day, possibly 400 cards on another day and soon it could be 2,000 cards. The beautiful part about a good idea is that other people with good intentions pick it up and run with it.

Members of my caucus took those cards back to their ridings and duplicated them. I then had the great pleasure of thinking of the minister being buried up to his neck in these lovely green cards with the simple message "Do your job, save mine".

Once again, as they have done many times in the past decade, resource based employers and employees in my riding are searching for ways to keep the important forest industry as viable and productive as it always was before. It is a very important part of our country's economy and in my riding it is especially important.

• (1705)

A recent meeting in Wells Gray saw forestry workers, chamber of commerce members and others gather to discuss an action plan for value added wood products. B.C. has a 16% share of the \$35 billion primary wood businesses but only 1% of the \$200 billion valued added wood sector. I congratulate B.C. for its forward thinking. It is planning.

It is a pleasure to be in my caucus because we represent real people. Most of us come from the business sector but some of us come from farms, some are lawyers and doctors, and some are economists and teachers, but we represent real Canada. When we stand up to speak we are the voice of those people who we represent. We are not here to represent an ideology, although we do have some very good ideas that could change the country dramatically and positively, but we are here to express the views of the people we represent.

As I said earlier, I am really happy with what happened today. I could not be more delighted. I will accept any face saving messages that have to come from that side of the House because I know in my heart that we have what we need now. I believe we have sent a message loud and clear and hopefully that message will be delivered to our American brothers with whom we trade.

American people are different from Canadian people. We do not even need to explain that. They are a more aggressive lot and, in this particular case, a small group of them will be fighting very hard to make sure they and not us come out on top.

I want members of our government and the negotiating team to go to the negotiating table in the United States with a clear picture in their heads of all the hardworking people from my riding and from ridings across Canada who are depending on them. I want them to think of those small children whose livelihoods will be cut in half because their parents will be unemployed. They need to eat. They need education. They need stability. Only the government and members of the negotiating team can give them that stability. When they go to the negotiating table I want them to remember those faces, do their jobs and help us protect Canada.

Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.): Madam Speaker, I listened with interest to my colleague's comments. I am happy that she is happy that the House is supporting the motion. She seems to see it as some sort of historic event or extremely important decision today. If I can help her with that, quite frankly it was an easy decision for the government to support a motion coming from the official opposition which reiterates and supports the policy that the government has been following for two years.

Does the member not understand how easy it was for us to support a motion from the critic of the Alliance that reiterated the exact policy that we have been following?

The member said that her constituents were real Canadians and that she supported them. My constituents are certainly real Canadians, as are yours, Madam Speaker, as are all Canadians real Canadians. I would like to emphasize that.

She mentioned that her constituents wanted to know what they could do to get the government to understand. Would she explain to her constituents and to the House today why, a year ago when this file was breaking at the very critical time, her party went many weeks with no trade critic? Her constituents should know that her party was so engaged in its internal divisions at the time that the former leader, who again seeks to be the leader of her party, did not appoint a trade critic. Incredibly, the official opposition of Canada had no critic to develop this file at one of the most important times in the history of this country. That is a provable fact.

I asked the former leader earlier today to address that but he ducked it. Would the hon. member like to explain why her party showed such a lack of preparedness by having no trade critic? I think her constituents need to know the answer as much as the other members of the House. I am anxious to hear her answer.

• (1710)

Mrs. Betty Hinton: Madam Speaker, what was I doing a year ago? I was just entering parliament as a brand new member. I was green as grass and trying to learn. What was my party doing, did it have a critic in that particular role? Perhaps not at that point in time, because our entire caucus was the critic. We stood in the House day after day and hammered home the issues of our constituents.

I never intended to make it sound like I represented real Canadians and other members represented false Canadians. We all represent real Canadians. There is just a different kind of representation on this side than on that side.

As I said earlier today, members on that side of the House can say whatever they want, face-saving, I do not care. I am so happy they

Supply

finally did the right thing that I will take whatever they want to throw at me.

Mr. Grant McNally (Dewdney—Alouette, PC/DR): Madam Speaker, I just heard the parliamentary secretary take such an important issue and ascribe powers to the official opposition as though not having a trade critic for a day or two, or a week or whatever it happened to have been, is the reason we have a softwood lumber dispute and the reason there is a huge need to move on this issue. That certainly seemed to be what he was implying with that kind of comment.

My colleague is absolutely correct. Members of parliament from British Columbia have been rising on this issue in the House over and over again. Within a few days we will mark a year of the date of the expiration of the softwood lumber agreement. The moment that agreement was signed we knew it would end five years from the date it was signed. It is not rocket science to understand the concept that the government was woefully unprepared to deal with this important issue.

Mr. Pat O'Brien: Nonsense.

Mr. Grant McNally: The parliamentary secretary says that is nonsense. I would invite him to come and visit Hammond Cedar Mill in my riding. It is the world's largest cedar mill. I was there last week. People are losing their jobs. The Hammond mill has opened up once again and that is a positive. They are seeking a remedy to this and we have agreement on this motion.

Does my colleague not agree with me that it has been the government's woeful response over the last several years that has put us in this difficult situation with the softwood lumber crisis?

Mrs. Betty Hinton: Madam Speaker, I am trying not to be terribly political here, although we are in a political room and this is a political issue, but I have already told the House how happy I am.

I want to tell my colleague, who just asked me the question, that it gives me the greatest pleasure to say—and it has been a few months since I could say this to him—that I agree wholeheartedly with what he just said.

Mr. Larry Bagnell (Yukon, Lib.): Madam Speaker, I am delighted that you are in the chair doing a wonderful job. I remind the Deputy Speaker who has just left that he promised to read my speech tonight as he could not be here. I am not splitting my time with anyone because there is no one to split my time with.

Mr. Grant McNally: I will split the member's time.

Mr. Larry Bagnell: My thanks for the generous offer. A new member always likes that.

I thank the Minister for International Trade for listening to Yukon's submissions. When I have brought the number of concerns of the mills and the forest industry to the minister over the many months he has been working on this, he has been very willing to listen and to deal with our industry. For much of this debate, the minister was here listening to the ideas of members from all parties.

I also thank members for unanimously supporting the motion.

Supply

A member of the Alliance made the observation that for members of parliament there is more that actually unites us than divides us. That is a microcosm of Canada itself. There is more that unites us than divides us. We all want similar objectives. We want to raise our families and make a good living. It is tremendous on issues such as this one when we can come together. Hopefully in parliament we could do this more often for the benefit of all Canadians. We could strike out strongly in the world to protect Canadian interests and make progress. That is what all members are here to do.

During the course of the U.S. trade investigations, Canadian industry submitted in excess of 100 requests for species and product exclusions. These requests included western red cedar, red and white pine and a series of further manufactured products. The Government of Canada has actively supported these requests through the course of the investigations, filing numerous briefs strongly encouraging the U.S. commerce department to give serious consideration to all exclusion requests.

Canadian industry argued extensively for these exclusions, particularly with respect to the high valued cedar and pine species. The U.S. commerce department, after considering numerous requests from companies and associations, excluded only a limited number of products and no species. This is an arbitrary and unfair decision. While we are disappointed with the decision, the commerce department's actions are nothing more than a continuation of U.S. negotiating practices.

The Government of Canada is looking at how to best ensure the fair treatment of all segments of the Canadian lumber products industry in any agreement. Canada will be filing additional briefs and arguing before a commerce department hearing to press it to render species and product exclusions. Our negotiators will also be pursuing a number of exclusions from any agreement that we may ultimately reach with the United States.

Canadian lumber producers that do not benefit from programs covered by the U.S. countervailing subsidy investigation are entitled to seek an exclusion from any duties. The granting of such exclusions is highly discretionary by the U.S. commerce department.

The Government of Canada has worked closely with companies, industry associations and provincial and territorial governments to ensure that companies entitled to an exclusion from trade action were able to seek an exclusion. Some 350 Canadian companies were submitted for consideration in October last year. This included some 200 Canadian remanufacturers, secondary lumber manufacturers who produce value added products.

The federal government, the territories, the provinces, industry associations and individual companies went to extraordinary lengths to submit applications that were accurate, complete and fully in accordance with U.S. regulations. After four months the commerce department announced that of some 350 applications, it was only prepared to look at a handful of companies.

• (1715)

The 30 companies selected source their logs from private lands, the maritime provinces, Yukon or the United States. While we are pleased that companies are still being considered for exclusion,

Canada is extremely disappointed with the decision to ignore over 320 company applications.

The commerce department has now completed verification of the companies that are being considered. It will announce the results of the company exclusion process when it makes a final subsidy determination on March 21. Canada is continuing to pursue exclusions in the current discussions, particularly with respect to remanufactured products.

Canada's proposal recognizes that a border measure needs to be tailored to ensure that the remanufacturing sector is not disadvantaged relative to other producers. The United States has yet to provide a detailed response to Canada's proposed transition measures, including the issue of exclusions.

Unlike the unreasonable approach the United States has taken to date in the subsidy investigation, for instance imposing the provisional duty on a final mill basis which makes no sense, Canada has proposed that the export charge be imposed on a first mill basis. A first mill reflects the fact that remanufacturers acquire lumber through arm's length transactions and would avoid taxing the value added transportation costs that the remanufacturers and other secondary producers must face.

I would like to talk to our friends in America, those who might be listening every time we have this debate. We have had numerous debates on softwood lumber to make our point about what we feel is a travesty of justice against Canada. Every time I speak to Americans who might be listening, I hope that a few more will get the message.

Recently I was at a celebration in the United States with over 500 people, mostly Americans, who were celebrating their relationship with Canada. They were celebrating the assistance we gave them on September 11 and the assistance we are continuing to give to help their troops protect them and achieve our common objectives.

How could a country so closely linked to us as a friend make arbitrary trade decisions, including the one on softwood lumber, which also affects its neighbour? I know that most Americans are not responsible for this. It is a failing in law. It is a little archaic provision that has not yet been removed which allows a few minor officials to embarrass their country around the world by unilaterally imposing arbitrary, unfair trade subsidies like this one. Sometimes I wonder how a country so powerful that it can put a man on the moon cannot get rid of a little legal irritant which allows junior officials to embarrass such a great nation.

I just want to describe how embarrassing it is in relation to my riding of Yukon, which of course has been impacted like the rest of Canada by the provisions of this agreement. These provisions suggest that the U.S., a great country, which most Americans think is fairly strong economically and has some fairly strong businesses compared to other countries, is running scared from a tiny place called Yukon. Let me describe this adversary the Americans are cowering from and running and hiding from.

Yukon is so far away from the United States consumers who will buy this lumber. Most Americans have probably never been there. Many of them have probably never heard of Yukon. They have probably never been there because it costs thousands and thousands of dollars to get there. If we use common sense, it will also cost thousands of dollars to get the lumber back into their stores to sell to them and compete against them.

The trees in Yukon are hundreds of years old. They are way up in the north Arctic. With the cold temperatures, it takes a lot longer to grow the trees than the ones the Americans are growing and selling in their stores.

Imagine the costs of labour way up in the Arctic. The cost of labour input is much more in this very competitive industry.

●(1720)

Think of the heating costs we have up there. When we need a tradesman, he has to come hundreds of miles. The parts for the mills may have to come thousands of miles. How could we possibly compete with anyone? Yet the great United States appears to be running and hiding, claiming it needs to add a 30% tariff to protect it from this huge great enemy.

A lot of the land from which some of the mills are producing is settlement land from land claims, which is indeed private land and not subsidized. We cannot put a subsidy against it.

Much of the land in this great northern threat is semi-arid. There is not much water compared to the great rain forests of the United States coastal areas. It takes so long for our trees to grow and they are so small. It is beyond anyone's imagination to think we would be a competitive threat.

Let us imagine a race to a store in the United States. We have some competition here to see who wins the race, who gets their lumber there at the cheapest price.

There is a lumber mill down the street. It puts the lumber on a truck and ships it down to the store.

Then there is the enemy the Americans are terrified of thousands of miles away who has to spend hundreds and hundreds of dollars for gas for a truck, for a truck driver, for truck parts to go all the way through Yukon and all the way through British Columbia or over thousands of miles of ocean to get there. With increased labour costs, with heating costs and with trees that have taken hundreds of years to grow, what kind of competition would that be?

We should think what it would cost to actually put that lumber in the store beside the nearby product from the American mill. It would be so much more expensive. Yet this ridiculous provision suggests that Americans will have to add 30% to the cost of that in the store if they want to buy it.

If we add 30% on top of the huge amount it would cost extra, think how much more the Americans are paying for lumber and building products. It is ridiculous that a few minor officials and a few firms in the United States have allowed this archaic provision to continue.

I implore Americans on behalf of my constituents. We cannot help them here. Americans have to go to their congressmen and their

Supply

senators to protect the poor people in the United States who are paying these huge prices, to protect their building stores that need to sell these products and the employees of those stores and to protect middle class people.

Housing prices are way up because of the dramatic taxes on lumber. Most of all, they have to protect the poor people, which both countries have, who need housing. I implore them to do that and to ask their congressmen and senators to remove this ridiculous provision and these arbitrary trade sanctions against Canadian products, because we are one of their best friends in the world.

●(1725)

Mr. Scott Reid (Lanark—Carleton, Canadian Alliance): Madam Speaker, I thank the member for Yukon for his speech. I know he cares a great deal about this issue. I learned a lot from his speech. I had no idea that there was a softwood lumber industry in Yukon.

I have a series of questions out of personal curiosity I would be interested in asking with regard to the industry in Yukon, the size of the industry, the employment, the impact on the industry, and where the market is for the industry.

I do want to correct the member on one point. I think he was wrong about Americans not knowing about Yukon. I was once at a party in Seattle where a group of drunken revellers broke into a recitation of *The Shooting of Dan McGrew*, so it is more widely known than the hon. member may be aware.

Yukon of course is a territory and not a province and therefore is under a federal jurisdiction. I am not sure if the forestry sector is entirely dealt with through territorial regulations or if there is some form of federal involvement. This might give us some clue because it is handled through a different system than the provinces are.

I am interested in the regulatory system that is used. Is there anything we can learn with regard to how one meets or does not meet with the kinds of concerns the Americans keep on bringing up, whether or not those concerns are legitimate? Is Yukon doing something different or is it simply adopting the same kind of practices that the Americans go on about so much when they speak of some of our other provinces?

Mr. Larry Bagnell: Madam Speaker, I thank the hon. member for his questions. I always appreciate his contribution in the House. I quite enjoy debating with him.

He asked a number of questions and I am glad he did. There are some points I did not put in my speech that could have clarified them. He mentioned *The Shooting of Dan McGrew* written by Robert Service, the greatest Canadian poet of whom the Alaskans are great fans because of their gold rush and they try to use one of our poets.

I will touch a bit on the industry and our markets. As everyone in Canada and the United States knows, the lumber industry is competitive. It is hard for us to keep mills going. We have a number of mills but most cannot open under these conditions. They cannot open half the time under any conditions so we have very few mills.

Supply

We have an effective Yukon forestry industry association for small mills. A few weeks ago I visited a mill in the community of Teslin which is owned by a first nation. It is hundreds of miles from anything so it is difficult to manage. Most of the trees are either white spruce or lodgepole pine. Some are 300 years old. Their growth rings are close together because they take a long time to grow in a cold environment without water.

The regulatory regime is an excellent question. As I mentioned in my speech, the Teslin mill and some other mills are owned by first nations. They have settlement land which is private land which excludes them from duties. I do not know how long it will take the U.S. commerce department to figure that out but it is a situation unique to Yukon.

As the hon. member said, the rest of Yukon is currently under territorial jurisdiction but the House of Commons unanimously passed Bill C-39, the Yukon Act, which is now at third reading stage in the Senate. It would transfer jurisdiction from the federal government although some of the provisions, conditions and regulatory regimes under the federal government are very similar to the provinces. What the U.S. commerce department may be complaining about is that even though the mills are operated by the federal government they may shortly be operated by the Yukon government and be under no different a regulatory regime than any of the provinces. The Yukon government would then be able to make the same changes, alterations and deals to make the industry acceptable.

As I said, it is absolutely ridiculous that we would be a threat to anyone. It is like an elephant and a mouse going to war where the elephant asks for a 33% head start bonus to subsidize it to make sure it wins.

• (1730)

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Mr. Speaker, it is an honour to enter the debate at this late stage in the day. I compliment the House and all the parties in it who granted unanimous consent to the motion proposed by the official opposition. It is wonderful.

I have a particularly pleasant feeling about the whole thing. I am convinced the Prime Minister when he went to see the president of the United States today wondered exactly how much support he had in Canada for the position that had to be advanced here.

Lo and behold, before the end of the day the House agreed unanimously to give the Prime Minister all the ammunition he needed to give to the president of the United States. He could stand there with all great authority and say he had the full support of the House of Commons. He could not have said that before. It is good to feel the official opposition has finally shown the Government of Canada where it ought to go and the position it ought to take. It is great.

I will say this for the benefit of everyone listening at the end of the day to find out exactly what the president will hear from the Prime Minister of Canada. He will hear that the principles and provisions of the Canada-U.S. Free Trade Agreement and North American Free Trade Agreement, including the dispute resolution mechanism, should be fully applied to trade in softwood lumber and that our government will be urged not to accept any negotiated settlement.

I hope the Prime Minister will not accept any negotiated settlement of the current softwood lumber dispute outside the NAFTA and FTA unless it guarantees free and unfettered access to the U.S. market and includes dispute resolution mechanisms capable of overriding domestic trade measures to resolve future disputes. That is a strong negotiating position. It has the support of the industry and all parties in the House. That is its strength.

Why are we so concerned about the issue? It represents \$16 billion worth of business for British Columbia alone. Thousands of people have been thrown out of work because the government five years ago refused to deal with the issues at hand. It knew this would happen. It knew the softwood lumber agreement which was outside NAFTA would come to an end. It knew something had to be done.

What did the government do? It did nothing. Silence in the House is what was done. In the meantime a minimum of 18,000 people were thrown out of work in British Columbia alone. The industry was hurt in Ontario, Quebec, the Atlantic provinces, Nova Scotia and in every other province across this country of ours.

An hon. member: And Yukon.

Mr. Werner Schmidt: And Yukon, yes.

That is what happened. We needed to recognize how serious the issue was but the government did not deal with it. It finally came to the conclusion at the last minute that the Prime Minister had better go down to the U.S. and make it appear as though we had done something.

If it were not for the support of the official opposition the Prime Minister would not have had anything to say today. I am glad he has a lot to say today. It is so important. The hon. secretary of state is saying yes, that is right, it is about time we listened to the official opposition. It is nice to have him onside with us this afternoon.

This is a complex issue. I will read into the record how serious it is. The softwood lumber dispute with the United States is complicated. It has been going on for five years. That is a long time. The big picture in softwood lumber is that of free trade between two sovereign nations.

Let us not forget that we are sovereign nations. As Canadians we are proud of the fact that we are Canadians. We are also proud of the Americans being Americans. We love to do business with them and they love to do business with us. We want a fair and unfettered trade agreement between the two countries so one group does not take advantage of the other. We do not want to lord over the Americans and we do not want them to lord over us. We are independent. We are sovereign. We want to get together.

•(1735)

U.S. trade laws allow the industry to attack foreign imports to an extent not allowed by international law. Although the United States subscribes to international trade laws its internal trade laws permit protectionism, especially by well heeled, powerful and influential industries.

That is the serious part of the issue. We need to recognize that sovereignty and fairness are the issues. We need to recognize that we are all governed by law. If we have a contradiction or conflict between laws, in this case between international law and the protectionist laws of one of the countries, we must put together a situation in which we can survive in a manner beneficial to all of us and in which one group is not favoured over the other. That is what this is all about.

The U.S. industry claims that our government subsidizes our lumber industry. It is on this basis that it has attacked Canadian softwood lumber. They claim we are doing it to them. The claim of subsidy comes from the assertion that because our forest practices are different from those of the U.S. they amount to a subsidy.

Our land tends to be largely owned by the crown. Prices for harvesting timber are set in a complex manner by committee. U.S. forest land is mostly privately owned. U.S. landowners often mill the timber themselves thus avoiding stumpage fees. The U.S. is comparing things that are not really comparable.

Interestingly, the auction system employed by the U.S. forest service on federal lands has had to be bailed out by congress in previous experiments. We do not have time to go into all the details but 20 years ago the U.S. government had to bail out its industries because of the situation it found itself in.

While the primary motivation for the actions taken by the U.S. industry against Canadian softwood lumber has been to restrict the amount of lumber we ship to the U.S., the more public allegations have been that Canadian forest practices are defective and need to be changed. Because the lawsuits take so long and are so expensive Canada has been making efforts to appease the U.S. industry in exchange for a guaranteed share of the market. However this amounts to a loss of our sovereignty as a nation.

We need to restore our sovereignty as a nation. We need to be sure what we are comparing is comparable and what they charge us with is legitimate. We have found over and over again that the charges levelled against us would probably not stand up in the World Trade Organization court. That is the issue. That is what we are negotiating.

Does the Canadian industry want to negotiate a deal at any price? The answer is no. We want a deal that is fair. We want trade that is unfettered. We want our share of the American market. If some of the industries, sawmills and lumber producers in the United States cannot compete with our technologically superior and more competitive industries it is their problem, not ours.

We need to recognize that we can live together and work together. We can develop a trade relationship that is positive and beneficial to the industries in the United States and Canada. Above all, we need to establish an agreement that will give the people of Canada jobs they

Private Members' Business

can depend on. We need a situation of permanence and reliability. Companies must be able to invest in and develop technologically superior equipment. People must be able to know their jobs are sustainable. Industries must be able to know they are sustainable. Then we can move forward.

We do not want something that can squish out the side tomorrow morning or five years from now. We would then be back to the same old thing. We want permanence. We want to be able to predict what the future holds, make money for everyone and have jobs for our people.

•(1740)

[*Translation*]

The Acting Speaker (Ms. Bakopanos): It being 5.42 p.m., pursuant to order made earlier this day, the motion is deemed to have been adopted.

(Motion agreed to)

[*English*]

The Acting Speaker (Ms. Bakopanos): It being 5.42 p.m. the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CRIMINAL CODE

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance) moved:

That, in the opinion of this House, the government should amend Section 231(4) of the Criminal Code to expand the definition of first-degree murder to include the death of a fire fighter acting in the line of duty, and amend Section 433 of the Criminal Code dealing with the crime of arson by adding language that addresses the death or injury of a fire fighter engaged in combating a fire or explosion that is deliberately set.

He said: Madam Speaker, it is a very great pleasure to rise in the House this evening not only on behalf of my constituents in Surrey Central, but also on behalf of all of Canada's brave firefighters.

I want to thank the hon. member for Lethbridge for seconding my motion. He himself is a former firefighter.

Everyone recognizes that firefighters play an important role in Canadian society, protecting persons and property as they rescue their fellow citizens and extinguish fires. We were all saddened by the recent deaths of six children killed in a fire on Vancouver Island. Firefighters could not reach the site of the tragedy for over one and a half hour. It was very sad.

Furthermore, we all acknowledge that firefighting is a hazardous occupation with the inherent risk of injury or death. Firefighting is four times as hazardous as any other occupation but commands the highest public trust, more than any other profession.

Private Members' Business

The number of deaths and injuries sustained by firefighters continue to rise and the human wreckage left behind is also real. When such casualties are the result of either deliberate action or carelessness on the part of members of the public, a true tragedy occurs.

There were 13,724 arson fires in Canada last year. I was really alarmed to learn that over 30% of the fires in Surrey are the result of arson. A very high percentage of them contain booby traps. There have been arson fires in schools and fiery explosions in residential neighbourhoods.

These fires are disturbing. Some are caused purely by mischief, but many more have been set with more sinister intentions of covering up illegal activities like marijuana growing or metamphetamine labs. At other times firefighters respond to calls only to find the premises booby trapped with crossbows, propane canisters ready to explode, cutaway floor boards or other serious but intentional hazards. These malicious devices are intended to kill or injure anyone who interferes with the drug operation, including firefighters. Several frightening examples have been discovered, particularly in British Columbia where marijuana growing operations are growing very fast, needlessly threatening the lives and morale of firefighters.

The glaring deficiencies within the Criminal Code of Canada fail to afford and allow on duty firefighters the same provisions as on duty police officers, which places their lives at greater risk. Instances are becoming more prevalent where firefighters, working in co-operation with law enforcement officers, are used on the front lines to break down doors to drug related operations and labs. In these cases the armed police officers are standing behind the firefighters who are the unarmed first line of defence out there on the front lines. The situation is getting worse and these drug related incidents are regrettably on the rise. Realistically, the work environment of firefighters has been dramatically altered. It is time that our law afforded protection under the criminal code for our firefighters who serve and protect our communities in the line of duty.

• (1745)

The criminal code needs to be strengthened by including criminal infractions such as deliberately setting fires or causing some other kind of explosion or hazard that needlessly places the lives of firefighters at risk. It is imperative that legislative amendments be made as promptly as possible to afford protection to the men and women who place their lives at risk in the service of our communities.

Under current criminal law there is no special punishment for arsonists whose actions kill or injure firefighters in the line of duty. This is in spite of the fact that the criminal code does provide special provisions for police officers. Law enforcement officers are protected under the criminal code but firefighters who do similar jobs under similar circumstances are not. Both regularly serve and protect our communities in the line of duty. It is time our laws recognized the similar hazards they face in similar situations.

What is clearly needed is a provision in our criminal code that will cause criminals to think twice before rigging houses to catch fire and injure or kill public safety officials. Obviously our current laws against murder, assault or arson are not effectively protecting

firefighters if criminals feel that they can booby trap houses and set fires without fear of reprisal from the government.

Some people might say that our criminal code already recognizes crimes like arson and first degree murder and may be tempted to ask me why my motion is needed. The International Association of Fire Fighters agrees that Motion No. 376 specifically addresses the issue of amending the criminal code to specify tougher sentencing provisions for acts of arson that kill firefighters acting in the course of their duties. In legal terms, the measures that would be put in place by Motion No. 376 are called a specific deterrent effect, which seeks to prevent criminal acts that can harm or kill firefighters from ever happening in the first place.

My motion also calls on the government to amend subsection 231 (4) of the criminal code dealing with first degree murder and section 433 dealing with the offence of arson to specify that a person is liable to a minimum of life imprisonment. It is correcting what should have been intended in the first place. It calls on the government to add language that addresses the death of a firefighter fighting a blaze that is deliberately set.

There is also a need to amend section 268, which deals with aggravated assault, specifying that liability be increased to a maximum term of 10 years. Firefighters can be protected from assault that maims, wounds, disfigures or endangers them during the course of their duties. These are the threats they face from the hazards of illegal drug operations. Mr. Lorne West, the president of the Surrey Firefighters Association, which has 350 professional firefighters in the city of Surrey, tells me from his personal experience that there are malevolent devices out there that are used with the intention of indiscriminately killing anyone entering those illegal operations.

When I wrote about these concerns to the former justice minister she thanked me for bringing these issues to her attention and she assured me that her officials were considering the matter. I would submit that the time for studying this issue is over. Now it is time for the government to take action. It is the federal government's exclusive responsibility and it is within its mandate to amend the criminal code to protect firefighters.

I sincerely believe that this motion deals with matters of significant public policy interest since our neighbourhoods are vulnerable to fire incidents at any time, anywhere. It is these brave men and women firefighters who will be there to protect our lives and our property.

Private Members' Business

• (1750)

I have received many letters of support for my motion from firefighters' groups both locally and nationally. On behalf of its 17,000 Canadian members, the International Association of Fire Fighters has repeatedly expressed its support for my motion and appreciation for my efforts on behalf of its members. The Surrey Firefighters Association, on behalf of its 350 members, professional firefighters of the city of Surrey, expressed its appreciation and support. The Canadian Association of Fire Chiefs has 1,000 members. Its executive committee unanimously supported the motion and applauded me for my efforts. In a letter, the former minister of justice and attorney general of Canada thanked me for my views with respect to these important issues of public policy in response to my request for prompt attention and action.

Motion No. 376 goes beyond issues of purely local interest. Surely firefighters in New York and Canada deserve equal protection. Other jurisdictions have already taken steps to enshrine protection for their firefighters in criminal law. For example, in the United States, the states of California, Nevada, Illinois, Georgia, Idaho, Massachusetts, Montana and Mississippi have recently amended their criminal laws to recognize acts that cause the death or injury of a firefighter.

Thus, I think it only makes sense for Canada to bring itself up to speed with these developments by adopting the motion we are debating, Motion No. 376. By the way, Canada has not yet established a public safety officers' benefit program, or PSOB, a fund that would provide benefits to widows of firefighters, police officers and other public safety officers killed in the line of duty. Recently firefighters were shot while on duty. The public safety officers' benefit needs to be established.

The motion is completely non-partisan and will serve all our communities and all 301 constituencies in the House. It deserves support from all parliamentarians across all party lines, thereby correcting an injustice to our firefighters. I trust that the wisdom of all members in the House will prevail to initiate action and bring in the relevant criminal code amendments.

I have had many motions and bills on the order paper in private members' business before the House, but I have selected this motion because it is really important from the point of view of justice being done in the criminal code for firefighters. I had an opportunity to pick any motion when my name was drawn. I picked this motion.

Recent events have served to raise the profile of the hazards faced by firefighters in the line of duty. September 11 has shown us the death toll inflicted on firefighters among others. It has helped the whole world to realize the dangers firefighters face in coming to the rescue of our fellow citizens. While the government cannot do anything about the senseless loss of life, including firefighters' lives, in New York, Washington and Pennsylvania, the government can do something about what goes on in this country. The government can amend the Criminal Code of Canada to provide protection for firefighters. The government can stand up for our firefighters by adopting the measures called for in Motion No. 376. The severe penalties proposed in the motion are designed to deter those who would deliberately set fires.

Motion No. 376 would make firefighting safer and would provide firefighters with the full protection of the law. Polls show that firefighters command the highest respect rating of any profession, followed by nurses. Politicians and lawyers are way behind. We have to do something for those who are serving our communities, who are putting their lives at risk.

• (1755)

It is time our nation protected the protectors. Since my time is over I submit that the time for studying this issue is also over. It is time for the government to take action. I urge all members in the House to support the motion.

Madam Speaker, I seek unanimous consent of the House to make the motion votable.

The Acting Speaker (Ms. Bakopanos): Does the hon. member have the unanimous consent of the House to make the motion votable?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):

Madam speaker, I am pleased to respond to Motion No. 376 introduced by the hon. member for Surrey Central. The motion proposes to amend the criminal code to expand the definition of first degree murder to include the death of a firefighter who is killed while combating a fire that was deliberately set, and to amend the provision that deals with arson by adding language that addresses the death or injury of a firefighter.

I agree with my colleague that firefighters play a crucial role in the protection of human lives and property in Canada. I recognize that firefighting is an extremely hazardous occupation and like all Canadians I am grateful for their bravery and commitment to public service.

The first of these two amendments would expand the definition of first degree murder in subsection 231(4) to include the death of a firefighter killed when combating a fire set by an act of arson. Where a peace officer or prison official is murdered while acting in the course of his or her duties, subsection 231(4) increases the offence of murder to first degree murder irrespective of whether the murder was planned and deliberate. The amendment seeks to extend this protection to firefighters.

The government is committed to protecting firefighters from dangers associated with arson. However we do not believe that the proposed amendments are constitutionally possible. The supreme court has found that there is a constitutional requirement that for an individual to be found guilty of murder, he or she must have formed a subjective intent to kill prior to committing the act.

Murder is either first degree murder or second degree murder. In most circumstances first degree murder is when it is planned and deliberate. However when a police officer or prison official is murdered in the course of his or her duties, the offence becomes first degree murder regardless of whether it was planned or deliberate.

Private Members' Business

It should be noted that subsection 231(4) does not give special protection to police officers or prison guards who are killed while in the course of their duties. It addresses the situation of a police officer or prison guard who is murdered.

It is inappropriate to expand the definition of first degree murder in subsection 231(4) to include firefighters who are killed while combating a fire set by arson because in such a crime there is not normally the requisite intent to kill a firefighter for the offence to be murder. The death of a firefighter in such a situation would be covered by the charge of manslaughter where the mental element requirement is the objective foreseeability of the risk of bodily harm that is neither trivial nor transitory, or by the charge of arson causing bodily harm.

However if a fire were planned and set with the intent to kill a firefighter, then it would be first degree murder because by its very nature the act of setting a fire to kill a firefighter is planned and deliberate. As such a firefighter who is the target of a direct intention to kill is protected by the criminal code to the same degree as a peace officer or prison official.

Let me emphasize that in no way does the government believe that firefighters are less worthy of protection than peace officers or prison officials. For example, if a police officer were killed while attempting to save an individual trapped in a fire that had been set deliberately, the charge would not fall under subsection 231(4). Likewise if we take the example of a situation in which a police officer is killed in a high speed chase, the offence would not be murder because there was no intent to kill. A person is not charged under subsection 231(4) solely because a police officer has been killed. There must be both an intent to kill and the knowledge that the person killed was a police officer.

• (1800)

The motion also calls on the government to amend section 433 of the criminal code dealing with the crime of arson by adding language that addresses the death or injury of a firefighter engaged in combating a fire or explosion that is deliberately set. This provision already carries a maximum punishment of life imprisonment should any person be harmed by a fire that was deliberately set and of course extends to firefighters.

In 1990 parliament responded to the concerns of firefighters in regard to arson by making several amendments to the criminal code. The focus of the law shifted from crimes against property to the danger that arson poses to the life, safety and property of all Canadians and in particular to firefighters. In addition the maximum penalty for bodily harm suffered from arson was raised from five years to life imprisonment.

We cannot support the motion for the reasons that I have outlined in my remarks. The government, like the hon. member for Surrey Central, is concerned about the safety of firefighters and is grateful for their bravery and commitment to public service.

• (1805)

[Translation]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Madam Speaker, first of all, I congratulate our colleague on his excellent initiative. We are aware of his sensitivity to these issues.

Furthermore, I think that all private members' motions should be made votable. When a member takes the trouble to put forward a motion, we should have the responsibility as parliamentarians to express our views through a vote. I regret that that will not be the case for this motion.

I believe, however, that certain problems of law may arise. If I recall my criminal law correctly, for an accused to be sentenced or for someone to be charged with first degree murder, the supreme court and, before it, various provincial appeal courts, have said that two conditions must be met.

These two conditions are the following: there must be an *actus reus*, i.e. there must have been an action; and most important of all—I believe that the parliamentary secretary referred to this—there must be *mens rea*. *Mens rea* is very important in criminal law; it is the most difficult evidence to prove; it has to do with intent, state of mind, premeditation, plotting and real intent.

In the case of criminal law, there is a high degree of difficulty associated with proving this before a court of law. It is not the same as challenging the provisions of the civil code. In our legal system, criminal law is undoubtedly the most difficult, because proof is not established according to the likelihood of events. It is proof beyond any doubt. The crown attorney, or the defence, must prove to the court that the person set the fire with the firm, premeditated, specific intention of killing a firefighter.

I submit to our colleague that this poses a difficulty in law. The link between a fire being set and someone dying is not the same as when a police officer is killed during a chase. The link is much less direct in the case of a fire being set and someone dying as a result. If the criminal code is amended as requested by our colleague, this is a difficulty that will be encountered before a court of law.

Obviously, no one thinks that it is less tragic, less of a loss, from the human point of view, to lose someone in a fire rather than to an attack in the process of carrying out law enforcement duties at the scene of a crime. No one thinks that. We cannot, however, completely ignore the charter of rights, particularly what the courts have had to say on this.

I would remind hon. members that there is a legal difficulty here. There must be *mens rea*, or guilty intent. It is extremely difficult to demonstrate this before the courts; it is possible, but this is a concept that has been very clearly defined by the supreme court and the various courts of justice. Then there must also be *actus reus*, a Latin expression meaning commission of the act of which one is being accused. This is the first reality.

The objective of our hon. colleague's motion is understandable: to dissuade arsonists from setting fires that may endanger the safety and well-being of firefighters. I believe that all parties in the House can agree with such an objective. I wonder if there ought not to be provisions in the criminal code to make this type of behaviour an aggravating circumstance. Not that it should be considered first degree murder but that it not be considered merely manslaughter either.

Private Members' Business

•(1810)

There are certain provisions to that effect in the criminal code. For example, in 1995, the government amended the criminal code, and the House passed legislation on heinous crimes, which people had been calling for for several years.

This means that the criminal code provides for harsher penalties for certain crimes under what is called aggravating circumstances. And when dealing with such a crime, a judge has no choice but to take that into account, because penalties in the criminal code are rarely a question of math. There is always some discretion left to the judge in imposing a sentence and, of course, there are submissions on sentencing made by the lawyers.

Should our colleague not engage in a dialogue not only with the members of the justice committee, but also with firefighters and all those concerned with this issue, to determine whether the aggravating circumstances provision could be used to discourage people from committing this type of crime? That was my second point.

Again, all members who bring forward motions do it because they are sensitive to a particular issue. We do not all have the same interests nor the same degree of sensitivity. However, it is sad that the changes made to Standing Orders of the House of Commons did not include extending the time provided for the consideration of private members' business. I understand that our colleague is disappointed that his motion will not be put to a vote. This is a way for parliamentarians to be more dynamic and be looked upon with greater respect by our fellow citizens.

We know that our institutions are in crisis. We must recognize that the level of confidence in politicians is rather low. Our institutions must work so as to bring our fellow citizens to have more confidence in what we do. For example, we could have decided to eliminate question period on Fridays and use that day for private members' business. We must increase the number of hours allocated to private members' business.

Surely, if only five hours a week are allocated to private members' business, few motions will be votable. I would certainly be in favour, and I am pleading with all the beliefs that my caucus knows me for, of convincing the member for Roberval, who in turn will convince the other House leaders, to rearrange the agenda of the House so that, once a week, all members may see a bill or a motion be subject to a vote. Moreover, the number of hours allocated to private members' business should be increased to allow this profoundly democratic exercise to take place.

The motion before us is important. In Canada, 13 000 fires are set each year. On average, 30% of these are arsons. This is not insignificant in the life of communities. This is a public interest issue and a community safety issue.

However, if our colleague sees his motion die on the order paper, without saying that he worked in vain, the fact remains that the investigation could go much further.

In the case at hand, perhaps the solution is not to consider the death of a firefighter in the line of duty as first degree murder, as suggested to us. Perhaps there are other solutions, such as making it

an aggravating circumstance or seeing how it could be considered as more than a simple homicide. However, when the motion dies on the order paper, this obviously does not allow for a further debate.

Is the time allocated to me over, Madam Speaker?

•(1815)

The Acting Speaker (Ms. Bakopanos): You have 39 seconds left.

Mr. Réal Ménard: Madam Speaker, think about all that we can do in 39 seconds. I could propose to you; I could write my will; I could raise issues that have not been debated in recent years. One can change the world in 39 seconds.

However, all I will do is express the wish that the hon. member's motion will be referred to the Standing Committee on Justice, and that those who are concerned and interested by this motion will have the opportunity to express their views.

I congratulate the hon. member for his initiative.

[*English*]

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Madam Speaker, I am pleased to speak to this private member's motion. It is fitting that we should be reflecting on the risk that those who are charged with protecting the public take in this parliamentary week when we have had the annual visit to Parliament Hill of the Canadian Police Association, another group of people who are charged with protection of the public like firefighters.

I want to speak in general support of the motion. I know it is not a votable motion but it is a motion which, like Bill C-419, enables the House to debate this subject and hopefully create the kind of momentum by which eventually the government may be inspired to act on the concerns that are raised by Motion No. 376 and also by Bill C-419.

There are no provisions in the criminal code or any other statute of which I am aware that specifically address the line of duty death or injury of a firefighter when it is the result of a criminal act such as murder or arson. Putting additional penalties into the criminal code for murder or arson that results in the death of a firefighter might go some way to deterring people who are contemplating arson.

I am not sure it would help in the case of juveniles or 12 year olds who set fires in garages, but we know we are looking at more than just that. There are a lot of adults in the country who are responsible for arson. Maybe, if they had it in the back of their mind that, if a firefighter were to be injured or killed in the line of fighting that fire, they would be held much more responsible than they are today by the criminal code, by the courts and by society, that might have a deterrent effect on them. This would have a beneficial effect not just on society as a whole, or to the benefit of those whose property might not then become the object of arson, but in the final analysis for the safety of firefighters themselves who would not be called out to fight these fires.

I commend the hon. members for bringing forward these motions. I hope the Minister of Justice might be inspired to act soon on this sort of thing. If this was brought forward in a reasonable way, I am sure it would command the support of a majority if not the entire House, and it could be done quite quickly.

Private Members' Business

I particularly urge my colleagues on the government side, who by themselves constitute a majority in the House of Commons, to consider this. Year after year firefighters have come here for their annual lobby and members have indicated to them their support on certain things. If that is the case, then they should not have to come here year after year wondering why nothing has ever happened. It must be a mystery to firefighters why they have to come back to ask for certain things again.

I think of the arguments firefighters have made over the years for changes to the rules which affect their pension. I hope there is some discussion between firefighters and others who feel the nature of their vocation, the risks they take and the exposure to certain dangers, creates a life situation for them and they would be better to retire early rather than later. However to do that they need to have a pension system that would enable them to do so without penalty.

This is something the government should do and could have done some time ago. It remains a mystery as to why we cannot get action on this issue, and I urge the government and Liberal backbenchers to get cracking on this.

• (1820)

This is not revolutionary stuff. This is something that could be done and I hope that it will be done soon. Likewise, and I am not sure exactly of the wording, there is the public safety officer benefit or something to that effect. What it means is that when someone is killed in the line of duty, a firefighter, or a policeman or someone in a similar category, there is an automatic benefit to the family, to those who survive the person who loses his or her life in the line of duty.

I am thinking just for a minute of what happened in New York City. I would suspect, given the fact that this kind of law exists in the United States, that the families of all 300 firefighters who were killed on September 11 were in receipt of this particular benefit. If a similar thing were to happen here, and God forbid if we were to lose 300, 100, 50 or 10 firefighters in one event, there would be no such benefit for their families.

Again, I say to the government, I have been here a long time and like a lot of other people I have listened to the firefighters year after year. They come around to my office and say "We've got the Liberal MPs on side. They say that they are for this". If they have the Liberal MPs on side and they already have the opposition on side, then it should happen. That is what we are here for. We make the laws.

Who is telling the majority of us here, constituted by people on all sides of the House, including Liberal MPs who are telling firefighters that they are in favour of these things, that we cannot do this? I ask my Liberal colleagues, who is telling them that they cannot do this or that they must not? Has some reason been given for inaction on the part of the government? Share it with us, so we can combat it, so we can argue against it, so the firefighters can argue against it.

There is nothing more frustrating for firefighters than to have someone year after year nod their head in agreement, smile at them, go to their reception, pat them on the back, say how great they are and then next year nothing has changed. There is no legislation.

I say the time has come for action on a number of these issues, the issue raised by this motion and by the motion of a Liberal backbencher although I am not sure he is a backbencher now. Maybe he has had a promotion to parliamentary secretary or something like that.

In any event we have this issue before us. We need to put increased penalties in the criminal code for deaths of firefighters that occur in the line of duty as a result of arson. We need the pension legislation changed so that these firefighters can retire earlier with a full pension. We need that public safety officer benefit that I spoke of that exists in the United States.

There is no reason why we could not have all three of those things. The support exists in the House for it. It is just a continuing embarrassment to all of us year after year when the firefighters come here and we tell them we are in favour of it, yet nothing happens. It is an embarrassment not just to us and not just to the frustration of the firefighters, but ultimately it is an embarrassment to democracy and to parliament. If we are all for it, and we are the people who make the laws, and the firefighters are asking us to change the laws and we say we agree with them, yet it does not happen, what does that make us look like? It makes us look impotent. It makes us look like we do not have any real power and somebody else is calling the shots around here. I am not sure who it is. I have my suspicions from time to time depending on the issue.

It would seem that these are the kinds of things that we could do together as members of parliament. Let us make up our mind today that next year we will not be debating someone else's private member's bill having to do with this issue or other requests that firefighters make of us. Let us hope that by this time next year we will have acted on this issue and on others that are of concern to the firefighters in our community.

Let us remember who was going up the stairs on September 11 when other people were coming down. They were the firefighters. We owe the very highest attention in this place to people like them, and it is about time they got it.

• (1825)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR): Madam Speaker, sometimes it is a daunting and intimidating task to follow my colleague who has a wealth of parliamentary experience and certainly continually displays a great deal of common sense. His cup runneth over in that regard.

My colleague and the mover of the motion similarly comes before parliament with motions such as this one that bring about change which would invoke a real impact in the important and significant community of firefighters who, as he has indicated, support him in this endeavour and for good reason. There is very much the motive behind this motion to bring about greater attention and a greater focus on deterrence for those who engage in a reckless activity such as setting a fire, arsonists who put lives at risk just by virtue of that act.

The firefighters are the front line who have to respond to that sort of reckless activity. This motion would call for a change to section 231 of the criminal code to amend the definition of first degree murder.

Private Members' Business

I listened with interest to my colleague, the parliamentary secretary. He has expressed, as he should, on behalf of the Department of Justice the constitutional concerns. We know time and time again that those concerns are real and are there. Charter constipation constantly arises in these debates, except in the case of Bill C-36 where it seemed to be cast to the wind. Yet this issue is really about putting greater emphasis on protecting the lives of firefighters.

What simpler message would come from this motion? As the member and previous speakers have pointed out, there is specific recognition in the criminal code for police officers, constables, sheriffs, deputy sheriffs and others working in the preservation and maintenance of public peace. Certainly firefighters would fit into that category.

There is some idea that there will be greater deterrence because clearly the penalties for first degree murder are the highest available now in the criminal code, life imprisonment. This is the general and specific deterrent that would come from such an amendment to the criminal code.

My colleague in the New Democratic Party from Winnipeg questioned why this would not happen, why things do not happen around here. He spoke of his suspicions. I will perhaps be a little more blunt. Sometimes there is a faceless, guileless guiding hand at the PMO that rears its head every now and again. I cannot imagine that there would be some intent to scuttle an effort such as this one, an effort that is aimed purely out of the goodness and the goodwill that come from such a motion.

This type of change would have an impact. It would allow the courts to react in a more significant way when faced with these situations. That is not to suggest that this is a simple case by any means. Each case is inevitably decided on its facts, on its merits. Yet what is behind the message in this motion is that offenders who recklessly go out and cause harm by way of setting fires, by way of putting death and destruction in their path, will face real repercussions and will face the jeopardy of going to prison for the rest of their lives.

A minimum sentence of life does not always mean life, as we have seen in many instances sadly. Yet including it as an aggravating circumstance, as suggested by my friend in the Bloc, might also be one of the ways in which it could be incorporated and by which we could recognize in legislation by codifying the Criminal Code of Canada that firefighters deserve this special recognition by virtue of the important role they play in society and the important tasks they undertake every day when they go to work at the station, put on their gear, ride trucks to fires and save lives.

It would show that their government, their country, their countrymen and women are in their corner as well. It would respect and recognize what they do and the jeopardy in which their lives are placed by virtue of their job.

● (1830)

The motion is very admirable in its intent. I daresay there is no hesitation on behalf of members of the Conservative coalition to support the member in what he is seeking to do. There are offences that already have these special attachments, hate crime being one

that was alluded to earlier, where a strict and strident response is available to a judge to mete out in response to circumstances that come before the court.

That flexibility exists. Why on earth would we deny the opportunity to codify a recognition of firefighters? In particular the obvious allusion has been made several times to what happened on September 11, those horrific circumstances and the renewed vigour with which firefighters across the country and around the world became the focal point of emergency situations. Society was reminded in those dire circumstances what huge risk, what incredible sacrifice exists in that vocation.

The range of options currently available for the crime of arson as an indictable offence go up to the sentencing maximum of 14 years. The motion intends to expand that envelope. It does not say that in every case this will happen, surely not. The burden of proof will still remain with the crown. The police forces in their investigative efforts must still produce evidence before a court that is admissible. Then a conviction would be rendered and the judge would have this sentencing option available to him or her.

I agree with the parliamentary secretary that there is an element tantamount to an end run around the issue of intent which is somewhat problematic. That is why I agree with the common sense and useful suggestion that perhaps this is an issue which should be referred to the justice committee for examination.

It is an issue on which we could hear from the fleet of government lawyers available, but I would suggest as well lawyers practising in the field. More important, we should hear from the firefighters lobby because I am sure there is ample research and interest within that community to have the opportunity to make the motion a reality.

Raising the bar of accountability is part and parcel of what this criminal code amendment would do. On the surface it is never a bad idea to have greater accountability and responsibility. It is something we should strive for and something we should encourage in most legislative intents.

There are already references to the fact that not every fire is one that is set with the intent to cause bodily harm or murder. Sadly there are children who often engage in this activity. I think of a recent occurrence in Lunenburg county where Canada's oldest church was reduced to rubble because of a fire on Halloween night which was suspected to have been caused by children.

With the jeopardy in mind that can befall a person charged with arson we have to be somewhat cautious in making any kind of a criminal code amendment which mandates exactly what the punishment will be. This is not an amendment which mandates that in every instance there will be a penalty of life imprisonment. Surely not every fire is set to inflict harm on a person.

In conclusion I say to the hon. member and to members present that we support his effort. I am encouraged by the level of support that has been expressed here and by those who have contacted the member and encouraged him to pursue it further.

Adjournment Debate

I hope there will be genuine goodwill and intent on the part of the government to bring this matter before the justice committee. I hope we will have an opportunity to see the issue through to fruition to allow firefighters to clearly receive the signal we want them to receive. We value and cherish the work they do and respect the task they have each and every day in their lives as they protect Canadians everywhere.

• (1835)

Mr. Rick Casson (Lethbridge, Canadian Alliance): Madam Speaker, I was a firefighter in my other life for 17 years, albeit a volunteer firefighter. Firefighters are well trained and well equipped to handle every situation, but every fire has the potential to kill a firefighter, to kill a human being. Every time the alarm goes, no matter where it is or what kind of fire it is, fire has the potential to kill.

Certainly the comments of the parliamentary secretary are well taken. However as lawmakers and as an elected body we should, as the member just stated, do all we can to offer the needed support and protection to firefighters.

The recent incidents in the United States have highlighted the value of firefighters, how courageous they are, and the fact that they rush in when others rush out. We should do whatever we can do to help protect them. A lot of arson fires are just lit for greed, to collect insurance. Some are mischief. Some have some vindictiveness to them. No matter what causes a fire, fire has the potential to kill. We must keep that in mind when we are dealing with issues such as this one.

I add my support to the member. I thank him for bringing the matter forward. However, we discuss these issues a lot and nothing seems to be done.

Firefighters across Canada have a great lobby. They come to visit us every year with good reservations. We as an elected body should pay more attention to what they are asking for and start to deliver the protection they have earned.

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Madam Speaker, I thank all members of parliament who have spoken to the motion. Most of them have supported the motion except for members on the government side. I take this opportunity to commend all those brave men and women, our firefighters, who are protecting persons and properties while putting their lives at risk. I also take this opportunity to commend them for the good work they do for all of us.

The motion simply asks for a deterrence by changing the criminal code. The idea was that arson fires have been on the rise. Booby traps have been set which injure or kill firefighters. There should be repercussions for that. They should not get away with it. Putting a deterrent in place is a common sense matter. I am surprised that it did not happen.

Certainly this motion would have gone a long way by codifying the intent. After the tragic events of September 11 this would have been an opportunity to protect our firefighters from the risks they are taking.

We heard from government members about the constitutional legal beagles or mens rea. I am a little disappointed. Sometimes we

are involved too much in it. We leave our eyes on the broader picture of the real issues. However going into the area of legal beagles creates a problem. I call it constitutional constipation of the charter of rights or charter constipation. It inhibits the real work needed in all they communities they serve and work.

It is purely out of goodness, out of respect, out of courtesy, out of responsibility, out of obligation, or even fiduciary responsibility and duty that we need to protect those people who are putting their lives at risk by protecting persons and properties. I regret the government chose not to support this issue.

I have spoken much more often than any other member in the House on private members' business. I am disappointed that private members' business does not go far enough. It is simply a joke, an affront to democracy. I consider private members' business like a pacifier being given to a baby so that the baby does not cry. The baby keeps on sucking it but nothing comes out of it.

All members of the House work very hard on private members' business. When an item is not votable, it is like a pacifier being given to members to shut them up. It does not go far enough.

I urge members of the House to give unanimous consent and recommend that Motion No. 376, as others members have recommended, go to the justice committee so that the committee can study it.

I ask for unanimous consent that the motion on which I have worked so hard and which I have passionately debated on behalf of thousands of firefighters who are serving our communities at least goes to the justice committee.

• (1840)

The Acting Speaker (Ms. Bakopanos): Is that agreed?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Ms. Bakopanos): The time provided for the consideration of private members' business has now expired. As the motion has not been designated as a votable item, the order is dropped from the order paper.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[English]

FISHERIES AND OCEANS

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR): Madam Speaker, it is another sad day for democracy. There is a sad day and a sad situation unfolding in the town of Canso.

Adjournment Debate

I just spoke with the mayor of Canso, Frank Fraser. I am advised that he has now been contacted by the Minister of Fisheries and Oceans by a letter advising him that the redfish proposal the people of Canso had so desperately hung their hopes on and were clinging to for the past number of months has been rejected by that minister. That minister, currently in Boston, at the same time was issuing press releases, pathetic self-congratulatory notices about what a record year it has been for Canada's seafood exports. It is nauseating to think he would be out of the country at the same time as sending this message which by all estimations will literally drive people from the town of Canso. There will be an exodus.

The Minister of Fisheries and Oceans, who is from the province of Nova Scotia and also from a fishing community, has let Canso go through a hole in the ice. This callous and cold hearted act will drive the town to extinction. By refusing to give it an allotment of redfish or access to the resource in any way displays one thing to me, that the minister either has no cabinet clout or is completely callous to the situation that exists for the people of Canso. There is no hope.

There was hope there would be at least a bridge to get them through to the next rotation so they could access their shrimp and crab quota to stay alive, to make a living in the town. If the plant closes, it is game over. Suggesting somehow that there will be other programs that will come into play that will offer assistance to these people is foolhardy and completely insulting.

The reality is that despair is setting in. Schools will close. Businesses have already closed. There is nothing to keep people in the town.

It is also suggested in the letter from the minister that somehow things are worse in other places. I cannot imagine a single place in the country today that has a worse circumstance than Canso has. The people of Canso had a prayer vigil the other night. They were clinging to some hope that there would be good news coming this week. That news today is devastating for the people of Canso and Guysborough county.

Mayor Frank Fraser, the council, MLA Ron Chisholm, the provincial government, the plant workers, the trawlermen's co-op, the fishermen's union, everyone wanted to negotiate some kind of a settlement. There had to be some solution that could be forthcoming but that has been completely dashed by the news that came today from the minister, from a man who comes from a fisheries community.

I do not mean to personalize it but there was great hope with the new minister. For the first time in 40 years the minister is someone who comes from the province of Nova Scotia. It was hoped there might be some compassion, some understanding of the challenges that face the people of Canso. That has completely slipped away by virtue of that letter today.

The government can somehow find \$50 million here and there. It can commission reports that go missing. It can cancel programs at a cost of hundreds of millions of dollars. Yet somehow it cannot resolve a problem for thousands of people in a place like Canso where people have only one industry to cling to, only one hope for survival.

This callous disregard, this sending out of a letter with the news and not at least giving the people some options, some hope that there will be another solution or at least something to get them through these dark days is a new low. It hits an absolute new low.

I hope that the spokesperson for the government today will be able to give the people of Canso, Nova Scotia at least some hint as to what their next step is, as to what they might somehow—

• (1845)

The Acting Speaker (Ms. Bakopanos): The Parliamentary Secretary to the Minister of Industry.

[*Translation*]

Mr. Serge Marcell (Parliamentary Secretary to the Minister of Industry, Lib.): Madam Speaker, we understand that the last decade has been a difficult period for fishers and communities that have always counted on abundant groundfish resources to ensure their survival.

Before the collapse of the groundfish stocks in the early 1990s, this fishery was the main source of income in some 1,300 small Atlantic communities. Even though numerous measures have been taken to re-establish groundfish stocks to higher levels, most of them remain very weak.

The collapse of the groundfish stocks and the moratoriums that resulted had a devastating impact on those who depended on them for their survival. However, it also paved the way for change. Indeed, there was a great deal of change in the industry, and the fact that we began to look at other, less traditional species enabled us to continue fishing.

As the minister has indicated on several occasions over the last few weeks, the Canadian industry must be competitive internationally if we want communities that depend on the fishery to be viable in the long term.

Fishermen and fishing communities in Atlantic Canada continue to lobby for increased access to fish stocks. For the most part, we know that, since he was appointed to the Department of Fisheries and Oceans two months ago, the minister has received a number of requests from Atlantic Canada communities for greater access to groundfish, crab and shrimp stocks.

The proposals include the introduction of newcomers to existing fisheries, the transfer of quotas from current holders to new holders and access to experimental fishing. The minister has met with a number of stakeholders and seriously examined their proposals in the meantime.

While we are aware of the crisis faced by communities in Nova Scotia, members have to realize that we also have to deal with the fundamental problems of limited resources, excessive capacity and fish processing plants always asking for more. Since we are aiming for fish conservation, we cannot review the fish quotas even if the prices are going up, because it would put excessive pressure on fish stocks.

Adjournment Debate

The arguments set out in each of the proposals for increased access to the resources in order to increase or maintain the employment levels are not that different from those included in the proposals submitted during the last decade. Most smaller communities in Atlantic Canada, if not all of them, could make the same points when asking for greater access to the resources.

Even though the minister understands the plight of these Nova Scotia communities, he cannot approve the proposals. He has however agreed to work with his colleague, the minister responsible for the Atlantic Canada Opportunities Agency, to find ways to help these municipalities.

He will also continue to use his department's resources to come up with viable long term solutions within a national strategy to maintain the competitiveness of the Canadian fishing industry on the world market.

[*English*]

Mr. Peter MacKay: Madam Speaker, I listened to the member opposite. The reality is a long term solution is not going to cut it for Canso.

We have seen in the maritimes for a long time fishermen's interests bargained away for some benefits elsewhere.

The town of Canso is now at the point where it is going to go under. It is the federal government's responsibility to respond in times like these. If the plan is to just cull the fisheries by letting towns like Canso literally starve, that is a pretty sad statement in a country like ours.

This is a diabolical situation. Have not provinces are fighting with one another for scarce resources. When it comes to redfish, there are redfish in the water. The reality is they are there. There is uncaught quota right now on the east coast that has not been allotted. There is an ability for the government to step in right now and for the Minister of Fisheries and Oceans to do something proactive.

To simply suggest that long term solutions are going to be sought is not good enough. People literally will be packing their bags and leaving. Young people with no future in a small town in Nova Scotia will be forced to pick up and leave the place where their families have been for generations.

The town of Canso was built on fishing. The people there do not have other options. The government knows that. The minister certainly should know that, coming from that province and having, I would hope, more than just a passing interest in seeing towns like Canso survive.

● (1850)

[*Translation*]

Mr. Serge Marcil: Madam Speaker, I know that Canso is going through some rough times, like other communities in Atlantic Canada and Quebec that rely to a great extent on fishing.

The minister has carefully examined various options to provide assistance to that community. He has determined that he cannot approve the request made by Seafreez for increased access to redfish stocks. Right now, the best option for Seafreez would be to capitalize on its 867 ton competitive offshore quota.

The minister urges Seafreez to consider making arrangements with other companies, which might agree to a temporary transfer of their unused quotas.

Raising the Canadian redfish quota in response to Seafreez's request would go against our conservation principles and against our efforts to prevent foreign overfishing within our 200-mile economic zone.

The Acting Speaker (Ms. Bakopanos): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.52 p.m.)

CONTENTS

Thursday, March 14, 2002

ROUTINE PROCEEDINGS

Government Response to Petitions

Mr. Regan 9621

Interparliamentary Delegations

Mr. Sauvageau 9621

Jean-Paul Riopelle

Ms. Copps 9621

Mr. Abbott 9621

Ms. Guay 9622

Ms. Lill 9622

Mr. McNally 9622

Questions on the Order Paper

Mr. Regan 9623

GOVERNMENT ORDERS

SUPPLY

Allotted Day—Softwood Lumber

Mr. Duncan 9623

Motion 9623

Mr. Bryden 9625

Mr. Cullen 9625

Mr. Grewal 9625

Mr. O'Brien (London—Fanshawe) 9626

Mr. Asselin 9627

Mr. Duncan 9628

Mr. Cullen 9628

Mr. Duncan 9629

Mr. Dubé 9630

Mr. Crête 9630

Mr. Cullen 9631

Mr. Duncan 9632

Ms. Girard-Bujold 9632

Mr. Dubé 9633

Mr. O'Brien (London—Fanshawe) 9634

Mrs. Desjarlais 9634

Mr. Grewal 9635

Mr. Pankiw 9635

Mr. O'Brien (London—Fanshawe) 9636

Mr. Duncan 9636

Mr. Keddy 9636

Mr. O'Brien (London—Fanshawe) 9638

Mr. Harris 9638

Mr. Strahl 9638

Mr. Bryden 9640

Mr. Crête 9640

Mr. Harris 9641

Mr. O'Brien (London—Fanshawe) 9642

Mr. Pankiw 9642

Mr. Casson 9643

Mr. O'Brien (London—Fanshawe) 9644

Mr. Bryden 9644

Mr. Mahoney 9645

Mrs. Wayne 9646

Mr. Goodale 9646

Motion 9647

(Motion agreed to) 9647

Ms. Fry 9647

Mr. Harris 9648

Mr. St. Denis 9648

Mrs. Desjarlais 9649

Mr. Day 9649

Mr. Assadourian 9650

Mr. O'Brien (London—Fanshawe) 9650

Mr. Bryden 9650

STATEMENTS BY MEMBERS

Guaranteed Income Supplement

Mr. Binet 9651

Softwood Lumber

Mr. Duncan 9651

York University

Ms. Sgro 9651

2002 Winter Paralympic Games

Mrs. Longfield 9651

Arts and Culture

Mr. Scott 9652

Employment Insurance

Mr. Lunn 9652

Israel

Ms. Beaumier 9652

Rendez-vous de la Francophonie

Mr. Sauvageau 9652

International Criminal Court

Mr. Cotler 9652

Forest Industry

Mr. Harris 9653

Farm Safety Week

Mrs. Ur 9653

Arts and Culture

Ms. Lill 9653

Winter Paralympics

Mr. Lanctôt 9653

Trudeau Miniseries

Mr. Bélanger 9653

St. Patrick's Day

Mrs. Wayne 9654

ORAL QUESTION PERIOD

The Economy

Mr. Reynolds	9654
Mr. Manley	9654
Mr. Reynolds	9654
Mr. Manley	9654
Mr. Reynolds	9654
Mr. Martin (LaSalle—Émard)	9654
Mr. Kenney	9654
Mr. Manley	9654
Mr. Kenney	9655
Mr. Manley	9655

Taxation

Mr. Duceppe	9655
Mr. Martin (LaSalle—Émard)	9655
Mr. Duceppe	9655
Mr. Martin (LaSalle—Émard)	9655
Mr. Loubier	9655
Mr. Martin (LaSalle—Émard)	9655
Mr. Loubier	9655
Mr. Martin (LaSalle—Émard)	9655

The Economy

Ms. McDonough	9656
Mr. Manley	9656
Ms. McDonough	9656
Mr. Manley	9656
Mr. Brison	9656
Mr. Manley	9656
Mr. Brison	9656
Mr. Manley	9656

Employment Insurance

Mrs. Skelton	9656
Mrs. Stewart	9656
Mrs. Skelton	9656
Mrs. Stewart	9657

Taxation

Mr. Gauthier	9657
Mr. Martin (LaSalle—Émard)	9657
Mr. Gauthier	9657
Mr. Martin (LaSalle—Émard)	9657

Employment Insurance

Mr. White (Langley—Abbotsford)	9657
Mrs. Stewart	9657
Mr. White (Langley—Abbotsford)	9657
Mrs. Stewart	9657
Mr. Crête	9657
Mrs. Stewart	9657
Mr. Crête	9658
Mrs. Stewart	9658

Health Care

Mr. Reid	9658
Mr. Martin (LaSalle—Émard)	9658
Mr. Reid	9658
Mr. Martin (LaSalle—Émard)	9658

Canada Post Corporation

Mr. Price	9658
Mr. Manley	9658

Employment Insurance

Mr. Godin	9658
Mrs. Stewart	9658
Mr. Godin	9659
Mrs. Stewart	9659

Softwood Lumber

Mr. Strahl	9659
Mr. Pettigrew	9659
Mr. Strahl	9659
Mr. Pettigrew	9659

Zimbabwe

Mr. Jaffer	9659
Mr. Manley	9659
Mr. Jaffer	9659
Mr. Manley	9659

Airport Security

Ms. Picard	9660
Mr. Martin (LaSalle—Émard)	9660
Ms. Picard	9660
Mr. Martin (LaSalle—Émard)	9660

Trade

Mr. Casson	9660
Mr. Pettigrew	9660
Mr. Casson	9660
Mr. Vanclief	9660

Youth Justice

Ms. Neville	9660
Mr. Cauchon	9660

Airline Safety

Mr. Moore	9661
Mr. Collenette	9661

Taxation

Mr. Gauthier	9661
Mr. Martin (LaSalle—Émard)	9661

Taxation

Mr. McNally	9661
Ms. Copps	9661

Health

Ms. Wasylycia-Leis	9661
Mr. Martin (LaSalle—Émard)	9661

Steel Industry

Mr. Bergeron	9661
Mr. Pettigrew	9662

Airport Security

Mr. Moore	9662
Mr. Collenette	9662

Veterans Affairs

Mr. MacKay	9662
Mr. Pagtakhan	9662

THE ROYAL ASSENT

The Speaker 9662

Business of the House

Mr. White (Langley—Abbotsford) 9662

Mr. Goodale 9662

Points of Order

Standing Joint Committee for the Scrutiny of Regulations

Mr. Pankiw 9663

GOVERNMENT ORDERS

Supply

Allotted Day - Softwood Lumber

Motion 9663

Mr. Lunn 9663

Mr. Comuzzi 9664

Mr. Pettigrew 9665

Mr. Duncan 9667

Mr. Crête 9668

Mr. Penson 9668

Mr. O'Brien (London—Fanshawe) 9670

Mr. Grewal 9671

Mr. Owen (Vancouver Quadra) 9672

Mrs. Desjarlais 9673

M. Harvey 9674

Mr. Kenney 9675

Mr. O'Brien (London—Fanshawe) 9677

Mr. Brison 9677

Mrs. Hinton 9678

Mr. O'Brien (London—Fanshawe) 9679

Mr. McNally 9679

Mr. Bagnell 9679

Mr. Reid 9681

Mr. Schmidt 9682

(Motion agreed to) 9683

PRIVATE MEMBERS' BUSINESS

Criminal Code

Mr. Grewal 9683

Motion 9683

Mr. Macklin 9685

Mr. Ménard 9686

Mr. Blaikie 9687

Mr. MacKay 9688

Mr. Casson 9690

Mr. Grewal 9690

ADJOURNMENT PROCEEDINGS

Fisheries and Oceans

Mr. MacKay 9690

Mr. Marcil 9691

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:

Communication Canada - Publishing
Ottawa, Ontario K1A 0S9

En cas de non-livraison,

retourner cette COUVERTURE SEULEMENT à :

Communication Canada - Édition
Ottawa (Ontario) K1A 0S9

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

Also available on the Parliamentary Internet Parlementaire at the following address:

Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :

<http://www.parl.gc.ca>

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Additional copies may be obtained from Communication Canada - Canadian Government Publishing, Ottawa, Ontario K1A 0S9

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.

On peut obtenir des copies supplémentaires en écrivant à : Communication Canada - Édition, Ottawa (Ontario) K1A 0S9

**On peut obtenir la version française de cette publication en écrivant à : Communication Canada - Édition
Ottawa (Ontario) K1A 0S9**