



CANADA

# House of Commons Debates

---

VOLUME 137 • NUMBER 110 • 1st SESSION • 37th PARLIAMENT

---

OFFICIAL REPORT  
(HANSARD)

**Tuesday, November 6, 2001**

—

**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

Tuesday, November 6, 2001

The House met at 10 a.m.

---

*Prayers*

---

## ROUTINE PROCEEDINGS

•(1000)

[*English*]

### ORDER IN COUNCIL APPOINTMENTS

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to table, in both official languages, a number of order in council appointments made recently by the government. I understand that pursuant to provisions of Standing Order 110(1) these are being referred to the appropriate standing committees, a list of which is attached to the document.

\* \* \*

•(1005)

### 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 two petitions.

\* \* \*

### VETERANS AFFAIRS

**Hon. Ronald Duhamel (Minister of Veterans Affairs, Lib.):** Mr. Speaker, Canadians recently witnessed the images of Canadian servicemen and women boarding ships on both coasts, joining the coalition and the fight against terrorism. There were tearful Canadian families saying goodbye. For all Canadian men and women in uniform, no matter where they are serving on this day, let us pray for a safe return home.

The theme of Veterans Week is in the service of peace. While simple to say, and an admirable ambition for nations, it is complex in its application.

In the last century Canada and its allied partners fought two world wars to win back peace for a world in turmoil.

[*Translation*]

During the first world war, nearly 69,000 Canadians perished on the blood drenched battlefields. There were very young soldiers, some 16, 17 or 18 years old and many in their twenties and thirties.

Twenty years later, we were again called upon to fight because peace was threatened when European and Pacific nations came under the attack of a tyrannical enemy who dreamed of conquest.

Once again, Canadians answered the call and the images came back.

•(1010)

[*English*]

Canadians answered that call and we lost another 47,000 young citizens. Just a few years later in Korea more of our young people died; 536 if my memory serves me correctly.

Over the past half century Canada has become synonymous with peacekeeping. The United Nations has called on us to help preserve peace among nations that have been at war, usually civil war. Our veterans have stood in the line of fire and they have stood their ground.

The number of people who they have saved is too great to estimate. They have earned the gratitude of citizens and nations, gratitude shown in the smile of a child, the tears of a mother and the extended hand of a father, grandparent or elder.

[*Translation*]

Our citizens answered the call of duty not to defend our own freedom and peace, but to fight for the freedom of others, for the peace of others.

We are extremely proud of the legacy of our veterans. For more than a century, they have shown determination, courage, and honour and they have served with distinction.

[*English*]

Our citizens have answered the call to duty for the peace of others and I am proud of the legacy of our veterans. Courageous and honourable, they have served with distinction. Their legacy will not be forgotten. It continues with the brave young men and women serving today in our armed forces.

Let us all pledge to continue remembering their service and sacrifice. I encourage all Canadians to honour these heroes in the spirit of peace and freedom during Veterans Week, on Remembrance Day and throughout the year.

*Routine Proceedings*

Lest we forget.

**Mr. Roy Bailey (Souris—Moose Mountain, CPC):** Mr. Speaker, I am indeed proud to stand this day on behalf of Her Majesty's Loyal Opposition and pay tribute to this day and to this week. Might I add that Veterans Week is one which has the full support of my caucus.

I suppose there is some advantage in being a little older. I am one of the few members of our caucus who lived through the events of World War II. I remember exactly where I was on September 10, 1939. I can certainly tell the House about the Sunday morning and the great events of December 7 when the Japanese bombed Pearl Harbor. I lived through Dieppe, I lived through D-Day, which has been termed as the longest day in our history, June 6, 1944.

I also lived through the time when my friend and I delivered telegrams. These telegrams often read "missing in action". As a young person, I attended many of the funerals of those people. One of the families who lived just south of the town where I lived had their oldest son shot down after VE day by mistake. These things are very close to me.

Perhaps on September 11 war came closer to Canada than at any time before, with the exception of course of the U-boats that often penetrated the St. Lawrence.

This week is designed to recognize the sacrifices of our veterans and the forces that are active today and to recall the great work of the peacekeepers. Many experience the pain that follows them the rest of their lives.

I hope one thing, because of what happened on September 11. I hope that this country never allows again the media to belittle and actually cast a shadow over the effects of what really happened in World War I and World War II. I lived through that as an educator. I fought my way through that to no avail. That I hope will never happen again.

September 11 changed our attitude. It changed our thinking. It has caused some people to remember. We must now take up the challenge as parliamentarians, as people elected from every corner of the country, to ask our educational institutions to carry it through the curriculum, and by every educational means, to make the day and our very pride in what has been sacrificed for us become a living thing. We have to take our responsibilities seriously.

I would be remiss if I did not ask the hon. minister this. As he knows, we have been promised four or five times since World War II that we would join the rest of the allied forces in a new war museum. The opening has been slated to coincide with VE day in 2005. However many of our veterans have grown weary with that promise and many will not live long enough.

I ask one last thing and it has nothing to do with the area from which I come. In the maritimes we have some 300 people, some widows living alone and some merchant seamen vets, who have never done anything but give everything to their country. I recognize that a deadline was put on the applications.

• (1015)

However, during this week of remembrance I would ask the minister to please make sure that he opens the books and honours

those 300 people who for no reason of their own failed to get their applications in.

May we never again in our country break faith with those who have died.

[*Translation*]

**Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ):** Mr. Speaker, while the hon. member who spoke before me was born before the war, I was born during the war, in 1943. I am a little younger than he is, but I fully share his point of view.

It is an honour to join with all members of parliament here today in order to remember our fellow countrymen who were killed in action and to pay tribute to their fellow soldiers who served our two nations in difficult times.

I also want to express all our gratitude to members of the Canadian forces currently serving overseas and to say that our thoughts and prayers are with them and their families during Veterans Week.

We have no greater duty than to honour the sacrifice of those who served to protect our peace and our freedom. One of the best ways to perform this duty is to do it as a community, by talking to each other, by laying wreaths, by shaking a veteran's hand or by reading the inscription on a monument.

We should also talk about it within our families, with our children; tell them about our service people and what they do to protect us; teach them how to pray for the safety of people in uniform; and say a prayer of gratitude for the veterans who protected us in the past.

We have a duty to pay tribute to all those who gave their lives for us, and those who are protecting us this very day.

The theme of Veterans Week is "In the Service of Peace". In Quebec, and in Canada, we have the pleasure of living in a land of rich resources with a decent standard of living.

As well, this is a land that has known neither war nor occupation. For several decades now, however, our military personnel have answered the call to serve the cause of peace and freedom, in two world wars, the Korean war, the gulf war, and now the war against terrorism, and for more than half a century now as well in a peacekeeping role in some of the world's hot spots.

Most of us, however, have no knowledge of war, except for what we read in history books. Living such a sheltered life, without knowledge of war, is a blessing, one our grandparents and great-grandparents did not enjoy. Yet their experiences of war are engraved in our memories.

Let us recall that, in the past century, more than 116,000 of our fellow citizens, including no doubt members of our own families, lost their lives in combat or died later as a result of their wounds.

We have a duty to perpetuate the memory of our veterans throughout Quebec and Canada, those men and women who served so nobly in peace and in war. Let us make the commitment that they will never be forgotten. That is what we are doing here in the House, in a way, demonstrating that commitment.

Our fellow citizens everywhere will be coming together for Remembrance Day ceremonies and candlelight vigils, in churches, at war memorials and in cemeteries. At cultural and sporting events, they will pause for a moment of silence in memory of our veterans.

Veterans do not ask much of us. They ask that we never forget the sacrifice of those who will never come home, those whose youthful dreams could never be fulfilled, those who were not able to live to enjoy the peace we enjoy, the peace for which they fought so fiercely. How lucky we are.

We will never forget the marvellous legacy they have left to us, so that we may live freely within a democracy.

• (1020)

[English]

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, it gives me great pleasure to rise today on behalf of my New Democratic colleagues across the country to pay tribute to our Canadian veterans. As fellow parliamentarians we are proud to see and hear the hon. Minister of Veterans Affairs deliver the government statement on behalf of all veterans.

Many historians have repeatedly stated that Canada's sense of being and coming together as a nation came as a result of the heroic efforts of our fallen heroes on the battlefields in Europe in the two world wars between 1914-18 and 1939-45. We must also remember the heroic efforts of the Newfoundlanders and Labradorians who fell at battles such as Beaumont Hamel.

In more than 60 countries around the world, over 116,000 young Canadians have died in the effort to spread freedom and democracy around the world so that other countries could live in peace and freedom as we in Canada do today.

Mr. Speaker, I stand before you as a citizen who was born in Holland. My parents and oldest brother were liberated by Canadians. I have to say how proud I am to be able to stand in the Chamber where the decision was made to send liberators over so that my mother, father and oldest brother could be free. As this is the International Year of Volunteers I must say that no greater volunteers have ever come from Canada than those who volunteered to serve as a duty to their country in order to free other nations around the world. I pay special tribute to those honoured veterans and their families.

I encourage all Canadians to take time this week and on November 11 to reflect on and thank our veterans and their families, to get out and visit our local cenotaphs and legions and to say a special prayer for our current military personnel and pray for their safe return from their overseas duties.

May God bless the memory of all fallen heroes and those who are still with us:

### *Routine Proceedings*

At the going down of the sun, and in the morning,  
We will remember them.

**Mrs. Elsie Wayne (Saint John, PC/DR):** Mr. Speaker, it is an honour and a privilege to rise in the Chamber today on behalf of my caucus to pay tribute and give thanks to our war veterans as Veterans Week begins. I will start by thanking the Minister of Veterans Affairs for his comments and indeed for the deep sentiment and strong patriotism that underlie them.

This is not the first time I have had the privilege and honour to rise in the House to pay tribute to our most courageous citizens. Indeed, since coming here in 1993 I have done my best to speak out for our veterans and their needs. That said, this is the first time I have done so in a time of war. It is only in the aftermath of the September attack on the U.S. and our subsequent war on terrorism that we are able to remember the September attacks on Poland and the war against tyranny waged by our best and brightest two generations ago.

When I think of the men and women in uniform who have been committed and dispatched to our current campaign I am always reminded of the day when my brothers came home to tell my mom and dad that they had signed up to fight in the second world war. They signed up in Saint John, New Brunswick to fight the Nazi threat in Europe. While thinking of them I am again brought to terms with those compelling feelings of hope, fear, pride and humility.

We owe so very much to our veterans and I fear that through the passage of time and the relative peace and tranquility in which we were blessed to live, much of their selfless sacrifice has been forgotten. On September 11, however, we were given a vivid and vicious reminder that the defence of freedom is both difficult and never ending. We were reminded in the cruellest way possible that our country needs its heroes and, though there was never any question in our minds, Canada's armed forces have answered the call. The best of this generation have, like their parents and grandparents before them, put their lives in harm's way in the defence of all things truly Canadian.

It is in many ways perhaps ironic that the two month anniversary of the terrorist attack in the U.S. will fall on November 11. As we gather at cenotaphs all across the country, we will remember the losses not only of the last century but those of the last few months. It might even be said that there has never been a more symbolic or significant Remembrance Day. This week as we honour those who have fallen let us remember those who stand on the front lines of freedom a world away. This week as we consider our contribution and commitment to the principles that have served us so well since Confederation, let us remember those who have always stood to protect those principles in times of peril and those who do so as we speak.

Above all else, let us pray under the watchful eye of our protective God that we are victorious in this campaign as our great veteran heroes have been in the wars of the past. We will remember them.

• (1025)

**The Speaker:** I would ask that all hon. members rise for a moment of silence for our veterans.

*Government Orders*

[*Editor's Note: The House stood in silence*]

\* \* \*

**COMMITTEES OF THE HOUSE**

## PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I have the honour to present the 37th report of the Standing Committee on Procedure and House Affairs, in both official languages, regarding the associate membership of some committees, and I would like to move concurrence at this time.

(Motion agreed to)

• (1030)

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, if the House gives its consent, I move that the 36th report of the Standing Committee on Procedure and House Affairs, presented to the House on Friday, November 2, be concurred in. This had to do with the associate membership of the liaison committee.

(Motion agreed to)

\* \* \*

**PETITIONS**

## REMEMBRANCE DAY

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Mr. Speaker, I am pleased to table petitions bearing the signatures of some 55,000 Canadians, which I believe would be the largest petition presented in this parliament or for several years. The petition includes signatures from all 10 provinces.

The petitioners pray that parliament pass my private member's bill, Bill C-297, which seeks to formally recognize and institutionalize the practice of two minutes of silence on Remembrance Day. This is similar to and is in fact based on a motion passed at both Westminster and the Ontario provincial parliament. I would like to thank the 55,000 Canadians who have spoken on behalf of this important symbolic gesture through this petition.

## KIDNEY DISEASE

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I rise to present two petitions from citizens of the Peterborough area who are concerned about the huge and growing problem of kidney disease.

The petitioners admire the work being done by the Institute of Nutrition, Metabolism and Diabetes, which is one of the Canadian Institutes of Health Research, but they believe that the institute would be even more effective if the word kidney was included in the title. They believe this would involve the public more effectively in the fine work of that institute.

They call upon parliament to encourage the Canadian Institutes of Health Research to explicitly include kidney research as one of the institutes in its system, to be named the institute of kidney and urinary tract diseases.

## MAIL COURIERS

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I am pleased to present a petition on behalf of the rural route mail couriers of Canada.

The petitioners call upon parliament to repeal subsection 13(5) of the Canada Post Corporation Act.

\* \* \*

**QUESTIONS ON THE ORDER PAPER**

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

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

[*Translation*]

**The Speaker:** I wish to inform the House that, because of the ministerial statement, government orders will be extended by 20 minutes.

**GOVERNMENT ORDERS****CANADA NATIONAL MARINE CONSERVATION AREAS ACT**

The House resumed from November 1 consideration of Bill C-10, an act respecting the national marine conservation areas of Canada, as reported (with amendment) from the committee.

[*English*]

## SPEAKER'S RULING

**The Speaker:** There are eight motions in amendment standing on the notice paper for the report stage of Bill C-10, an act respecting the national marine conservation areas of Canada. The Chair has some doubts regarding the desirability of selecting the motions standing in the name of the hon. member for Windsor—St. Clair, a member of the heritage committee that studied the bill. It appears that these motions could have been proposed in committee.

However, because (a) there are already two groups for debate, (b) the motions are relatively few and (c) the member maintains that he sits on two committees, both of which were seized with bills at the same time, and therefore had difficulty in moving his amendments, the Chair will give the benefit of the doubt to the member on this occasion.

[*Translation*]

Consequently, Motions Nos. 1 to 4 will be grouped for debate, but they will be voted on as follows:

Motions Nos. 1 to 4 will be voted on separately.

• (1035)

[*English*]

Motions Nos. 5 to 8 will be grouped for debate and voted on as follows: Motions Nos. 5 to 8 will be voted on separately.

[*Translation*]

I will now put Motions Nos. 1 to 4 to the House.

*Government Orders*

[English]

## MOTIONS IN AMENDMENT

**Mr. Joe Comartin (Windsor—St. Clair, NDP)** moved:

Motion No. 1

That Bill C-10, in Clause 4, be amended by replacing lines 10 to 15 on page 4 with the following:

“4. (1) The purposes of this Act are:

(a) to create a system of representative marine conservation areas for the benefit, education and enjoyment of the people of Canada and the world; and

(b) to protect the ecological integrity of marine conservation areas and reserves.”

Motion No. 2

That Bill C-10, in Clause 4, be amended by replacing lines 30 to 36 on page 4 with the following:

“(4) For the purpose of achieving ecologically sustainable use and protection of marine resources, marine conservation areas shall be divided into zones, which must include preservation zones that fully protect ecological processes, special features and all marine species that occur in these zones and may include natural environment zones that serve as buffer areas to preservation zones and conservation zones that foster and encourage ecologically sustainable use of marine resources.”

**Mr. Andy Burton (Skeena, Canadian Alliance)** moved:

Motion No. 3

That Bill C-10, in Clause 4, be amended by adding after line 36 on page 4 the following:

“(5) The Minister shall undertake a mineral exploration review and assessment study prior to establishing any marine conservation area. The results of the Minister's mineral exploration review and assessment study shall be included in the interim management plan for that proposed marine conservation area.”

**Mr. Joe Comartin (Windsor—St. Clair, NDP)** moved:

Motion No. 4

That Bill C-10, in Clause 9, be amended by replacing lines 24 to 27 on page 8 with the following:

“considerations of the Minister when considering all aspects of the management of national marine conservation areas shall be the maintenance or restoration of ecological integrity and the precautionary”

He said: Mr. Speaker, thank you for your ruling and for the opportunity to speak to these amendments.

As indicated, it was difficult to move these in the committee as I was involved with the clause by clause debate regarding SARA, the endangered species legislation.

Several of these amendments are straightforward. Others, I believe, go to a fundamental flaw in the bill. The initial one is an amendment to subclause 4(1) which in effect is to create a purpose section to the proposed act. The reasoning behind that is that it does not have a specific section that deals with purpose.

I wish to speak more specifically to the concept of introducing ecological integrity into that clause in the bill

It is interesting that the bill is an extension or a companion legislation to the Parks Canada legislation. It has been interesting to watch the trend in the development over the last number of years as the concept of ecological integrity has been introduced into the Parks Canada legislation regulations and all the decision making that goes on around the development of our parks.

It appears to us that it is a glaring error that it is not incorporated into the legislation which is, as I said, a companion piece of legislation so that we will have a similar theme and concept in this

legislation to deal with our marine parks as they are designated and developed.

With regard to the second amendment that is being proposed, which again is in subclause 4(4), in order to develop that ecological integrity and to be sound in terms of ecological sustainability, it is necessary for this amendment. That is what the subclause (4) amendment is designed to do. It must develop the zones and fully protect them in terms of their ecological processes.

I believe subsection 4(4), as it is now, does not fully reflect the intention of the drafters to establish these protected zones. In order to do that we require this enabling part of the legislation to give the government the authority to protect those zones from industrial and other uses. It uses the term right now as requiring only that special features in fragile ecosystems within these protected areas are fully protected. In order to really accomplish that we need this wording.

It was interesting to listen to some of the environmental groups that have looked at this. A number of experts who appeared before the heritage committee argued and advocated on behalf of these types of changes and that they be specifically reflected in the legislation. I believe this amendment goes to that purpose.

My next proposed amendment is with regard to clause 9 which also deals with ecological integrity. I will just briefly read the amendment:

considerations of the Minister when considering all aspects of the management of national marine conservation areas shall be the maintenance or restoration of ecological integrity and the precautionary

It goes on to the principle, et cetera.

As I said earlier, the concept of ecological integrity should be fundamental to the bill. This is almost a consequential type of amendment that is required in order to allow the government in power at the time to carry out that role.

● (1040)

The precautionary principle has been debated. It has been misused at times in terms of what it is meant to accomplish. This wording is the closest to the precautionary principle that was enunciated in chapter 8 of the report from the Royal Society of Canada. It is key to effectively protecting, preserving and restoring the ecological integrity of environmentally sensitive areas. That is true in general. It is true specifically with regard to marine parks which we are dealing with at this point.

My next proposed amendment to the bill is to clause 12. With regard to this amendment and those in clause 13, they are the ones I believe are necessary for the bill to accomplish what the government should be trying to accomplish, although I am not convinced that it has gone anywhere near enough. Because of the way the sections are broken down, the amendment deals with what is prohibited and what will be permitted in marine park zones as they are established.

Right now very general and insufficient wording is used in order to protect these zones once they are established from incursion from other types of activities that will threaten, damage or perhaps destroy parts of these zones if they are allowed to proceed.

*Government Orders*

What the proposed amendment to clause 12 proposes is, first, that the prohibited activities of dredging or deposit of fill be added to it. There is some general wording around this elsewhere in the bill but it simply does not go far enough. We in the NDP are strongly advocating that we need that type of specific wording to protect these conservation areas.

The second proposal is that no blasting be allowed. This is particularly important from two aspects. The technology used for exploration and development of oil and gas and mining is blasting. Explosive devices are used as part of the process of discovering whether minerals, oil and gas, et cetera are in a certain area. The consequential part of that is that it is extremely damaging to mammals, whales and porpoises in particular, because of the sonar they use to guide themselves. Any type of explosive in those areas will cause wildlife to leave the area or it will severely damage the area.

Three amendments have been proposed to clause 13 dealing with activities again. The first one reads:

No person shall engage in fishing that involves the use of bottom trawling—

Some very interesting research was done this summer on the effect bottom trawling and dragging has had on the coral. Extensive research was done on the amount of coral in the waters on the east coast. If we permit bottom trawling and dragging to continue, it will destroy a good deal of the ecosystem.

The NDP is advocating in this amendment that there be no construction of oil or gas pipelines. As an add on to the blasting that I mentioned in clause 12, there will be no use of acoustic deterrent devices within a marine conservation area.

•(1045)

**Mr. Andy Burton (Skeena, Canadian Alliance):** Mr. Speaker, I will speak briefly to the NDP amendments and then at some length to Motion No. 3 which is the Alliance amendment.

Regarding Motion No. 1 which would amend clause 4, we in my party believe the amendment is redundant. The purpose of the bill is already clear. Rewording it would not make the environment any safer.

The legislation as currently written is not balanced and does not deal fairly with the concerns of resource users. If anything, the bill needs to be strengthened on the side of resource users as opposed to further environmental protection, with all due respect to the environment.

Clause 2 serves to ensure that each marine conservation area would be divided into zones which would determine their specific uses. It would ensure that at least one zone allowed and encouraged ecological sustainable use within the MCA while at least one zone fully protected the ecosystem of the conservation area.

Although we would prefer the clause to state that each MCA would have set fishing zones and confirm that fishing be allowed in all MCAs, we can live with the clause as currently written.

The NDP amendment would only serve to reduce the already slim protection afforded to resource users of any marine conservation area. It would effectively eliminate any reference to ensuring that at least one zone is created with the MCA to allow for ecologically

sustainable resource use. It would instead create natural environment zones to be used as buffers.

We are not against buffer zones within MCAs. Everyone knows fish do not live in walled communities. They swim freely wherever they want. Having buffer zones between no take and limited use zones might be helpful in the long run. However it is unfortunate that the NDP chose to remove assurances of at least one zone for ecologically sustainable resource use. If that is not included we cannot support the amendment.

Regarding Motion No. 4, the third amendment in the grouping, clause 9 as currently drafted deals with the management plans of an MCA, the review of those plans by the minister, what the primary consideration should be within those plans, how the plans affect the Minister of Fisheries and Oceans and how they affect land claims agreements.

It is well explained in the bill that to protect marine ecosystems and biodiversity primary consideration when developing a management plan must be given to the principles of ecosystem management and the precautionary principle.

The primary function of MCAs is to create a representative sampling of the marine environment within Canada. In so doing the primary consideration must be biodiversity since this is the reason the site was chosen in the first place.

As mentioned, Motion No. 1 of the NDP is a redundant amendment since the current clause would ensure that maintaining biodiversity within an MCA is the standard. It would serve only to further strengthen environmental protection in a bill that is all about environmental protection.

In our opinion the bill needs to be strengthened by allowing for more use of resources within MCAs rather than expanding already strong environmental protection. We will therefore not be able to support the NDP amendment.

The Alliance Party's Motion No. 3 is a proposed amendment to clause 4 of Bill C-10. The amendment would add a subclause 4(5). As currently written the bill contains no subclause 4(5). However clause 4 deals entirely with the creation of marine conservation areas and reserves. It sets out management use directives and details specific zones within the MCA.

Our rationale for the change is that Bill C-10 does not currently mention a departmental policy of carrying out a mineral exploration review and assessment study prior to creating an MCA. We would add the following to clause 4:

(5) The Minister shall undertake a mineral exploration review and assessment study prior to establishing any marine conservation area. The results of the Minister's mineral exploration review and assessment study shall be included in the interim management plan for that proposed marine conservation area.



*Government Orders*

The minister should request a study and its findings should assist him in determining how best to locate a marine conservation area. This is still policy but we would like to see it enshrined in the legislation. We are told by departmental officials that this is done to ensure MCAs are not created within areas of great natural resource potential unless it cannot be helped.

That is our concern. We must determine the potential for development of natural resources prior to establishing a marine conservation area. Once an MCA is in place whatever potential there may be is gone. We would not be able to explore or find out if anything is there. Let us do that first. Let us make it public. Let us put it on the table.

• (1050)

As was pointed out in the committee to departmental officials and the government's parliamentary secretary, policy direction from a department is ever changing. No one from the natural resources sector would take solace in knowing that current policy is to do a MERA study prior to creating an MCA.

Putting in law a requirement that the minister complete a MERA study and include the findings of the study in the interim management plan for an MCA would provide assurance that the results of the MERA would be made public and not hidden away in the department forever. That is the crux of our amendment.

Furthermore, once Bill C-10 is passed by the government, parliament would never see another piece of legislation dealing with the creation of an MCA. The bill would prevent that from happening. The only input parliamentarians and senators would have in the process of creating MCAs or amending their size and scope would be through the minister tabling an interim management plan in the House of Commons and in the other house which is not mentioned here.

Ensuring the MERA study is included in the interim management plan would give elected members of parliament what is hoped would be a fuller picture of the consequences on both sides of the issue of creating an MCA.

We are looking for balance. We support the concept of MCAs. However we must also remember the socioeconomic impacts on small communities in the province of British Columbia, for example, should MCAs limit or in some way prohibit fishing, aquaculture potential or the development of offshore oil and gas.

When given all the facts elected parliamentarians representing the concerns of their ridings make sound grounded decisions. Including this small amendment in a new subclause of clause 4 would in time serve to cement the current policy process of the department of heritage. It would ensure full disclosure for parliamentarians of whether the creation of MCAs may or may not be in the best interests of the coastal areas they would likely affect.

I ask the government to consider the amendment seriously. I hope it will support it.

**Ms. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.):** Mr. Speaker, it is important for members of the House to understand what Bill C-10 is about. Bill C-10 would provide the framework for creating a network of national marine

conservation areas that would link Canadians to their marine heritage and to each other. As models of ecologically sustainable use, marine conservation areas would show us the way to our future.

It is important to note that marine conservation areas are not parks on the water. As the member for Windsor—St. Clair mentioned, the purpose of national parks is to maintain ecological integrity. The principle of Bill C-10 is not ecological integrity. It is the balancing of protection with sustainable use.

I will talk about the issues that were looked at by the Standing Committee on Canadian Heritage. The committee worked hard during its review of Bill C-10. I take this opportunity to thank members of the committee for their efforts.

The committee took a thoughtful approach to the proposed legislation. It provided a forum for a wide range of interests to come forward and comment on the bill. There was a lot of useful input from both the committee and the witnesses who appeared before it.

A number of issues were raised before the standing committee. I will turn to some of these issues which should address the amendments proposed by the hon. member for Windsor—St. Clair and the hon. critic from the Alliance.

Concerns have been expressed both in the House and in committee that provincial jurisdiction would in some way be infringed by Bill C-10. That it is absolutely not the case.

If a province owns all or part of the seabed in an area where Parks Canada proposes to establish a marine conservation area, a federal-provincial agreement would be required to transfer ownership to the federal government. Without such an agreement the proposed marine conservation area could not proceed. For greater certainty this requirement is specified in the bill.

In marine areas where jurisdiction over the seabed is disputed the federal government does not intend to act unilaterally. Let me make that perfectly clear. There would always be consultations with the province with a view to finding a mutually satisfactory resolution.

Members of parliament and witnesses have expressed concern that the national marine conservation areas program is a duplication of existing marine protected area programs and is therefore not needed. Nothing could be further from the truth.

Parks Canada's national marine conservation areas are part of a larger commitment by the government to establish a network of protected areas in Canada's oceans. Just as a variety of tools allow for a diverse protected areas network on land such as national parks, provincial parks, national wildlife areas and migratory bird sanctuaries, a similar set of tools is necessary to satisfy the wide range of needs and purposes in our complex marine environment.

*Government Orders*

While the Oceans Act provides the Minister of Fisheries and Oceans a leadership role in co-ordinating the development and implementation of a national system of marine protected areas, responsibility for establishing the system is shared among three federal agencies with mandated responsibilities to establish and create marine protected areas. The agencies are Parks Canada, Environment Canada, and the Department of Fisheries and Oceans.

The result is a family of complementary marine protected area programs that contribute to a broader comprehensive system of marine protected areas and conserve and protect Canada's natural and cultural marine resources.

Within this family the Minister of Fisheries and Oceans establishes marine protected areas to protect and conserve critical fish and marine mammal habitats, endangered marine species, unique features and areas of high biological productivity or biodiversity.

The Minister of the Environment establishes national and marine wildlife areas to protect critical seabird habitats. The Minister of Canadian Heritage in turn oversees Parks Canada's program which serves a much broader objective. It is the only one of the three programs that recognizes the role Canada's oceans and great lakes have played in defining the country's economy, culture and identity.

• (1055)

Parks Canada will place a special emphasis on educating Canadians about their marine heritage and communicating its significance in all regions. This is a heritage conservation program ideally suited to the mandate of the Canadian heritage portfolio. Members will appreciate that each program has its own distinctive objectives and is an integral part of an overall co-ordinated federal approach to ocean management.

Several witnesses indicated that to better protect the marine environment there is a need to add more blanket prohibitions to the legislation and to manage for ecological integrity. The amendments proposed by the member for Windsor—St. Clair propose to do so.

The government's position is that more prohibitions included in this legislation would make it more difficult to gain support from local users. It would also make it less likely to adequately represent all Canadian marine regions within a system of national marine conservation areas.

Zoning is a particularly powerful and flexible tool for managing use. It ensures the protection of special features and sensitive ecosystems. It addresses the concerns of those who want to see additional prohibitions in the legislation.

Managing for ecological integrity is an approach which strives to protect ecosystems in a state essentially unaltered by human use. Ecological integrity is a first priority in managing national parks, but national marine conservation areas are not parks on water. They are meant to be models of ecologically sustainable use. The prime considerations in their management are the principles of ecosystem management and the precautionary principles.

Numerous concerns were expressed about the need for full and open public consultations at the local level when marine conservation areas are established. Bill C-10 includes a clear requirement for

public consultation in the establishment of any national marine conservation area, with particular emphasis given to affected coastal communities.

The nature of these consultations is set out in Parks Canada policies. The national marine conservation area feasibility studies already launched by Parks Canada in areas such as Lake Superior illustrate this policy already in action. If there is no local support for the creation of a national marine conservation area in a given location then the proposal does not go forward to parliament.

Should an area be established, the proposed legislation would require the creation of a management advisory board to ensure that consultation with local stakeholders would continue on an ongoing basis for all aspects of the management planning.

We are engaged in a great undertaking with the establishment of a Canadian system of national marine conservation areas. Canada is well positioned to make a meaningful contribution to a global effort to establish representative systems of marine protected areas. Parks Canada is a key participant in its effort.

Members will recall that Bill C-10 is framework legislation. It provides the tools needed to create national marine conservation areas and to manage each one in a way that is appropriate to its unique characteristics.

National marine conservation areas are an important part of Canada's family of special places. They will be managed in a way that balances conservation and sustainable use and will be a model for conservation of the marine environment.

• (1100)

[*Translation*]

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, I am pleased to speak to Bill C-10. This is not a new bill; it follows two bills that were introduced in the House before that last election campaign, Bills C-8 and C-48.

At report stage, we can present amendments. The Bloc Québécois has supported many proposals made by the government. The Bloc is not opposed to the protection of the environment, but rather to the way the federal government is acting in this matter.

We were against Bills C-8 and C-48 that were before the House before the election campaign, because they infringed provincial jurisdiction. The Bloc Québécois proposed an amendment that it would have liked the government to accept. This amendment dealt with the protection of territories. The territory is either federal or provincial; as we know, the sea floor belongs to the provinces, according to the Constitution of 1867. The Bloc Québécois opposes the principle of the transfer of these rights to the federal government.

Clause 10.1 was an irritant. While we were in favour of requiring negotiations with the provinces, it sets out consultations. This bill is weak when it comes to following through on the government's wishes, and history has taught us to be cautious. Members need only think of the millennium scholarships, and the whole issue of young offenders. The Bloc Québécois will ensure that all of the necessary safeguards are in place to protect provincial jurisdictions and areas of responsibility.

The amendments moved by the New Democratic Party and the Canadian Alliance could be examined individually; they support the zones established to protect ecosystems. This is not the cause of our concern. My colleagues know this; I have already informed them.

There is the whole issue of overlap between different departments. There are three conservation zones: marine conservation areas, which come under Canadian heritage; marine protection areas, the responsibility of fisheries and oceans, and marine reserves, which come under the Department of the Environment.

There will therefore be three different structures to complicate the situation. In the case of negotiations with local authorities or the provinces, there will obviously be a certain amount of confusion. The Standing Committee on Fisheries and Oceans was quite ineffectual in protecting marine areas, marine protection zones or marine reserves. There are several zones and there are three departments to manage the task.

Not only is there overlap within the federal level—and it is easy to see how this will create confusion—but there is also overlap in some provinces between Environment Canada and its provincial counterpart, such as in Quebec.

In Quebec, we have our own way of doing things. We proposed a number of amendments. We know that it is Quebec that established a memorandum of understanding with the federal government, which takes into consideration a master plan. This plan includes safeguards to protect the environment and ecosystems. Everything is in place.

This bill was not based on this approach, or if it was, it follows the federal government's centralist vision, the same way the government always does things.

●(1105)

Quebec had an innovative idea that made provision for jurisdictions. With this bill, the federal government is totally upsetting the approach of the Quebec government. It had proposed the master plan, and a law was enacted to protect a specific marine area, namely the Saguenay—St. Lawrence marine park.

My colleague, the member for Jonquière, who has often raised this matter in the House of Commons, is very familiar with the matter and knows what is involved in the law and the memorandum between the Government of Quebec and the federal government. A marine area was established in the Saguenay—Lac-Saint-Jean region where I come from.

This agreement provides very clearly that the area will not be transferred. It must not be assumed that Quebec will transfer the marine area, which is public land. The constitution provides that the provinces own crown land. This is therefore annoying. It would have been possible, with an agreement, to not go ahead with the land

### *Government Orders*

transfer. We would have liked this bill to incorporate the amendments proposed by the Bloc.

As people know, I am not the first to speak to this matter. My colleague from Portneuf is also a vigorous defender of Quebec's jurisdiction and of shared jurisdictions. He too spoke out against Bill C-8, Bill C-48, and now Bill C-10, saying we would not support it.

There are therefore a number of irritants. We also do not agree with extending the scope of the obligations of Canadian heritage. We know the Minister of Canadian Heritage goes in for propaganda a lot. Indeed, the Parliamentary Secretary to the Minister of Canadian Heritage was saying earlier that they would provide some education on the protection of marine areas. Education is a provincial matter.

Spending is another very subtle way of meddling in the jurisdictions of the provinces. I say spending, because when the government establishes a program, puts an infrastructure in place, we all know there are other officials working on it and setting up programs. The minister could simply say that she would prepare a fine kit for schools on the federal marine areas.

So there is overlapping. There is no agreement to extend the scope of Heritage Canada's obligations. There is also the complexity and inconsistency of the three departments. There is the centralizing goal. We have examples such as the Young Offenders Act, which is contrary to Quebec's legislation. I will come back to this later, since I will have the opportunity to rise several times today.

Thus, the Bloc Québécois wanted an amendment that went much further to ensure that each marine area, for example, would be debated and negotiated separately. I know that we are not the only ones in the field who oppose the bill such as it is. I do not know how the other parties will vote, but there are several irritants.

We also know that marine areas often disrupt some ways of doing things in other Canadian regions. In the west, we are told that the local economy must be respected. Local economies must also be allowed to develop. Will this be inconsistent with marine areas? There are amendments that tell us we should really first investigate to determine whether a marine area can be established at a certain place. We are not against these amendments. We believe that some of them make sense. But there is more. We can imagine what the major irritant is and the whole underlying principle of this bill, that is that the government seeks to intrude into provincial jurisdictions.

●(1110)

[*English*]

**Mr. Grant McNally (Dewdney—Alouette, PC/DR):** Mr. Speaker, it is a pleasure to speak to Bill C-10. We worked on it extensively in committee. Members of the coalition have concerns about the bill but are generally supportive of the concept of putting in place marine conservation areas.

I begin by speaking to Motion Nos. 1 to 4 which we are debating at report stage. My friend from Windsor—St. Clair brought forth some good ideas in terms of protecting marine conservation areas even further than laid out in the bill.

*Government Orders*

Clause 4 of the bill already balances the environmental concerns along with economic sustainability of the areas. I am not sure that we would be able to support his amendment although we appreciate his intent to further protect these areas.

I also want to talk about Motion No. 3 of another friend in committee, the member for Skeena. I commend him for his hard work. He brought forward a number of amendments in committee and as a result the committee heard more witnesses who had real concerns about the bill, particularly from British Columbia. He did a good job and should be commended for that.

We did not get all the amendments we wanted in committee. However, as the Alliance, coalition or other parties, we did move the government in some respects on the bill which improved it. It is not a perfect bill but it does set up some marine conservation areas of which we are supportive.

Motion No. 3 proposed by the member for Skeena would amend Bill C-10 by adding after line 36 on page 4 the following:

(5) The Minister shall undertake a mineral exploration review and assessment study prior to establishing any marine conservation area. The results of the Minister's mineral exploration review and assessment study shall be included in the interim management plan for that proposed marine conservation area.

That is a very positive motion and we support it. It helps all parties to know that the government would not impose a marine conservation area in a particular place where there might be a high potential for oil and gas exploration. This is particularly important in our province of British Columbia where the current Liberal government is exploring the possibility of lifting a moratorium with regard to offshore exploration of oil and gas.

One of the main concerns that members shared in committee, particularly my friend from Skeena and I, was that the government might establish a marine conservation area in a unilateral fashion that may cut out coastal communities where these areas may be established for other purposes.

The government assured us that was not the intent of the legislation and it moved to amend some other clauses. Those amendments did not go far enough, but at the same time we put a level of trust in the government. It said that it was putting forward a process for establishing marine conservation areas that would include consultation with coastal communities. There would not be a backdoor implementation of a marine conservation area in a place where there might be a potential for oil and gas exploration.

The motion brought forward by the member for Skeena is one that would have the MERA report examine the feasibility of oil and gas in a particular area. It is the scientific study that would determine whether this could be done in a particular area. It would be included in the interim management plan and be tabled in the House so that all members could see it. It would not simply go to the minister for her to review and make the decision behind closed doors. It would be brought forward so that members of the heritage committee could examine it followed by an examination in the House, and then we could decide on whether to move ahead.

• (1115)

It builds another accountability mechanism into the bill which reflects the need for consultation with local communities. It would

also alleviate the concerns and fears of communities that the government might act in a unilateral fashion by imposing a marine conservation area on a community. The fear is that it might try to put a marine conservation area in place where there are oil and gas exploration possibilities before a review is conducted.

It is a positive move that we should support. It would benefit the government by supporting the clause because it would go further in giving all of us in this place and all interested parties in this debate a message that the government would not impose a marine conservation area anywhere in the country where there may be other economic resource questions to be determined by local and provincial governments without first consulting extensively with coastal communities and affected groups. That would be a good thing and we are supportive of that.

I have talked a little longer than I wanted to on the motions. I will talk a bit about the bill a little later if I do not say everything now. Our concerns with the bill centre around the consultation process.

A big part of the concern has to do with clauses 5, 7 and 10 which were discussed in committee. The intent of clause 5 is that a marine conservation area would not be established without consulting widely with involved communities. That is a good thing. There are some who have concerns that the government may establish a marine conservation area and then through order in council at a later date expand that territory to create either an MCA or an enlargement of the particular area.

The intent of clause 7 is that even if a marine conservation area has been established, it must go through the same process of consultation, examination by committee and be brought forward to the House for debate and a vote before it can be enlarged. We are hoping that is the intent of the clause. That seems to be the letter of the law, but as we know it is the spirit of the law that will have impact on what happens with the bill.

It is our hope that the government will stick to the intent and spirit of the bill, which is to hold wide consultation with concerned groups, particularly coastal communities where marine conservation areas would be established prior to the establishment of these areas. Once they are established there should be no backdoor process of enlarging or expanding a marine conservation area without this consultative process. It seems clear in the bill that is the way it should be, but too often we have seen in this place that what should be is not necessarily what happens.

It is my hope that the government moves ahead on Motion No. 3 presented by my friend from Skeena because it is a positive motion which we will be supporting. It gives ear to further debate in this place and implements the bill in a positive consultative process.

*Government Orders*

• (1120)

**Mr. Rodger Cuzner (Bras d'Or—Cape Breton, Lib.):** Mr. Speaker, Canadians and their government have built a world renowned system of national parks for over 100 years. This parliament has the opportunity to set the stage for building a system of national marine conservation areas. Future generations of Canadians will be able to enjoy and appreciate the diversity of our magnificent marine environments as they now enjoy the outstanding natural areas in our parks.

The long term goal is to represent each of Canada's 29 marine regions in a national system of marine conservation areas, much as we would establish a national park in each of the 39 terrestrial natural regions of Canada. Each national marine conservation area like each national park should be an outstanding sample of the region it represents.

There is an assumption that national marine conservation areas will simply be national parks on water. This is not so. Maintenance of ecological integrity is the first priority when considering park zoning and visitor use in national parks. National parks are managed to remain essentially unaltered by human activity.

National marine conservation areas are designed to be models of sustainable use and the approach to management is one which balances protection and use. As a result we need legislation tailored to national marine conservation areas.

I will give a quick overview of the legislation indicating how it is designed to manage protected areas in the complex world that is our marine environment.

The bill establishes the legal and regulatory framework for creating and managing national marine conservation areas. It does not by itself create any specific areas. It provides a mechanism for formally establishing national marine conservation areas under the act.

Bill C-10 sets out an order in council process for the establishment in law of national marine conservation areas that is similar to the recently proclaimed Canada National Parks Act. The order in council process would speed up the scheduling of new areas. I assure the House that the supremacy of parliament remains.

The bill would require proposals to establish each new national marine conservation area to be tabled in both houses and referred to the appropriate standing committee for consideration. The order in council would not proceed should either house reject the establishment of the new area.

Bill C-10 requires federal ownership of all lands to be included in a national marine conservation area both above and below the water as is the case for our national parks. This ensures that the Minister of Canadian Heritage would have administration and control of these areas.

If a province owns all or part of the seabed in an area where Parks Canada proposes to establish a national marine conservation area, the province would have to agree to use those lands for an MCA. In marine areas where there is contested federal-provincial jurisdiction there would always be consultations with the province concerned. The federal government has no intention of acting unilaterally.

There is a clear requirement for public consultation with the establishment of any national marine conservation area with particular emphasis given to affected coastal communities. I emphasize that if there is no public support for the creation of a national marine conservation area in any given location, the proposal would not be brought forward to parliament. Parks Canada would look to another area with which to represent the marine region.

When the government decides to take the final step and formally establish a national marine conservation area parliament would have an opportunity to examine the proposal in detail and satisfy itself that there is broad community support.

Bill C-10 calls for active stakeholder participation in the formulation, review and implementation of management plans. The legislation provides for accountability to parliament through the tabling of management plans for each marine conservation area.

• (1125)

Coastal communities need certainty before an area is established. Therefore when a new proposal comes to parliament along with a report on consultations held and any agreements reached with provinces and other departments, there will also be an interim management plan. Management advisory committees will be created for each marine conservation area to ensure that consultation with local stakeholders is on an ongoing basis.

I would now like to address how Bill C-10 reflects the government's commitment to working with aboriginal peoples. The legislation includes provisions to establish reserves for national marine conservation areas. These are established when an area, or a portion of an area, is subject to a land claim by aboriginal people that has been accepted for negotiation by the Government of Canada. Reserves are managed as if they were national marine conservation areas but without prejudice to the settlement of the claim.

A non-derogation clause has been added regarding aboriginal and treaty rights. There is also a specific requirement in the legislation to consult with aboriginal governments and organizations and bodies established under land claim agreements.

Finally, the legislation explicitly recognizes traditional aboriginal ecological knowledge in carrying out research and monitoring studies in national marine conservation areas.

Certain activities are prohibited throughout all national marine conservation areas. The most important of these prohibitions concerns non-renewable resources, specifically minerals and oil and gas. Marine conservation areas are managed for sustainable use and by definition, extraction of non-renewable resources is not sustainable.

Other activities would be regulated through zoning. In each national marine conservation area there would be multiple use zones where ecologically sustainable uses are encouraged, including fishing. There will also be zones where protection is afforded to special features and sensitive elements of ecosystems. These would be protection zones where resource use is not permitted. These zones would be identified in full consultation with local stakeholders.

*Government Orders*

I would like to reiterate that Bill C-10 is framework legislation. It provides the tools needed to create national marine conservation areas and to manage each one in a way that is appropriate to its unique characteristics. I believe we have struck an appropriate balance between protection and sustainable use. Very few activities are completely prohibited but tools are available to regulate activities to ensure that the structure and function of each area's ecosystems are not compromised.

We have an obligation to consult affected communities during feasibility studies in the planning process and in preparing the applicable regulations. Each area will be unique. It will be unique in its characteristics and uniquely managed. A national marine conservation area in Georgian Bay will be distinct from one in the Beaufort Sea or one in the Strait of Georgia or one in the Bay of Fundy.

Canada needs this legislation so that outstanding examples of our country's natural and cultural marine heritage can be provided with long term protection and so that Canadians can learn more about and experience this shared heritage.

**Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance):** Mr. Speaker, in speaking to the NDP motions it may be of value to look at the wording that party is proposing. The member for Windsor—St. Clair has proposed the following amendment:

4.(1) The purposes of this Act are:

- (a) to create a system of representative marine conservation areas for the benefit, education and enjoyment of the people of Canada and the world; and
- (b) to protect the ecological integrity of marine conservation areas and reserves.

His second motion is:

That Bill C-10, in Clause 4, be amended by replacing lines 30 to 36 on page 4 with the following:

(4) For the purpose of achieving ecologically sustainable use and protection of marine resources, marine conservation areas shall be divided into zones, which must include preservation zones that fully protect ecological processes, special features and all marine species that occur in these zones and may include natural environment zones that serve as buffer areas to preservation zones and conservation zones that foster and encourage ecologically sustainable use of marine resources.

What we have here, I suggest with the greatest respect to my NDP friends, is ideology versus practicality. Looking at the full intent of the law as it has been drafted by the government, all of the things the NDP has moved are more than covered. In fact, the NDP amendments create a redundancy in verbiage.

My friend from the Liberals who preceded me said that extraction of non-renewable resources is not sustainable. In the strictest meaning of the words, extraction of non-renewable resources, if those resources are being extracted, if they are not renewable, then clearly as my friend has said, it is not sustainable. At some point we are going to reach the end of those resources.

We also recognize that with the exception perhaps of wind power or hydro power generation, virtually everything we do as human beings is to consume some of the resources which were given to us by God himself. These are resources that we use hopefully in wiser and wiser ways. Certainly we are trying in every respect to ensure that we leave the world a better place, but to suggest that we could get along without the actual consumption of resources, with great respect to my friend, simply is not practical at all.

Referring specifically to the NDP motion, Bill C-10 is a framework. To try and confine even further within that framework any environmental or ecological imperatives is constraining the ability of human beings to have access to the resources that are at their fingertips.

One of the difficulties we as a party have had is that this is yet another layer. When individuals and those involved in natural resource extraction are exploring and looking for ways to continue to serve all of mankind with these resources, they find they are into layer upon layer. In Bill C-10 we not only have a new federal statute layered on top of other departments, but additionally, we have federal statutes layered on top of provincial statutes and provincial rules and regulations.

There is a difficulty at the moment for the province of British Columbia. The provincial NDP, the soulmates of the federal NDP, have gone through a process over the last 10 years of fundamentally, let us presume in good faith, lowering the ability of people to get to and to develop resources.

● (1130)

I will go off on a different angle for a second. In the province of British Columbia when the NDP government came to power there was a lot of responsible mineral exploration. We recognize that a lot of mines are being depleted or are running down due to world prices or whatever the case may be. The only way those projects the mining industry can continue in the province or in any area, is through further exploration.

As a result of the kind of motion our NDP friends have brought to the House, which reflects the kind of thought process the provincial NDP had, investment in mining exploration fundamentally has gone to zero. That is an absolute shame. It is a shame because in my constituency at the Sullivan mine, owned and run successfully by Cominco and its successors since the turn of the century, more lead zinc has been extracted from that one mine project than from any other lead zinc mine in the history of Canada. However it is now depleted.

The problem is we have not had exploration. If we do not have exploration, we end up with the problem that we will not have a mining industry tomorrow. What are the skilled miners in my constituency supposed to do? Within a very small community of only 500 people, as of December there will be 15 families looking at no more work. They will have to go to some other jurisdiction, probably outside Canada, in order to find employment. They are highly skilled people who are 45 to 55 years of age. Where will they go?

We see this kind of ideology. I say with the greatest respect to my NDP friends that they have a particular vision but I suggest it is a myopic vision. It is a myopic vision in that if we have the ideology of environmental protection at all costs to all exclusion, we end up with an employment problem, a resource problem, as well as a wealth generation problem.

For example, I note that today in the province of Ontario there will be an economic statement, if it has not come forward already. The premier told the people of this great province that the resources required even to do things like health care were going to be cut back.

*Government Orders*

My Liberal friends may have a difference of opinion over whether or not the premier should have done that. However, we come down to the same fact that if there is a slowdown in the economy, if there is a slowdown in the production of wealth, then there is no tax base from which to fund health care and other programs that are so essential to us here in Canada.

Clearly therefore, we will be voting against these motions. As I have suggested, the clauses are redundant. As a matter of principle, the further intrusion of more government rules and regulations to shut down the ability of people to responsibly be involved in resource development and resource extraction, is simply not going in the direction we need to go as a nation.

• (1135)

[*Translation*]

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, I am pleased to address Bill C-10 this morning.

I would have thought that the Liberal government, which sponsored Bill C-48 when I was the Bloc Québécois critic on the environment, a bill similar to the legislation now before us, would have listened to opposition parties and heard what we said during the previous parliament.

Bill C-10 will result in duplication, and the federal government will take over jurisdictions that do not belong to it under the Constitution Act of 1867. This is a mixed bag of things other than what is targeted. The federal government is interfering through the involvement of the Minister of Canadian Heritage in areas that come under fisheries and oceans, and it creates new structures that are not needed.

In 1988, the governments of Quebec and Canada passed mirror legislation. I have a copy of the agreement creating the Saguenay—St. Lawrence marine park. That legislation was developed by the community.

At some point, people decided to do something about their environment. They got together and contacted the two levels of government. They told them “We want to work together to do something for our region”. In my opinion, the Saguenay—Lac-Saint-Jean and the St. Lawrence are the most beautiful regions of the country—

**An hon. member:** After Lévis.

**Ms. Girard-Bujold:** Oh yes, after Lévis. I am not so sure, but anyway.

So, these people took charge and called the attention of the two levels of government to their priorities. Together, they came to an agreement.

As we know the Saguenay—St. Lawrence marine park covers a very large area of several square kilometres. These people set up a co-ordination committee. They said “Since these jurisdictions could be shared between the two levels of government, we will call to task each government regarding their respective responsibilities”.

On April 1, 1990, after all these negotiations, the governments of Canada and Quebec signed the agreement establishing the 29th marine park.

Bill C-10 is about creating 28 marine conservation areas. But both groups of amendments before us tell the provinces “We are going to make the decisions. We are going to set a framework in place”. We are fed up with frameworks. I think we have quite enough of them in Canada.

I do not think any government member has read this agreement, or maybe a few did. I would have liked them to read it and then say “We are going to start from this, and, wherever we want to create a marine conservation area in Canada, we will use identical legislation and we will build on this instead of reinventing the wheel”.

With this bill, we are reinventing the wheel. I think there are more important issues we should be debating. On November 6, 2001, instead of discussing existing legal entities, we should start from there, and respect provincial jurisdictions.

That framework legislation was respectful of entities recognized in the Canadian constitution. It recognized the fact that the sea floor is under provincial jurisdiction. In that context, the Canadian government and the Quebec government could take action in their respective jurisdictions without interfering with one another.

• (1140)

Quebec contributed \$11 million plus another \$5 million, while Canada put up \$9 million. In Saguenay—Lac-St-Jean, phase two has begun. It is working and we are moving forward.

I would like to congratulate my colleague from Quebec for her speech. I applaud her. She pursues this issue with a lot of determination. We cannot allow this government to interfere again in provincial jurisdictions, whether in Quebec, Ontario, the maritimes, the western provinces or British Columbia. Enough is enough. I think that it is time we talked about consultation. With this bill, the Canadian government is not talking about consultation.

They want a new structure. We would need money for all that. The profile of a marine park is very important. It defines the beauty of the area within the park. We should also take into account the priorities of the local population. This is not what this bill is doing; it is creating a top down structure.

The government does not know which bill to present. It does not have a legislative agenda. It brings old things back instead of taking what is on the table and starting from there.

Through our critic, the member for Québec, the Bloc Québécois will once again be saying that we do not agree. We said that we did not agree with Bill C-48. And we will be saying that we do not agree with Bill C-10.

The Liberal member said that feasibility studies were going to be done. These have been done. We have a basic document. Why not build from there?

Submerged lands belong to the provinces. The framework agreement for the 25th marine park recognized this. Why must we keep fighting to have this government respect the constitution? They said submerged lands belonged to the provinces, they put it in writing and they signed. Why, this morning, must we debate a done deal?

*Government Orders*

The government thinks that the opposition parties do not realize we have already been down this path. Perhaps the Liberals have nothing to say so they are keeping us awake? All they want to do is interfere in provincial jurisdiction. What is going on here in the House right now is serious. Bill C-10 should never have seen the light of day. It should have stayed where it was.

During the 36th parliament, when this bill died on the order paper, I thought that the government would do some thinking, that officials would read the agreement already signed, that they would have done their homework. I see that the government is a real tower of Babel. No one knows what they are supposed to do. Everyone wants to grab a little bit of power which is not theirs by law.

Enough. I think that this bill should die on the order paper. The Bloc Québécois will not give its approval to a bill which, once again, creates overlapping jurisdictions. This bill will allow the Minister of Canadian Heritage to create another structure and interfere in the work of other departments. The Department of the Environment and fisheries and oceans will be involved. Several departments are parties to these marine park agreements. The minister is giving herself the power to tell them what to do.

Imagine the confusion this bill will create within the Canadian government. We must see that public money goes elsewhere than into bills that are obsolete and unnecessary.

As the hon. member for Québec said, the Bloc Québécois will be voting against this bill. And I hope that the majority of members in the House will do the same.

• (1145)

[*English*]

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, let me speak on some of the benefits that would come to Canadians, from all the different parts of the country, with the establishment of a national marine conservation areas act.

It would provide increased protection for outstanding examples of Canada's Atlantic, Pacific and Arctic Oceans, as well as the Great Lakes. It would provide an opportunity to increase public awareness and understanding of Canada's rich natural and cultural marine heritage. It would provide an opportunity to promote and publicize Canada as a worldclass ecotourism destination. It would provide an opportunity to diversify the economies of remote coastal communities. It would provide better planning with respect to ecologically sustained use of marine resources. As well, it would provide a focus and support for long term scientific research and monitoring related to the marine environment.

• (1150)

[*Translation*]

My colleague from the Bloc Québécois raised the issue of provincial jurisdiction by saying that problems will arise concerning the management of these issues.

I would say, particularly to the hon. member, that this legislation does not affect in any way the existing relationship between the provinces and the federal government. For example, if a province owns all or part of the submerged lands in a sector where Parks Canada proposes to create a marine conservation area, a federal-

provincial agreement will have to be concluded in order to transfer the ownership of the submerged lands to the federal government. Without such an agreement, the marine area cannot be created.

This is how the issue will be managed.

[*English*]

In marine areas where there was a contested federal as well as provincial jurisdiction, there would always be consultation with the province concerned with a view to finding a mutually satisfactory resolution. The federal government does not intend in any way, shape or form to act unilaterally.

[*Translation*]

Moreover, that way, we can always solve the difficulties which could arise, one way or another.

Another issue was raised, this one about the native peoples. As regards existing aboriginal or treaty rights, several stakeholders recommended that a non-derogation provision be included in the bill. These rights being constitutionally protected, the government has the obligation to respect them, regardless of any law. Nonetheless, for greater certainty, such a provision has been included in this bill.

[*English*]

When the committee heard from witnesses, concerns were expressed that the bill limited the circumstances under which reserves could be created. As a result, the bill was amended to broaden its scope making it clear that reserves could be established in the maritimes, or British Columbia for example, where there are settlement processes for claims to aboriginal rights other than the comprehensive land claim process.

The witnesses also expressed concern with the fact that the bill requires an act of parliament to remove lands from a national marine conservation area yet there could be situations, such as court decisions pertaining to the title, that should be resolved in a more expedient manner.

As a result, the bill was amended to allow the governor in council to remove land from a marine conservation area by order in council if a court, for example, found that aboriginal titles existed and the title holder did not want the land to remain as part of the marine conservation area. Here again we have seen that the committee has responded to the wishes of witnesses in that particular area of concern.

There is another notion, which is the establishment of a marine conservation area. It has always been the government's intention that those national parks and national marine conservation areas would be established in the same manner. As such, Bill C-10 was amended to reflect changes made in the recently proclaimed National Parks Act and all changes affecting the establishment procedures adopted in this bill will also be reflected in that act.



*Government Orders*

With regard to management planning, the bill states that the management plan would be prepared within five years of the area being established. While the bill was in committee, it was suggested that five years was too long to wait. Coastal communities need greater certainty before an area is established. The bill was amended so that when a new proposal comes before parliament, along with the report on the objectives and management of the area, the report will also include an interim management plan. In addition, the report will outline the consultation held on any agreement reached with provinces and other departments.

A management advisory committee will be created for each marine conservation area to ensure that consultation with local stakeholders continues on an ongoing basis.

The management plans for each area must be reviewed at least every five years. Thus the government will take a learn by doing approach for every area.

• (1155)

[*Translation*]

In each marine conservation area, ongoing consultations will make it possible for Parks Canada staff to take advantage of the knowledge of local residents and the traditional ecological know-how of the coastal and aboriginal communities.

[*English*]

The question of zoning was also raised. I want to emphasize to my colleagues the importance of zoning as a powerful and flexible tool for managing use within a marine area. In each marine conservation area there would be multiple use zones where ecologically sustainable uses are encouraged, including fishing. There will also be zones where special protection is afforded to, for example, critical spawning grounds, cultural sites, whale calving areas and scientific research sites. These would be protected zones where resource use would not be permitted.

The bill was amended to clarify that all marine conservation areas would contain at least two types of zones. At the same time, enough flexibility is left in the bill to ensure that each area can have a zoning plan that is appropriate to its individual situation.

[*Translation*]

I can assure hon. members that the regulatory authorities already in place in this bill, particularly those relating to zoning, can be used to manage activities such as bottom trawling, on a case by case basis, in locations where the seabed is vulnerable.

[*English*]

Parks Canada will identify the location of protection zones and surrounding multiple use zones for each proposed national marine conservation area during the feasibility study for that area in full consultation with those directly affected.

Finally, on the consultation question, it should be noted that the consultation provision of the bill has been strengthened considerably. The proposed legislation now requires the minister to consult with stakeholders, which includes relevant provincial and federal agencies and ministries, affected coastal communities, aboriginal govern-

ments and organizations, bodies established under land claim agreements, and other persons and bodies as appropriate.

The list of matters on which ministers are required to consult has also been expanded to include the development of regulations as well as consultation on the establishment of any proposed national marine conservation.

In the course of the committee hearings, the committee spoke to witnesses who approached the bill from a very different perspective. Some clearly stated that the bill was too restrictive and unnecessarily focused on environmental protections. At the same time, others saw the bill as too weak and asked the committee to consider further blanket restrictions and prohibitions.

[*Translation*]

The committee was sensitive to the concerns of all parties. The amendments that have been made show the serious approach the government has taken to those concerns and how it has made an effort to make the required changes when possible and appropriate.

• (1200)

[*English*]

On the whole, I believe the government has taken a balanced approach to the bill. It is my hope that the House of Commons approves it.

[*Translation*]

**Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.):** Mr. Speaker, the history of our country is, in many regards, linked to exploration and development of marine resources on the Canadian coasts. Actually, our marine heritage is a reflection of our quality of life but it also reflects a good part of our literature, our songs and our art.

[*English*]

Parks Canada's national marine conservation areas program has several goals: to protect our marine environment, to conserve our marine heritage, to bring knowledge and pride to Canadians about this heritage, and to work with local communities to ensure that this very important legacy is passed on to future generations.

My comments today refer to Bill C-10, an act respecting the national marine conservation areas of Canada. Bill C-10 provides a framework for creating a network of national marine conservation areas, a network that will link Canadians to their marine heritage and to one another. There will be models of ecologically sustainable use. As such, marine conservation areas will also show us the way to our future.

I will also take time to speak to some of the main issues raised before the Standing Committee on Canadian Heritage.

The purpose of the marine conservation areas program in 1995 was a reflection of the government's sea to sea plan, which was developed in collaboration with marine scientists. The plan divided the Great Lakes and the country's Arctic, Atlantic and Pacific Oceans environments into 29 different marine regions.

*Government Orders*

It is the government's long term goal to establish national marine conservation areas that are a representative sampling of each marine region. These representative areas will include not only important parts of Canada's natural heritage but will also protect important areas and artifacts of Canada's cultural heritage.

Parks Canada has long years of experience in establishing and managing our special heritage places. I am referring of course to Canadian national parks, to our national historic sites, the historic canals and heritage rivers. The addition of national marine conservation areas to Canada's family of special places fills a significant gap since Canada's oceans and Great Lakes have always played a defining role in the country's economy, its culture and its identity.

At present, four of Canada's 29 marine regions are represented within the national conservation system. In 1987 the governments of Canada and Ontario signed a federal-provincial agreement to establish Canada's first marine conservation area, Fathom Five. It is representative of the Georgian Bay marine region in the Great Lakes which historically is known as the Cape Hurd islands area. These treacherous waters have claimed many ships. Now Fathom Five is preserving part of Canada's marine history. The wrecks of 21 known sail and steam vessels from the mid-19th century to the early 20th century lie within the boundaries of Fathom Five.

A 1988 agreement with the Government of British Columbia called for the establishment of Gwaii Haanas national marine conservation area reserve. Located at the southern end of the Queen Charlotte Islands, which is also known by its original name Haida Gwaii, it will represent both the Hecate Strait and the Queen Charlotte shelf marine regions.

More than one million sea birds nest along the coast with even more migratory birds passing through in the spring and the fall. Marine species range from abalone to grey whales, and their presence has enriched significantly the cultural heritage of the Haida.

In March 1997 four major oil companies agreed to transfer their offshore petroleum rights in the Gwaii Haanas marine area to the nature conservancy of Canada, which in turn surrendered them to the federal government. This process is an important step toward the designation of the site as a national marine conservation area reserve.

• (1205)

More recently the Government of British Columbia transferred its rights to the seabed within the boundaries of Gwaii Haanas to the federal government. However, before the area can be established, an interim management plan must be developed, including extensive local public consultations and negotiations with the Fisheries and Oceans Canada and the Haida.

The Saguenay-St. Lawrence marine park represents the St. Lawrence estuary marine region.

[*Translation*]

In large part, this park was created in response to public demand by the local population for the preservation of beluga whales that live in the magnificent marine area known as the Saguenay fjord.

The marine park in the Saguenay was created in 1988, as a joint initiative of the federal and provincial governments, by concurrent

pieces of legislation, which opened the way to co-operative management by the federal government and the province of Quebec.

[*English*]

Canadians can now visit each of these special places and see for themselves what a rich and varied marine heritage we are all privileged to share. We must also be able to bring heritage to Canadians where they live, in schools, in discovery centres and via the Internet.

Work is also ongoing on a feasibility study for a national marine conservation area in Lake Superior in Ontario.

Finally, a federal-provincial memorandum of understanding is in place to assess the feasibility of a national marine conservation area in the southern Strait of Georgia in British Columbia.

The Standing Committee on Canadian Heritage worked extremely hard during this review of the bill. I would like to take this opportunity to thank all members who took part in the study. I also thank, very warmly, all members of all political parties who really played a very important part in reaching this stage of the bill.

We have made a big step forward in Bill C-10. I would like to endorse the bill and hope that its acceptance as a statute will come soon. It what is best for all Canadians. It is a statute of great importance for marine conservation areas in Canada.

**Ms. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.):** Mr. Speaker, after consultation with all parties, I believe that you would find unanimous consent to withdraw Motion No. 3 and to substitute in its place an amendment to the bill.

• (1210)

**The Deputy Speaker:** I want to begin by having the member for Skeena assure the House that in fact he agrees to withdraw his motion, Motion No. 3.

**Mr. Andy Burton (Skeena, Canadian Alliance):** I agree, Mr. Speaker.

(Motion No. 3 withdrawn)

**The Deputy Speaker:** Does the hon. parliamentary secretary have the consent of the House to propose the amendment?

**Some hon. members:** Agreed.

**Ms. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.):** Mr. Speaker, I move, seconded by the hon. member for Skeena:

Motion No. 3

That Bill C-10 in clause 7 be amended by replacing lines 38 to 41 on page 6 with the following: (b) any agreements respecting the establishment of the area or reserve;

(c) the results of any assessments of mineral and energy resources undertaken; and

(d) an interim management plan that sets.

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question.

**The Deputy Speaker:** The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

*Government Orders*

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the nays have it.

*And more than five members having risen:*

**The Deputy Speaker:** The recorded division on the motion stands deferred.

The next question is on Motion No. 2. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the yeas have it.

*And more than five members having risen:*

**The Deputy Speaker:** The recorded division on the motion stands deferred.

The next question is on the new Motion No. 3. Is it the pleasure of the House to adopt the new motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the yeas have it.

*And more than five members having risen:*

**The Deputy Speaker:** The recorded division on the motion stands deferred.

The next question is on Motion No. 4. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the nays have it.

*And more than five members having risen:*

**The Deputy Speaker:** The recorded division on the motion stands deferred.

The House will now proceed to the consideration of the motions in Group No. 2.

● (1215)

**Mr. Joe Comartin (Windsor—St. Clair, NDP)** moved:

Motion No. 5

That Bill C-10, in Clause 12, be amended by adding after line 37 on page 9 the following:

“(c) no person shall dredge or deposit fill within a marine conservation area; and

(d) no person shall engage in blasting within a marine conservation area.

**Mr. Andy Burton (Skeena, Canadian Alliance)** moved:

Motion No. 6

That Bill C-10 be amended by deleting Clause 13.

**Mr. Joe Comartin (Windsor—St. Clair, NDP)** moved:

Motion No. 7

That Bill C-10 be amended by adding after line 41 on page 9 the following new clause:

“13.1 (1) No person shall engage in finfish aquaculture within a marine conservation area.

(2) No person shall engage in fishing that involves the use of bottom trawling or dragging gear within a marine conservation area.

(3) No person shall construct or cause to be constructed oil or gas pipelines or power lines within a marine conservation area.

(4) No person shall use acoustic deterrence devices within a marine conservation area.”

**The Deputy Speaker:** It is my understanding that the hon. member for Windsor—St. Clair does not wish to proceed with Motion No. 8. Could the member please confirm that?

**Mr. Joe Comartin:** I confirm that, Mr. Speaker.

**The Deputy Speaker:** Accordingly, Motion No. 8 will not be proceeded with.

**Mr. Joe Comartin (Windsor—St. Clair, NDP):** Mr. Speaker, I was going to start off my comments in a somewhat different way, but I will begin by speaking about the ideological underpinnings of these amendments, and quite frankly of the bill more generally, as a result of some of the earlier comments by my Alliance Party colleague from British Columbia.

*Government Orders*

The suggestion was that amendments and position of my party on this bill were ideologically driven and not practical. There may be some validity to the ideologically driven part of it. The practicality issue I would reject. We have to set this in a planetary context. This is not the only government that has looked at these types of processes and legislation to protect our natural environment in its waters and seas.

We have had such leftist governments, such as the United States government that has been involved with these types of endeavours for 20 plus years. The Australian government built a system based on a legislative framework to protect its natural environment in its oceans around its coastlines, as has New Zealand and a number of other countries across the world. These endeavours were not driven by an economic analysis per se. They were driven by the need to protect and conserve these natural areas.

My friend from the Alliance suggests that this somehow is not a practical endeavour. The reality is that this legislation is much weaker than the legislation found in other countries and the motions before us attempt to strengthen the legislation. Nowhere is that more true than in the motions that I have with regard to clauses 12 and 13 of this legislation.

There is no question that this reflects a different approach by my party than that of the government and certainly that of the Alliance Party. It is our belief that if we are serious about protecting the ecosystems in the oceans, around our shores and within our boundaries, such as in the Great Lakes, we need this type of protection. We have to be serious about what will be permitted and what will be prohibited in these natural areas.

We already heard from the members on the other side of the House that this was only a framework piece of legislation. That very attitude unfortunately speaks to me about how serious the government is with respect to protecting these areas, both the ones that are tentatively designated now and those that will come in the future. If they were serious, they would support the amendments to clauses 12 and 13.

If the members on the other side were considering the possibility, and I will use one example, of allowing bottom trawling or the use of dragging gear in the oceans, then they would not be really serious about protecting the natural environment and preserving it for future generations. As I said earlier, I want to expand a bit on this issue.

Very recently we had some substantial research conducted on the coral that exists in the waters off of the Atlantic coast. It was interesting to hear some of the witnesses at the committee in the spring who talked about this and to look at the research that was done during the summer, including the pictures and videos that were taken by the research team.

• (1220)

The interesting part is that until very recently there was a strong belief in the research community that there was either little or no coral in the cold waters off our Atlantic coast. That was very recent. Research now shows that to be completely wrong and that the coral goes back 2,000 or 3,000 years. It is very small coral; it is not like the Great Barrier Reef off the coast of Australia. Some of it is only one metre to one and a half metres in height but it has taken that long

for it to accumulate. It provides one fragment of the ecosystem in that area.

Huge trawlers have been going through using dragnets and literally ripping the coral off the bottom of the ocean floor. I talked about the research team that made the video this summer. It brought back pictures which showed sections of coral and then a big gaping hole. The only explanation that could be given was the trawlers and the dragging gear they use. That is one example. I will deal with another one.

Although the legislation as drafted prohibits the exploration and development of carbon fossil fuel types of industrial endeavours, it does not prohibit the construction of a pipeline through one of these zones or designated areas.

We have an image of the type of construction that would go on if we were to lay a pipeline in these areas and the damage that would be done to the ecosystem. That could be permitted under the legislation. It certainly is not prohibited.

If the government is serious about the legislation, the amendments I propose for clauses 12 and 13 are absolutely mandatory. If there is to be any integrity or credibility to the legislation, those amendments should be passed.

Going back to the ideology, one of our former prime ministers wrote an article in the *Globe and Mail* this week. He is a member of the board of the World Wildlife Fund of Canada. This goes back to the balancing act the government is arguing it has achieved, which is to balance off economic interests versus environmental interests. I always find it offensive when we have to talk in those terms. That is the type of analysis the government is bringing to bear. It said it found the right balance.

In his article, Mr. Turner pointed out:

Our governments are currently leasing huge areas off Newfoundland and Nova Scotia for oil and gas development, which is also being carried on in the Arctic, including the Mackenzie Delta and the Beaufort Sea. Scientists tell us Arctic marine ecosystems and marine mammals, such as the polar bear, are further threatened by climate change.

It is the cumulative effect again. He further said:

B.C. is contemplating lifting the moratorium on oil and gas activity off the west coast.

That would be right in the ocean if the government lifts the moratorium. He made another point, and it is important to speak to our fishers on both coasts and in the north, that we have so badly decimated, perhaps destroyed permanently, our cod and wild salmon stocks. One cannot help but think that if the theme in the article and the background we are arguing for the legislation had been put in place 20, 30 or 50 years ago, we would not be faced with the loss of both those fisheries.

He went on to make another point, and this is the underpinning which I believe we should have. He said that we have these first tentative steps that are important, and I recognize those. The last speaker from the government side made these points about some of the areas. Mr. Turner pointed out:

Although these first tentative steps are important, they do not reflect the scale or vision of what is really needed. Our national goal should be to establish a system of marine and freshwater protected areas, representing all 78 natural marine and freshwater regions of Canada, by 2010.

*Government Orders*

In conclusion, the legislation as drafted will not accomplish that goal.

• (1225)

**Mr. Andy Burton (Skeena, Canadian Alliance):** Mr. Speaker, I am pleased to represent the Canadian Alliance and my riding of Skeena in what is a very important debate. The bill will have a far-reaching impact on the entire coast of British Columbia, but in particular the northern coast which is in my riding.

I will begin with a short summary of the events surrounding Bill C-10 as I see them. We are speaking to my amendment to delete clause 13, an amendment which I believe will make the bill far more palatable to British Columbians and Atlantic Canadians as well.

The creation of this kind of legislation began with a policy initiative from Parks Canada in the 1980s which was to create a representative sampling of all marine regions in Canada and place them in the parks system to preserve their biodiversity in perpetuity for all the world to see and experience. A noble undertaking most would think; I believe it is a noble endeavour.

The problem is the same as with any noble endeavour this or any other government undertakes. If the communication with stakeholders prior, and I repeat for emphasis, prior to the creation and implementation of a bill such as Bill C-10 were done properly, the bill would have been drafted in a manner acceptable to the province with the largest coastline, British Columbia. However this was not the case and we now have a piece of legislation that quite frankly the Liberal government promised the environmental movement it would pass in this parliament, regardless of whether or not it was poorly drafted.

The poor drafting I am referring to deals with many clauses of the bill, from the preamble, to the creation of a marine conservation area or MCA, to the consultation regulations and more. However we are here to discuss clause 13, the very clause which gives most British Columbians great concern.

So there is no misunderstanding, allow me to read clause 13 to the House of Commons so all members and viewers in our ridings understand just how draconian the clause really is and why it should be deleted from the bill. Clause 13 on page 9 reads:

No person shall explore for or exploit hydrocarbons, minerals, aggregates or any other inorganic matter within a marine conservation area.

My motion is very simple. It states:

That Bill C-10 be amended by deleting Clause 13.

What the clause means is that wherever the federal government decides to create a marine conservation area, for example off the coast of B.C., in that MCA as they are called, no one will ever be able to use the natural resources within or below that seabed.

Many in this parliament who represent ridings outside B.C. may not know that our coastline holds vast treasures, notwithstanding a deposit of hydrocarbons the size of which would dwarf the reserves in Hibernia off the coast of Newfoundland. It is the future of these very reserves which is at stake with this legislation. Should Bill C-10 pass with clause 13 intact, the future of B.C.'s offshore oil and gas industry is definitely threatened.

Some may wonder why it is that oil companies cannot use their sophisticated drilling equipment and drill under the MCA from a point outside the park. Why not? Directional drilling is used around the world with great results and a positive safety record. It is said that an oil rig can drill down and across a horizontal line thousands of metres. Figures as high as 10 kilometres are available. It would seem that to preserve the integrity of the MCA and provide a future income for B.C., this would or could have been done. However department officials tell us that as the bill is currently drafted this is impossible.

This brings me to explain how we tried to arrive at a compromise with the government on this clause. We understand its concern for having oil rigs within MCAs so we tried to amend the clause to read that directional drilling from a point outside an MCA to a point within an MCA be permitted. We even went so far as to place the onus of safety to the environment on the backs of the oil companies to prove their methods would pose no harm to the environment. They would even have to prove this to the minister of heritage herself and only she could give final approval for directional drilling if she deemed it to be safe. The government flatly refused.

I believe that the parliamentary secretary in committee said, and I am paraphrasing, that this is an area we cannot ever agree on or they are diametrically opposed to our view on this clause. Either way it was a flat out no. The government would not consider it.

The heritage committee heard from numerous witnesses who were experts in the field of offshore oil and gas development who pleaded with the committee to allow such an amendment. Those requests fell on deaf ears. The Canadian Alliance heard them and tried to fix the problem. However the government ignored the reality of the situation and as usual, did what was best for it in Ottawa and not what would have been in the best interests of those most affected by the decisions made by this bubble of a world called the Government of Canada in Ottawa.

• (1230)

We tried to explain to the committee that the clause as written would have a devastating effect on British Columbia in more ways than one.

Currently, the bill allows the federal government to place marine conservation areas on coastal waters it deems is the property of Her Majesty in right of Canada. Allow me to explain that the general rule is that coastal waters up to 10 nautical miles off the coast and between any land masses or islands are the exclusive right of the province and that anything beyond that 10 nautical mile line is the property of the federal government, up to our 200 nautical mile limit. This seems clear enough. However, a jurisdictional problem comes into play with British Columbia.

*Government Orders*

There is a space of water called the inside passage, an area where the U.S. has free passage to get to the state of Alaska. This area has always been grey. Also, the federal government measures B.C.'s coastal area to 10 nautical miles from the mainland. It does not start measuring from the far western side of Vancouver Island or the far western side of the Queen Charlotte Islands as does the province. That leaves a large space of water called the Hecate Strait, Queen Charlotte Sound and the Juan de Fuca Strait as disputed areas.

I believe jurisdiction has been solved for Juan de Fuca but it is still being disputed when it comes to the Hecate Strait and Queen Charlotte Sound.

Here is where the devil lies in the details: The heritage department plans to place at least five marine conservation areas in coastal B.C. since it says there are five representative regions of oceanic relevance in B.C. coastal waters. One of those areas is the Hecate Strait, another is the Queen Charlotte Sound. These areas are both within my riding of Skeena and are my specific concern. If these areas are slated for at least one MCA each and the jurisdiction of their waters is currently under dispute by the provincial government, how does this affect the creation of MCAs and the rules laid out in Bill C-10? This has been my question all along.

Members may be wondering when I am going to relate all of this back to clause 13. I plan to do so shortly.

The federal government does not consider these areas as under disputed jurisdiction; it believes them to be the government's, period.

Getting back to clause 13, if the federal government can unilaterally place an MCA in an area it believes is within its right to do so and that same area holds an untold amount of reserves of oil and gas, then clause 13 prevents in perpetuity that area from ever being harvested. Now members can see my concern with clause 13. This could potentially have a devastating effect on the already poor economy of coastal British Columbia.

Just look at what Hibernia has done for the economy of Newfoundland and those small coastal communities. Things are booming.

After years of NDP mismanagement of the province of B.C., we need those oil and gas reserves to put our province back on the map. If Bill C-10 goes through the House without clause 13 deleted, B.C. can kiss its future economic potential goodbye. It can send its thanks to the Liberal federal government and its ignorance of a people needing to be self-reliant.

I mentioned at the beginning that neither I nor my party is against marine conservation areas and I want to stress that. However, we want balance in the legislation as opposed to a one-sided view to the needs of the environment.

The second outcome of clause 13 may very well be that the provincial government may never allow or cede its rights to lands the federal government knows is a provincial jurisdiction to allow an MCA to be created if it cannot ever harvest the sub-seabed resources.

If the clause is left intact and should Bill C-10 be passed, it could cause B.C. to not have the MCA it wants because it cannot afford to give up those natural resources below the seabed of that MCA.

Where would that leave the environmentalists? They would have a defective piece of legislation which the federal Liberal government has said it will pass regardless and there would likely be MCAs on federal land only. Should those MCAs be on disputed lands, the federal government would be looking at constitutional challenges from the province, likely won by the province. Since clause 13 outlaws the development of those hydrocarbons in the MCA, the province would be forced to shut down that MCA in order to develop the oil and gas.

All this could be avoided if the government would just amend the bill by deleting clause 13.

I stress that this could have been much easier if the government, through the parliamentary secretary, had allowed our amendment for directional drilling.

I truly believe the federal government really does not understand the needs of British Columbians. Perhaps that is why it only has two elected representatives in B.C.

I urge all members to stop the trend of thinking by bureaucrats who do not have to live with the effects of their decisions and to support my amendment to delete clause 13 of the bill.

I remind all members representing coastal ridings that although I have not focused on Atlantic Canada, I am told there is also jurisdictional dispute over waters on their coast. They too could be held hostage by this clause some day. I urge the House to support the deletion of clause 13.

• (1235)

[*Translation*]

**Mr. Robert Lanctôt (Châteauguay, BQ):** Mr. Speaker, the Bloc Québécois wishes to protect the environment, but is it necessary to do it by a duplication of jurisdictions and services?

We believe that the creation of marine conservation areas meets the objectives of numerous international forums, such as the World Conservation Strategy of 1980. However, such objectives, though they maybe commendable, should not lead to an overlap of our respective jurisdictions. As a matter of fact, subsection 92(5) of the British North America Act, 1867 gives Quebec exclusive jurisdiction over the management and sale of public lands. Why redo what has already been done?

If the federal government intends to use environmental protection legislation to take over provincial lands, this is unacceptable. Instead, we must encourage co-operation between Quebec and the federal government. It is time that this government stopped using a steamroller and centralizing approach.

Quebec's legislation on public lands covers all lands, including the beds of rivers and lakes. Quebec has legislative jurisdiction over this area and it has already passed legislation. Why then have federal legislation that would deny the exclusive jurisdiction of Quebec and provinces? Is Quebec not as competent to meet conservation objectives?

*Government Orders*

Let us not forget that the management of the bed of the St. Lawrence River is a Quebec jurisdiction by sovereign right. The protection of habitats and fauna is a matter of joint federal and provincial jurisdiction. In this respect, the Quebec government is establishing a framework for the protection of marine areas. It is also possible to protect habitats and fauna through co-operation.

The Bloc Québécois showed demonstrated its co-operation by supporting the bill establishing the Saguenay—St. Lawrence marine park, in 1997. Despite this successful co-operation, the federal government is stubbornly opposing a process that is working well. Why is the federal government once again refusing to respect Quebec and listen to reason?

I am concerned about the future of intergovernmental relations. How can we trust a legislative process that does not respect the public interest, and a government that does not respect its own departments? Let us not forget that the Department of Fisheries and Oceans already has a marine area protection program, and I want to insist on the fact that this program is already in place.

This bill is another example of pernicious interference on the part of a centralizing federal government in Quebec's exclusive jurisdictions, and another example of the methods used by the federal government, which ignores other partnership experiences that were very successful. Why not follow a process that has worked very well and that would work very well once again? Will the federal government respect Quebec some day?

The outcome of such a bill is obvious: confusion, but above all a lack of respect. It could result in a duplication of tasks and jurisdictions, within a government that does not even see it. How can the federal government justify this useless duplication?

How will we find our way through all these terms to protect the environment? With this bill, the government wants to create marine conservation areas through heritage Canada, when there are already marine protection areas under the responsibility of Fisheries and Oceans Canada, and marine wildlife areas under Environment Canada. Again, how will we find our way through all this? Even the government seems completely lost and conveniently forgets that programs to protect habitats and fauna are already in place.

If we stop and think about it, there is no way to know who will take precedence in the event of conflict. Which of these departments will have the last word. Who is going to decide this? To decide is to disparage one department compared to another.

This overlap is a double-edged sword for the federal government. The government insists that the environment is a priority, but it is using this bill as an opportunity to promote national identity, thereby denying the true objectives of the bill. After all, Heritage Canada is not known for its environmental expertise.

• (1240)

A dangerous appropriation of resources emerges from all of this confusion, and it will quickly become insurmountable. Even officials from the various departments are lost. It is impossible to understand. We are not the only ones who will not understand it. It is easy to imagine how this overlap will create confusion among the major environmental stakeholders.

Who will really manage these protection areas? In the case of a conflict, which department will settle the matter? And which department will truly be able to penalize offenders. Just who will be able to make any sense of this quagmire of overlapping departmental policies? These are some of the many questions which remain unanswered.

If the risk of confusion within the same government is so great, one can only imagine the resulting confusion when you add in other levels of government and all of the stakeholders. If the departments within one government cannot get their act together, how are they going to interact with Quebec and the provincial governments?

It is plain to see why Quebec would refuse to co-operate on this project. First, there is a flagrant disrespect for areas of responsibility belonging to Quebec exclusively. Second, the federal government is incapable of providing the specific reasons as to why this is a Heritage Canada bill, when the Department of Fisheries and Oceans already has a program in place.

First off, we oppose the bill, because the aim of the federal government with it is to appropriate lands under the jurisdiction of Quebec and the provinces by legislating the creation of marine areas.

In addition, the Bloc Québécois opposes the bill because it ignores the distribution of exclusive jurisdictions set out in subsection 92(5) of the British North America Act, 1867.

The Bloc Québécois opposes this bill because it will not fail to produce endless administrative problems. It can truly be said at this point that the left hand does not know what the right hand is doing. The stakes are too high to be taken lightly. The effects are serious and will, in some cases, be irreversible. Therefore respect for the division of exclusive jurisdictions is essential to preclude all ambiguity. Co-operation must be encouraged to avoid unnecessary and harmful duplication.

The Bloc Québécois opposes this bill, because Heritage Canada is trying to take over jurisdictions other than its own. It is unacceptable that Heritage Canada should attempt to have legislation passed to acquire land.

In short, the federal government, through Heritage Canada, is attempting to meddle in areas of Quebec's and the provinces' jurisdiction under cover of the environment.

Finally, the Bloc Québécois opposes Bill C-10 because of the duplication of responsibilities among the various levels of government and departments within the same government.

I am disappointed by the roundabout way the federal government is trying to appropriate areas of jurisdiction belonging to Quebec and the provinces. Once again, the federal government has chosen to introduce a bill that does not respect Quebecers and fails to consider actions and programs already in place. Finally, the federal government has chosen to flatten its own departments by firing up its centralizing steamroller, ignoring partnerships that have proven themselves.

*Government Orders*

[English]

**Mr. Grant McNally (Dewdney—Alouette, PC/DR):** Mr. Speaker, I have three brief points to make at this stage of the debate.

First, I would like to begin by touching on the motions brought forward by my friend from Windsor—St. Clair. Again I commend him for bringing forward these ideas. I am not sure we can support all of them because they are very restrictive. It pains me to say this, but I think the government has had some balance in some other clauses which actually addresses these issues and part of Motion No. 7 is actually covered in clause 13 of the bill.

Second, what we saw earlier in this place at report stage on the first group of motions was quite unique. What happened, for those who are not aware of it, is that we had a very important amendment brought forward by our colleague from Skeena, which he withdrew with the consent of the House because the parliamentary secretary, on behalf of the minister and the government, incorporated the intent of that amendment into a government amendment. I believe that is a good faith step on the government's part to demonstrate that it is willing to take into consideration some of the ideas and concerns that have been brought forward by opposition members and incorporate them in the bill.

I want to highlight that because it does not happen very often. In fact, I do not know if I have ever seen that happen in this place. The parliamentary secretary moved the motion and it was seconded by the member for Skeena, a member of the official opposition.

That is a small step, I think, but is one that we need to celebrate in regard to the fact that we can move forward together in this place on even a small issue such as that.

The third point I will make is that I hope the goodwill in making that small change to this bill demonstrates to us the intent of the government toward the rest of the bill. It demonstrates that the concerns brought forward by my colleagues on the opposition side have been considered and that it is not the intent of the government to proceed with the creation of a marine conservation area unless there is extensive consultation with the jurisdictional areas in which that zone would be created, and a zone would not be created in an area where there may be high potential for gas and oil exploration. The fact that the parliamentary secretary has brought forward the motion would seem to indicate that is the intent of the government.

I will close by simply saying that it is our strong hope that the degree of trust we are putting in the government to make this change and some of the other changes that have been made in terms of consultation, which I will address in much more detail tomorrow at the next stage of the reading of this bill, is held to, that the changes we have attempted to put into the bill will change the letter of the law so that the spirit of the law may be adhered to, that is, that there will be wide consultation with all concerned parties before an area is created. We think it is a good idea to create marine conservation areas, but we think it must be done in balance with consideration of the local communities where these marine conservation areas will be established.

I will end my remarks by saying that it was positive that we made that change together here in the House. We should support the amendment later on in this place.

● (1245)

**Ms. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.):** Mr. Speaker, I again thank all members for participating today in the debate at report stage. I would like to address the amendments proposed by the member for Windsor—St. Clair.

I understand the member's concern about ecological integrity. As I said earlier, ecological integrity is a key principle that governs our parks legislation. Parks Canada would continue to administer the marine conservation areas. The purpose of the bill is very different from that of the parks act. We are trying to strike a balance between sustainable use and protection.

We want to engage the coastal communities, as the member for Skeena brought forward many times. We listened to those coastal communities during the hearings. We must look at the bill as a different type of legislation than the parks act. It is legislation which looks at the ecosystems. It is not only about the management of ecosystems but also about people living in their communities, appreciating the environment and working together to manage the ecosystems.

Another part of the bill is about educating Canadians from coast to coast to coast about our wonderful marine heritage. Therefore it is quite different from the parks act.

The principles of ecological integrity are absolutely key to the national parks. We must also remember that national marine conservation areas are not parks on water. They are quite different and their needs are quite different.

The potential for zoning is provided so that we can work with communities to determine which are so-called no take zones and which are the ones that people can enjoy. I understand where the hon. member is coming from and appreciate his comments and concerns. However we have to be very clear that this is different legislation from the parks act.

As I said previously, when we were looking at the first set of amendments there was fear of creating too many prohibitions. Many environmental groups felt that we did not go far enough in this area, but the problem with too many prohibitions was that there was fear from coastal communities that they would not be able to take advantage of parts of the marine system that they needed for their livelihood.

We want to ensure that we are able to get consensus to have these representative areas along with the sampling within the 29 regions that have been established by our scientists.

I will speak to the amendment proposed by the member for Skeena which would delete clause 13. We cannot agree to the amendment. The Canadian Alliance is asking us to remove a key conservation provision of the bill. That is not something the government is willing to do or will accept as an amendment.

The intent of the motion was to allow exploration and exploitation of non-renewable resources. It is very important that this is not just a Liberal idea. In fact activities involving non-renewable resources are banned in marine protected areas worldwide. It is an international understanding that those activities are prohibited.



*Government Orders*

Clause 13 is also a response to the overwhelming concerns of environmental scientists and the general public regarding oil spills that sometimes result from offshore production and damage. What we are trying to do is not only look at the ecological integrity but manage it. We feel it is absolutely vital that we retain clause 13. If we remove clause 13 we will be truly removing one of the vital conservation areas of the bill.

All parties agreed to the amendment regarding mineral and energy assessment. Therefore there are mineral assessments before a marine conservation area is designated. We will put that into the act with all party consent.

•(1250)

It is not the intention of the government to impose a marine conservation area on communities that do not want it. There was an example where a feasibility study was undertaken on the east coast. The community felt that it did not want it and we did not proceed with it. I want to make it absolutely clear that it will never be the intention to unilaterally impose a marine conservation area on a community or province.

We are working in partnership with the provinces. If the bed lies within provincial jurisdiction my colleagues should look at subsection 5(2)(b) of the act to ensure that we truly respect and do not overrule the province's jurisdiction. We look forward to working in partnership with communities and provinces to ensure that we find these representative samplings.

**The Acting Speaker (Mr. Bélair):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Mr. Bélair):** The question is on Motion No. 5. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mr. Bélair):** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Mr. Bélair):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Mr. Bélair):** In my opinion the nays have it.

*And more than five members having risen:*

**The Acting Speaker (Mr. Bélair):** The recorded division on the motion stands deferred.

The next question is on Motion No. 6. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mr. Bélair):** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Mr. Bélair):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Mr. Bélair):** In my opinion the nays have it.

*And more than five members having risen:*

**The Acting Speaker (Mr. Bélair):** The recorded division on the motion stands deferred.

The next question is on Motion No. 7. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mr. Bélair):** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Mr. Bélair):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Mr. Bélair):** In my opinion the nays have it.

*And more than five members having risen:*

**The Acting Speaker (Mr. Bélair):** The recorded division on the motion stands deferred.

•(1255)

[*Translation*]

**Mr. Yvon Godin:** Mr. Speaker, I rise on a point of order. I thought we had to proceed with standing votes.

**The Acting Speaker (Mr. Bélair):** To respond to the hon. member's question, this is exactly what we are doing.

Call in the members.

*And the bells having rung:*

[*English*]

**The Acting Speaker (Mr. Bélair):** At the request of the chief government whip the vote is deferred until 3 o'clock this afternoon.

**Mr. Geoff Regan:** Mr. Speaker, I rise on a point of order. Following consultations among all the parties I believe you would find unanimous consent to proceed now to private members' business.

**The Acting Speaker (Mr. Bélair):** Is there unanimous consent?

**Some hon. members:** Agreed.

*Private Members' Business*

[Translation]

**The Acting Speaker (Mr. Bélair):** It being 12.59 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

---

## PRIVATE MEMBERS' BUSINESS

[Translation]

### CANADA LABOUR CODE

**Ms. Monique Guay (Laurentides, BQ)** moved that Bill C-340, an act to amend the Canada Labour Code, be read the second time and referred to a committee.

She said: Mr. Speaker, I rise with a lot of emotion today.

This bill, which is unfortunately non-votable, because it was decided otherwise—perhaps it is a little too forward looking for the government—deals with preventive withdrawal of pregnant or nursing women.

We must realize that more and more women enter the labour force every year. Women now account for 45% of employees in general. Consequently, the number of women involved in occupational accidents has also risen.

These new realities beg the question of not only reconciling family and professional responsibilities, but also of adapting working conditions to the presence of mothers and pregnant employees.

The labour market is also facing other new realities. Indeed, pregnant women tend to stay at work longer than before, because of their often uncertain financial circumstances.

The statistics are eloquent: 82% of single parent families are headed by women; 83% of these families live under the poverty line; 91% are on welfare; and 61% of workers receiving minimum wage are women.

When it comes to preventive withdrawal, Canada has a two tier system and it is women in Quebec, whose jobs are governed by the Canada Labour Code, who are footing the bill. We in the Bloc Québécois have made countless efforts to remedy the situation, including moving an amendment to Bill C-12.

In May 2000, during debate on Bill C-12, which amended part II of the Canada Labour Code, we proposed an amendment that would have entitled Quebec women who were pregnant or nursing and whose jobs were governed by the Canada Labour Code to benefits under the Loi sur la santé et la sécurité du travail du Québec.

I would note that, during the debate on this bill, we worked very hard and brought in an incredible number of witnesses to appear before the committee. And I do not think that the Bloc Québécois was alone in its efforts.

We asked all the unions to appear, including the CSN, the FTQ and even a lawyer specializing in the area of preventive withdrawal for pregnant or nursing women. This lawyer has also written a book and teaches at the University of Montreal. She has worked on

specific cases involving preventive withdrawal for pregnant or nursing women.

She appeared before the committee and told us horror stories about how women in federally regulated jobs, jobs governed by the Canada Labour Code, were not entitled to the benefit of preventive withdrawal. It is so complicated that it is ridiculous.

When one is expecting a baby is often the most important period in a woman's life. It is incomprehensible to me that, in this day and age, a woman is not allowed to go through her pregnancy with peace of mind, knowing that her child will be born healthy and that she will be able to raise it herself and give it everything it needs.

I feel obliged to give a historical overview of the repeated calls that have been made for changes since 1991, and not from my party or even this side of the House.

First, Joy Langan of the NDP introduced Motion M-147 on May 13, 1991, which read as follows:

That, in the opinion of this House, the government should pass a bill for the protection of pregnant or nursing employees from workplace hazards, guaranteeing them continuity of employment in a hazard-free environment.

Again that year, 1991, the same NDP member introduced a similar motion, Motion M-143.

On May 17, 1990, the hon. member for Abitibi—Baie-James—Nunavik, who is still sitting in this House, but at that time was a member of the Progressive Conservative Party, also introduced a motion, M-655, calling for the same thing.

●(1300)

The current leader of our party, the hon. member for Laurier—Sainte-Marie, also called for changes to Bill C-101, on June 1, 1993. My colleague the member for Québec also introduced a motion along the same lines once again, in March of 1995.

I could go on. For instance, during the revision of the Canada Labour Code, part II, I personally proposed major amendments to protect women workers

There are two points relating to that. I was told that when the Canada Labour Code, part II, was revised, as it was last year, amendments would be made to protect female workers, to ensure that women working under federal jurisdiction would have the same rights to preventive withdrawal as women under provincial jurisdiction.

When we came to carry out that revision of the CLC, part II, we presented some major amendments and these were rejected by the minister. Her response: "We will reach a decision when we revise part III of the Canada Labour Code". This makes no sense any more. This has been going on for ten years.

I have proof of this. They did not want this bill to be votable. That is very disappointing. It is disappointing for women who decide to become pregnant and whose workplaces are not necessarily safe during pregnancy.

*Private Members' Business*

Yesterday, a woman named Annie Poirier came to my office. For a while now she has been fighting and working for precautionary cessation of work. I would like to congratulate her for what she does. Her task is certainly not an easy one, because she works in a detention center. Such a working environment is not friendly, especially at the federal level. The employees are not dealing with angels, they are constantly in direct contact with prisoners incarcerated for two years or more.

These women work with prisoners all day long. They occasionally face very problematic situations and, in some cases, situations that can be dangerous for their own health and their baby's health. They live under permanent and very heavy stress. I do not know if you ever visited a federal prison, but it is quite difficult for a woman to work in such conditions. Those who do are not allowed precautionary cessation of work, and that is incredible.

I asked the Quebec department of labour—the CSST in fact, because we are enforcing the legislation with the CSST—to conduct a study in order to see if the CSST could manage the precautionary cessation of work program at the federal level if ever the federal government made commitments in that regard. I was told that it was possible, that the only requirement was that we come to an agreement with the federal government and that the legislation could very well be enforced at both levels of government.

All we need now is some political will on the part of the present government, but it is not forthcoming. Do not tell me that something will be changed in part III of the Canada Labour Code. It is not true.

When part II of the labour code was revised, we invited non political witnesses to appear before the committee because we wanted the minister to understand that it is crucial that living conditions of women be improved. She did not do anything, and it is very disappointing, all the more so because the minister is a woman. She knows what it is like to be pregnant, and what the risks are.

I wanted some action, but nothing happened. I introduced this bill, but it cannot be put to a vote. What is going to happen? I know all my colleagues are going to speak on this issue.

I am deeply disappointed, but I swear I will not give up. Things will change. We will find a way to bring about some changes, because this situation is unconscionable.

I would like to tell the House about what happened to a young woman who is a flight attendant. Flight attendants are under the Canada Labour Code. If they want, female attendants can withdraw from work, but they must have worked a total of 600 hours, and they will only get 55% of their wages, because they will be receiving employment insurance benefits.

• (1305)

If they could avail themselves of preventive withdrawal, they would get 90% of their salary without having to rely on employment insurance benefits. This is something altogether different.

This young woman, a flight attendant, was on an airplane and a problem occurred. At one point, she had to remain on board four extra hours because of a mechanical breakdown. She could not avail herself of preventive withdrawal, and she lost her baby in her seventh month of pregnancy.

It is unacceptable that such things still happen in our modern society. The employment insurance fund has a surplus of \$37 billion and yet we are unable to use a small amount of money to allow women to avail themselves of preventive withdrawal. This is a ridiculous.

However, I believe it is wonderful to see young women like Annie Poirier out there creating coalitions so that women can benefit from what I call a natural basis, a normal basis to survive and give birth.

Giving birth is the most wonderful thing in the world. If one cannot do it in total security, in total health, I wonder in what kind of country we are living. We spend money for all kinds of useless things but we are unable to address particular circumstances to allow women to give birth to healthy babies.

This measure would not cost a fortune. Let us look of our birth rate. The problem is not there. The problem is the absence of will on the part of the government at this time. This is something I cannot understand.

I hope that members who are here will give serious consideration to this bill. I know that I will not be able to introduce it again under its present form. However, I do hope that we hold this debate, because it addresses a critical issue. It has been under discussion for ten years now.

The Bloc is not alone. As I said earlier, the New Democratic Party and the Progressive Conservative Party also took initiative in that regard. I am sure that there are many backbenchers who would like to see this happen one day, but they do not dare to speak out because of the party line. That is part of the political game.

I hope that the rules of the House will change because I find it unacceptable to introduce such an important bill—I consider it important, as important as any other bill introduced here—and then to be unable to vote on it.

However, I would like to see my colleagues, and all the women in this parliament, vote on this bill. There is a lack of will in this regard, because they made sure that we could not vote on bill C-340.

We work here in the House and also at the committee. We work hard. We invite people to appear before the committee; there is a FTQ-CSN coalition—we can name them all—and they all agree that things have to change.

Do members know what excuse was given by the government the last time? I was told “This is all fine and well, Ms. Guay, it is done in Quebec; we admire you for that, but it is not done in other provinces”. My goodness, let us lead by example. Let us do it here at the federal level.

Let us take our responsibilities toward women, toward our children and toward our families. Let us support them. Let us pass a bill at the federal level. This will force the provinces to do the same in their jurisdictions eventually.

But no, here we never make the first move. We cannot do that; it would be dangerous. We must not speak out too much. There is a lack of political courage. The government has proven to me that it lacks political courage to an incredible extent.

*Private Members' Business*

And they had better not talk about the cost, because this will not cost much. In Quebec, we would even agree to have such legislation entrusted to the CSST.

I will listen very carefully to what my colleagues have to say about this bill and I will come back at the end of the debate to draw my conclusions.

• (1310)

[*English*]

**Mr. Gurbax Malhi (Parliamentary Secretary to the Minister of Labour, Lib.):** Mr. Speaker, I am pleased to speak to Bill C-340.

When the member opposite talks about pregnant and nursing mothers, she is talking about a subject that the government takes very seriously. I want to assure her that the government shares her concern for the well-being of women who are pregnant or nursing. We welcome her interest in this matter.

While we have a shared interest in protecting pregnant and nursing mothers in the workplace, we feel that the kind of changes proposed to the Canada Labour Code in Bill C-340 are premature.

The protection of women in the workplace, and especially of pregnant and nursing mothers, is a complex area of social policy. It involves occupational safety and health legislation, matters of workplace standards, the judgments of medical professionals, and, ultimately, the personal decisions of individual women.

To better understand the legislative situation, it is helpful first to remember that the Canada Labour Code, which Bill C-340 proposes to amend, applies only to employees working under federal jurisdiction.

Examples are transportation and communication sectors, banks and other industries that are under federal jurisdiction. While this includes many large organizations, industries under federal jurisdiction actually account for only about 10% of employees in Canada.

In other words, 90% of the working population are governed by provincial or territorial labour legislation.

In this regard, provincial or territorial governments are free to introduce whatever measures they deem to be appropriate for their jurisdictions.

We also need to look at—

\* \* \*

• (1315)

[*Translation*]

**BUSINESS OF THE HOUSE**

**Ms. Monique Guay (Laurentides, BQ):** Mr. Speaker, I rise on a point of order. I am sorry to interrupt the hon. member during his speech. I have nothing against his speech.

I believe that you will find that, following consultations between the parties in the House, there is now unanimous consent to move the following motion.

I move:

That the hon. member for Joliette be recognized as the first speaker during today's emergency debate on softwood lumber, instead of the hon. member for

Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, who moved the request for the emergency debate.

**The Acting Speaker (Mr. Bélair):** Is there unanimous consent of the House to move this motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Bélair):** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

[*English*]

\* \* \*

**CANADA LABOUR CODE**

The House resumed consideration of the motion that Bill C-340, an act to amend the Canada Labour Code, be read the second time and referred to a committee.

**Mr. Gurbax Malhi (Parliamentary Secretary to the Minister of Labour, Lib.):** Mr. Speaker, we also need to look at parts II and III of the Canada Labour Code. Part II relates to occupational safety and health and part III governs labour standards.

Members of the House will recall the extensive consultations and discussions on protecting the safety and health of pregnant and nursing women in the workplace that led to recent amendments to part II of the Canada Labour Code.

At that time the House approved a new section in part II of the Canada Labour Code, section 132, to improve protection for pregnant or nursing women.

Section 132 states that a pregnant or nursing woman who believes her job creates a risk for her or for the fetus or child has the right to stop doing her job and can take the necessary time with pay to consult her physician to ascertain if she really is at risk.

Under section 132, the employee is entitled to receive all the benefits and wages attached to her job until she obtains a medical certificate supporting her claim.

If it is determined that a woman should not remain at work because of health risks to herself, her fetus or nursing child, she is then entitled to protection under part III of the code, the section that sets out standards and employer obligations in the workplace.

On maternity related measures, for example, part III sets out specific protection for pregnant or nursing mothers. For example, part III requires the employer to modify the employee's working conditions or to reassign her to another job if she is deemed to be at risk.

If neither of these options are available, then the employee is entitled to leave and whatever financial support would be related to that leave status.

Based on practical experience, most women under the federal jurisdiction have access to salary replacement through employment insurance and/or private insurance schemes when they take this leave.

*Private Members' Business*

In other words, the Canada Labour Code now includes comprehensive measures to ensure safe and healthy working environments for pregnant and nursing mothers. In addition, it provides for leave and it allows for access to financial compensation for the pregnant or nursing mother who is deemed to be at risk in the workplace.

Bill C-340 asks us to change the federal law so that pregnant or nursing employees under federal jurisdiction in a province would be entitled to have their personal circumstances dealt with according to the laws of the province and not under the Canada Labour Code.

It is important to note that the province of Quebec is the only jurisdiction in Canada that has a program for pregnant and nursing mothers that differs fundamentally from the federal standard. Thus, the practical effect of the bill would be to create a different system for employees under federal jurisdiction in Quebec as compared with the rest of the country.

Changes like this could have implications for labour legislation throughout Canada. When the member opposite proposes we use federal law to influence labour policy at the provincial level, she is entering into an area of constitutional complexity.

Speaking for the federal government, we have to look at what is in the best interests of the country overall. This means being willing to look at the potential to work co-operatively with the provinces and territories so that new proposals can be broadly explored.

Our successful experience in other areas of social policy, such as the national children's agenda and improvements in programs to support children and families throughout Canada, illustrates what is possible when we keep an open mind.

•(1320)

These examples show the positive value of working co-operatively to improve the lives of Canadians. They also illustrate that the federal government is willing to discuss and implement new ideas that will benefit all Canadians. Indeed, the government is always interested in looking at new ideas that will improve the lives of Canadians.

In the case of pregnant or nursing mothers, perhaps there are some useful lessons to be learned from Quebec's experience in the area of social policy but we need to look at that experience much more carefully before we can vote for the kind of fundamental change proposed in Bill C-340.

While we welcome the member's ideas, we suggest that the bill is premature and needs a great deal more work.

**Mr. Dale Johnston (Wetaskiwin, Canadian Alliance):** Mr. Speaker, I stand today on behalf of my party to speak to Bill C-340, a bill that seeks to amend the Canada Labour Code to allow pregnant and nursing employees to take advantage of provincial occupational health and safety legislation.

Right off the bat I will congratulate my colleague, the member for Laurentides, on having her bill chosen for debate. I know this is something she has worked very hard on for quite a while and something for which she feels very passionate. This particular area has been an interest of hers for quite some time.

Members in the House come from many various backgrounds, ethnicities and cultures, and certainly have different philosophies. We do not always agree on policy. However, the one thing I think we all share in common is the fact that we all had mothers and we all share the concern over the safety and health of expectant and nursing mothers.

A few months ago part II of the Canada Labour Code was amended. It was under that review that the committee was studying the proposed amendments and heard witnesses from Quebec who, like the hon. member for Laurentides, supported change to the federal legislation that would bring in line the standards in the province of Quebec.

As previous speakers have noted, pregnant and nursing mothers in Quebec can obtain a reassignment of their duties if the working conditions are hazardous to the mother, the fetus or the nursing child. The employee in Quebec has the right to cease work without the loss of rights or benefits if the employee is not reassigned.

Under part II of the Canada Labour Code, a pregnant or nursing employee may stop performing her job if she believes the health of the child is at risk. She is required to consult a physician as soon as possible but in the interim can be either reassigned or, if a reassignment is not possible, can receive the wages and benefits she would ordinarily be entitled to receive for that period during which she did not perform the job. I think this is a reasonable provision if the worker is first removed from her job if there is a health related concern and her wages and benefits are protected.

This bill, however, would give the federally regulated employees the right to "avail herself" of the regulations in place for workers in the province in which she works. Does this mean the worker can cherry pick from the program of her choosing? Until or unless the federal government gives complete control of this area to the provinces, the federal law, in my opinion, must prevail.

Quebec seems to be the only province with this type of program. As the hon. member will be given a chance to wind up the debate with a five minute summation, I would like her to answer a few questions for me. How will the bill help pregnant and nursing mothers in other parts of Canada other than Quebec where there is no such provincial legislation that states a mother can choose from or, as the member says, avail herself of?

Could the member for Laurentides address how well this program is working in the province of Quebec? I listened to her comments when she said that we should not ask her what the program costs because it was an investment. I would like her to let us know how much this program does cost in Quebec.

We could probably debate for the rest of this session the advantages and payoffs that would come from proper health and safety for expectant mothers and their babies. I would still like to know what this costs the provincial treasury in the province of Quebec, as well as the employers. The employers obviously have to be partners in a situation like this as well.

I would also like to know how many expectant or nursing mothers take advantage of the program on an annual basis.

*Private Members' Business*

• (1325)

What are the criteria? What types of situations are covered? Such a program, while nice to have, has to have an expense to it. It has to be fairly expensive, I think, to operate and to administer.

I would also like the member to explain to the House who pays for the program and what, if any, are the premiums? Does the working mother have to pay a premium into a fund? Is it some kind of insurance? Does it all come out of the employer's pocket? How does it work?

Has the hon. member for Laurentides, and I am sure she has, done an analysis or obtained estimates of how much the program would cost to implement on a national basis?

Does she have any intention of spreading the idea that they have in Quebec across to the other provinces and territories? If so, I wonder how she would go about doing it.

It is fine to cherry pick from this situation or from the provincial legislation but if there is no legislation in, say, Saskatchewan, British Columbia or the Northwest Territories, then the bill would really be of no effect to the people who live in those other areas until such provincial legislation is passed. I see the bill as strictly being relevant to people, expectant mothers and so forth, in the provinces of Quebec.

Until jurisdiction for labour is placed solely under a provincial jurisdiction, I believe the federal law must prevail.

There will be another opportunity, as the member opposite has mentioned, to review this issue when part III of the Canada Labour Code is amended. We have been waiting for some time to see if there will be amendments and I am convinced there will be, probably later this year.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I too am pleased to take part in the debate on Bill C-340 on behalf of the NDP caucus. As the labour critic for our party I sat with the member for Laurentides for months as we reviewed part II of the Canada Labour Code. I can personally attest to the hard work that was done by the hon. member for Laurentides in trying to get this issue to the forefront of the national agenda or even onto the table of the national agenda. She demonstrated a great deal of compassion and was a very good advocate on behalf of working women everywhere in this country in the degree of passion she demonstrated for the issue.

The hon. member pointed out in her speech that this issue has been before the House of Commons for a decade or more. This is not new to today's debate nor was it new when we debated Bill C-12 or Bill C-19, the amendments to the Canada Labour Code that we have dealt with recently. She points out that as long ago as 1990 there was a motion before the House of Commons where like-minded people argued aggressively that the workplace was changing and that we had a duty to accommodate those changes and certainly to accommodate the growing number of women in the workforce.

We have finally reached equality, virtually, in terms of the labour market share. We have not reached equality in the labour market conditions for women. Women might make up 50% of the workforce, but they have not achieved equality in terms of compensation or the terms and conditions of their employment or

the accommodation of the special circumstances facing women in the workforce, such as perhaps one of the most obvious, the issue of pregnant and nursing mothers.

When the bill was brought before the House I expected a higher degree of sensitivity for this issue from the other members of the House of Commons. I am appalled, frankly, at the lack of sensitivity demonstrated, especially by the spokesperson for the government side.

We believe, and the point was well made by the member for Laurentides, that we have a duty and an obligation to strive to achieve the highest common denominator in this country. If the federal legislation is to be considered a national standard, we then have an obligation to seek out the best conditions in the country, not to sink to the lowest conditions in any aspect of labour legislation. In the case of the province of Quebec, it has had the foresight, the political capital, I suppose, to achieve an element of fairness that goes beyond what we enjoy in the federal jurisdiction.

Therefore, it is only fair, and in the interests and the well-being of the people living in a jurisdiction where the terms of employment provincially exceed the terms of employment enjoyed in the federal jurisdiction, that a person should have the right to avail himself or herself of the terms that are more favourable for the worker, especially in the instance of a pregnant or nursing mother.

This should be one thing that we can all feel generous enough in our hearts to allow. Perhaps it could then serve as an example of how we might harmonize the jurisdictional differences in the workforce on other issues as well. However, we could start here. I argue it was a missed opportunity when we reviewed part II of the Canada Labour Code. We dropped the football in this case because we had a chance to introduce an element of fairness into the Canada Labour Code and we chose not to. It was not for lack of trying because the amendments were made at both stages where amendments are possible in the development of the bill. The hon. member worked very hard.

The only argument that was put forward by the Liberal side as to why it cannot support the bill was the weak and tired old warhorse that it is somehow a unity issue. Not only is that untrue in this case, but I believe it is 180° opposite from the truth.

• (1330)

Let us think of the example of a worker, a pregnant or nursing mother living in the province of Quebec who availed herself of the possibility of opting out of a certain workplace because she thought it was unsafe. If that happens we will have created two classes of worker in the province of Quebec. We might have two sisters who live in houses next door to each other, one who works for the province of Quebec under Quebec jurisdiction and the other who works for the federal government under federal jurisdiction. They live in the same city, in the same community. One will now be given full compensation for the period of time she has off and the other will be penalized by getting 55% of her income just because she works for the federal government instead of the province of Quebec. That would breed hostility. That would breed disunity. That would cause animosity among the working women in the province of Quebec.

*Private Members' Business*

If the only argument that can be raised here is the fact that it is somehow a unity issue or a constitutional or jurisdictional issue, let me say that in fact it is unnecessarily creating an environment of hostility and resentment among the working women of Quebec. We do a lot of things differently in our dealings with the province of Quebec. Even if for the time being the only advantage to this small amendment would be for the working women of Quebec, why is that a reason not to do it, if it introduces an element of fairness for those people?

It would also have the effect of pulling up the conditions in the other provinces, those provinces that are not fortunate enough to have such good terms and conditions. Were this in place, the best terms would have primacy, or in other words we would always gravitate to the highest common denominator and it would pull the other provinces along. We would then really be using federal legislation to its highest purpose, I believe, which is to elevate the standards right across the country from coast to coast.

Anyone who speaks against the motion is speaking for the status quo, which I believe is patently unfair. The status quo penalizes pregnant and nursing women when they opt for the right to refuse dangerous work, work that is dangerous either to themselves or to the fetus. We believe this is the only example in which when workers use their right to refuse unsafe work they suffer any kind of monetary setback. Why is it we have selected pregnant and nursing women to be the only group of workers who, when they exercise the right to refuse unsafe work, suffer a monetary penalty? That is unfair. I presume that is why the province of Quebec decided many years ago to change that situation: because it is patently unfair when these women are doing something that is best for their babies.

It borders on negligence to first open up the workforce so that more women are taking part and then not accommodate or take every step to accommodate women in the workplace. Out of ten provinces and three territories one province chose to rectify that and to remedy that unfairness. We believe that should stand as the highest common denominator and it should have primacy over any lesser piece of legislation as it affects working women.

Therefore I speak strongly in favour of Bill C-340 and I thank the member for Laurentides for giving us the opportunity to have the debate. I regret that it is only a debate. It should be a vote. It could have been an important first step to introduce an element of fairness into the working conditions in the Canadian workforce which we forgot to do, we neglected to do. No, we did not forget to do it: we chose not to be fair in this case and it is to our great shame.

We are given the opportunity to fix that today. Some members of the House are speaking against remedying that. I suppose they will have to defend their stance and be judged in some higher place than this.

In closing I would say that in other areas of legislation, in other contracts and in other legal documents, there are things called non-derogation clauses. In other words, nothing in the work we are doing today should erode what the person currently enjoys. Not having an amendment like that in Bill C-340 has the same effect as derogating the terms and conditions of employment that Quebec women currently enjoy. By going into the federal civil service or any federally regulated jurisdiction, they will diminish the rights that

have already been created in their home province. We have an obligation to respect, acknowledge and allow people in Quebec to have those rights that they have earned.

• (1335)

**Mr. Norman Doyle (St. John's East, PC/DR):** Mr. Speaker, I am pleased on behalf of our party to have a few words to say on Bill C-340, which proposes an amendment to section 132 of the Canada Labour Code. Section 132 of the Canada Labour Code was an item we dealt with in the House a year or so ago when there was a major revision or updating of the Canada Labour Code. It deals with the right of a pregnant worker or a nursing mother at work to remove herself from a hazardous situation in the workplace.

It is very difficult to understand how anyone could vote against the bill, against motherhood. It is not a votable motion, but to speak against this kind of bill is absolutely mind-boggling.

It allows for a woman in such a position to be transferred to a safer position in the workplace and sets out the terms and conditions under which she might obtain fair compensation if she had to withdraw from a very hazardous situation in the workplace.

Obviously it is only fair and compassionate to err on the side of safety when it comes to the health of an unborn infant or a newborn infant who is still nursing. Radiation or chemical pollutants that may be in doses acceptable to an adult may cause very severe harm to and problems for a child in the womb or a newborn infant still dependent upon the mother's milk.

As a strong supporter of life and family issues, I therefore have no hesitation in supporting section 132 in that it provides a woman with options other than quitting her employment.

However, Bill C-340 takes the issue a step further in that it makes provision for a woman covered in section 132 to apply for provincial benefits instead of the relevant federal benefits. That would obviously be beneficial to the woman in the case where provincial benefits are better for the woman or more generous than those that may be offered through federal legislation under section 132.

Bill C-340 is sponsored by a Quebec member and it is no secret that Quebec has some of the most progressive and generous family benefits in the western world. Being a supporter of these benefits I would agree with a provision that provides a pregnant woman or a nursing mother with the best possible package of benefits if she has to withdraw from a hazardous situation in the workplace.

Proposed subsection 132.1(2) would allow a woman to apply for provincial benefits and also indicates that the relevant provincial agency may refuse the application, in other words, opting for provincial benefits is certainly not automatic but the right to apply would be guaranteed. Proposed subsection 132.1(3) would guarantee that the application must be processed by the provincial authority under normal rules.

Proposed subsection 132.1(4) reaffirms the right of a female worker to avail herself of provincial benefits and remedies if she is approved for them by the relevant provincial authority.

*Private Members' Business*

Proposed subsection 132.1(5) allows for the establishment of federal-provincial agreements to regularize the terms and conditions wherein a female worker under federal jurisdiction could opt for provincial benefits. That is standard practice in a federal state. Such agreements allow for the seamless application of rights gained at the federal level but delivered at the provincial level.

Finally, proposed subsection 132.1(6) allows for the exercise of provincial benefits under section 132 without prejudice to any other rights and responsibilities under the Canada Labour Code.

● (1340)

In short, Bill C-340 would allow a female employee to have access to the most generous package available for the protection of her unborn or recently born child. We in the PC Party have no hesitation in supporting the bill.

● (1345)

[Translation]

**Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ):** Mr. Speaker, I am very pleased to speak to Bill C-340, as moved by the hon. member for Laurentides. She had no difficulty at all securing my support for her bill.

I think it is a matter of pure common sense. We in Quebec believe it is about common sense, because for several years now, all women in this province, except those under federal jurisdiction, are covered by a loss of income program with respect to precautionary cessation of work or nursing in situations that may be dangerous to their own health or that of the child.

I thought this was self-evident. I was a little surprised the first time the hon. member mentioned this to me, saying it did not apply, because there was no legislation allowing it.

I have listened to the hon. members from the various parties in the House and was especially pleased to hear the Alliance member say that he will support the bill, even though he asked several questions. I gather my colleague will answer at least part of these questions, with the exception possibly of those requiring specific amounts, but we will see. I know she studied the matter very extensively.

I sensed agreement in principle in my colleague from the Canadian Alliance, and I am delighted with it, as well as with the support of the representatives of the other parties, including the NDP and the Progressive Conservative Party/Democratic Representative Caucus Coalition.

As for my colleague from the Liberal Party, who is of course entitled to speak in this House, he spoke on behalf of the government. We have heard his arguments. As far as prudence is concerned, the need for caution, because other provinces do not apply a measure similar to Quebec's as far as preventive withdrawal, I would like to take a few minutes to say that I am a bit astonished by this position.

In Quebec, even where areas of Quebec jurisdiction are involved, we find, and complain very regularly here about it, that the federal government is invading areas of jurisdiction that are exclusive to the provinces. In this case, it is not a matter of invading a jurisdiction, but allowing the provinces to solve a problem. I think that the federal

government has a duty to set an example to the provinces, not in the sense of obliging them to action, but at least to removing constraints.

I hope to convince my colleague, who spoke on behalf of the government, that this is a premature measure. The hon. member for Laurentides reminded the House that this was the case for this bill, as did other colleagues who spoke to the amendments to measures contained in other bills. Each time, it was greeted with interest. But in the end, it never translated into any real legislation.

Given this fact, the member for Laurentides—and I would like to congratulate her—proposed a bill to provide the government with an opportunity to take action on the issue, because it had been forgotten, even though this measure seemed acceptable to many government members.

As we know, the standing orders were changed regarding the designation of certain bills as votable or non-votable. This bill was not designated votable, which is a real shame.

I know that the member for Lac-Saint-Jean—Saguenay, a young member of this House, has often said that parliament must not only be a place where people speak, it should also be a place where people are consulted, and where people make decisions.

● (1350)

I know that he would agree with me when I say that, despite the member for Laurentides' wonderful initiative, the time we spend here discussing this bill, if we follow the logic or the rules of the House, is just that: time to debate it.

Indeed, the government does give us a lot of time to debate, but not very much time to decide, and seldom the opportunity to vote. It is all fine and dandy to debate, but we hardly ever get to decide or vote anymore.

When I explain this to my constituents, they tell me that they thought our role was more important than that. They also tell us “We are confident in your power of persuasion, and in that of a number of your colleagues, and we hope that through it, things will change”. That is why we talk, because we hope to be able to change things.

My message to the government representative is as follows. I know him somewhat and I know that his ideas are usually open. He is known to be interested in social issues in his riding. It was surely with no great pleasure that he agreed to read a speech prepared by the officials of the Department of Transport, probably. I trust that he could change his mind and help the government change its mind too, so that, in the future at least, this parliament is not just a platform for private members' business.

Members take time to formulate a bill and to draft it, with the help of the legal advisors here. They consult their community and experts in a given field, as the member for Laurentides did, and so this should be a votable item.



I would appreciate it if it could be. In the minute I have left, I seek the unanimous consent of the House to have this bill, which seems to be positively received by everyone, made votable. If we could vote, it could go to committee, witnesses would be heard and all questions could be answered, including those of the Alliance member, who wants more detailed information. At second reading, after an agreement in principle, he could vote for it or against it.

I therefore request unanimous consent to have Bill C-340 introduced by the member for Laurentides made votable.

**The Acting Speaker (Mr. Bélair):** Does the hon. member have the unanimous consent of the House?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Ms. Monique Guay (Laurentides, BQ):** Mr. Speaker, I have just a few minutes left. It is a very short time and it is also sad because ultimately this debate will not take place.

However, I wish to thank the members of the other parties and of the Canadian Alliance, which showed an open-mindedness I was not expecting. I congratulate the members of this party. It was very important for me to have the opportunity to debate this bill. I congratulate the members of the New Democratic Party, and my Progressive Conservative colleagues, who showed themselves to be very open-minded as well.

Some of the things that have been said by the government in this House are incredible. When we are told that this concerns only 10% of Canadian women, that is already too many. It is unbelievable that we would be told something so ridiculous, that it is not serious because only 10% of the population is affected. It is time to wake up and smell the coffee.

The government approves legislation, and talks about progressive legislation and being open-minded. It is approving bills to legalize marijuana, but it cannot allow women to remain healthy through a pregnancy, to give birth to a healthy child and to ensure that that child will enter the world without harm to itself or its mother.

I even saw a female member opposite object to having this bill made a votable item. This is incredible. I cannot believe it. I cannot believe that the government would engage in petty politics, in cheap partisan politics when dealing with such an important bill.

The hon. member asked questions and I will reply to him in writing. I will not give up on this bill. I can assure members of this House that this issue will be brought back. Pressure will be put on the government, because there are young women who want healthy children. There are young women working in the prison system who are fed up with having to go to court to say that their work endangers their pregnancy.

It does not make sense for a pregnant woman working in the jail system to be followed by a family doctor from the beginning of her pregnancy only to be told by a doctor from Health Canada, a doctor who does not even know her and is not familiar with her file, "No you are not entitled to preventive withdrawal". It is unacceptable that such a situation still exists in 2001.

*S. O. 31*

I was asked if there were costs associated with this measure. Costs are not an issue when it comes to giving birth to a healthy child, to ensuring a normal birth. They are not an issue when it comes to the health of the mother who must raise her child for the rest of her life.

I can assure hon. members that we will bring this issue back in the House. The government will only have itself to blame. It was up to the Liberals to agree to make this bill a votable item and to accept the amendments that I proposed regarding Bill C-12. We worked really hard for days to amend the bill and also to follow up on the government's requests. We compromised on a lot of things, but we will never compromise when it comes to ensuring that women can give birth to healthy children. Costs are not an issue when it comes to that.

**The Acting Speaker (Mr. Bélair):** 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.

---

## STATEMENTS BY MEMBERS

● (1355)

[English]

### VETERANS WEEK

**Mr. Janko Perić (Cambridge, Lib.):** Mr. Speaker, this is the one week of the year that all of us from every party and political persuasion stand and declare a common cause by performing a simple act: the wearing of the scarlet poppy in honour of our fallen veterans, in honour of the 69,000 Canadians slain in the first world war, the 47,000 slain in the second world war and the 516 slain in Korea.

As hon. members know, the theme of this year's Veterans Week is "In the Service of Peace" and so we must also speak of our peacekeeping veterans. In the past we have sent them, often unarmed and outnumbered, to serve the cause of peace. Danger and death were never very far away. A hundred and thirteen peacekeepers have paid the ultimate sacrifice, yet Canadians continue to serve the world over with much deserved pride and distinction.

Today we thank those who served the cause of peace with such honour throughout our history from the bottom of our hearts.

\* \* \*

### SOFTWOOD LUMBER

**Mr. Rob Merrifield (Yellowhead, Canadian Alliance):** Mr. Speaker, softwood lumber duties are hurting the people of Yellowhead. Thousands of people in my riding work in lumber mills, logging, trucking and supportive industries. They live in places like Edson, Hinton, Whitecourt and Drayton Valley, just to name a few.

As Jeffrey Simpson put it today, softwood lumber is the spine of dozens of communities. They very seldom get on the evening news or the front pages of urban papers.

*S. O. 31*

The federal government should have been more forward looking and aggressive on this issue. If it had been a central Canadian industry like the automobile industry or the aerospace industry, we would have witnessed a much stronger response by the government.

Winter is coming and thousands of workers in my riding are facing the prospect of unemployment. Their families and the communities in which they live will also suffer. The government needs to show the softwood lumber industry the same interest, care and intensity as it has for other Canadian industries.

\* \* \*

● (1400)

**PRAYER FOR PEACE**

**Mr. Bill Graham (Toronto Centre—Rosedale, Lib.):** Mr. Speaker, last Sunday Bill Wilson, a member of our congregation, offered the following prayer that I would like to share with the House. It expresses the thoughts of many Canadians:

Today we pray for the men and women of our armed services as Canada becomes actively involved in the conflict in Afghanistan. We pray also that as Christian people we might hear and consider the words of the leaders of our churches that this crisis is not a war between the Christian and Moslem religions. Grant to our political leaders the wisdom to pursue justice not revenge in the knowledge that no cause is served by violence against the innocent. We pray for all who have become the tragic victims of acts of war and for their families and loved ones. Bring in the day, merciful God, when innocent lives will no longer be sacrificed on the altars of revenge, ethnic cleansing and religious fanaticism.

O Lord, our helper and defender, rescue the people of the world from destructive anger and set us free to live in peace and serve each other in a world in which the evils of the past shall have been overcome.

\* \* \*

[*Translation*]**ASBESTOS REGION HOSPITAL CENTRE**

**Mr. Gérard Binet (Frontenac—Mégantic, Lib.):** Mr. Speaker, today I would like to draw to the attention of the House a wonderful example of volunteerism in the riding of Frontenac—Mégantic.

Thanks to the dedication of two great volunteers in particular, the foundation's president, Henri Therrien, and the honorary president of the fundraising campaign, Donat Grenier, the Fondation of the Asbestos region hospital centre, or Centre hospitalier de la région de l'Amiante, has not only attained its fundraising objective, it has raised more than double that amount.

With the co-operation and generosity of all the people of the asbestos region, these dedicated gentlemen have raised an incredible \$2,174,536. This money is earmarked for the continuing development of the CHRA, the delivery of care to the people of the region, recruiting specialists, and acquiring nuclear medicine equipment. As a result, our reputation as one of the best equipped regional hospitals in Quebec will be maintained.

This is a great example of courage and generosity in a region that takes everyone's health to heart. In our region, the slogan is "I give to the local hospital, and some day it will give back to me".

[*English*]**FIREFIGHTERS**

**Mrs. Karen Kraft Sloan (York North, Lib.):** Mr. Speaker, I offer my most heartfelt congratulations to the York North firefighters on receiving the Governor General's Fire Services Exemplary Service Medal: Greg Lockie, Carl Sarasin, Rick Walker, Roger Kett, Ken Bellar, Bill O'Neill, Bill Marritt, Dave Harding, John Rush, Dean Sinclair, George Egerton, Gord Rolling, Antony Caruso, Ken Foster, Joe Kearns, Terry Foster, George Green, Doug Thompson, Ted Wernham, Ken Beckert, Arnold Smith, Russel Foster and John Moffatt.

I thank them very much for their outstanding commitment to their communities and to their fellow citizens.

\* \* \*

**ILLICIT DRUGS**

**Mr. Philip Mayfield (Cariboo—Chilcotin, Canadian Alliance):** Mr. Speaker, the use of the dangerous drug Ecstasy has become all too common among young people today. The drug is more dangerous than previously thought. Its effects on the brain are cumulative, causing depression, problems with memory and sleep, and symptoms that reoccur spontaneously in later years.

Since 1998 five B.C. youths died from Ecstasy overdoses. Tragically two more youths died in October from an apparent deadly batch of Ecstasy.

In 1990 Prime Minister Mulroney signed the UN convention to regulate the sale of chemicals used to make such designer drugs. The Liberal government has been dragging its feet now for years refusing to put in place the legislation necessary to control the sale of Ecstasy's chemical ingredients. The Prime Minister has yet to honour this treaty commitment.

Without the laws necessary to regulate and prosecute the manufacture and traffic of designer drugs our police cannot stop their use. Canadian municipalities are spending millions of dollars in the struggle to fight these illicit drugs.

How many of our youths will die waiting for the government to act? The government owes it to Canadian youth to act now.

\* \* \*

**CENTRINITY INC.**

**Mr. Bryon Wilfert (Oak Ridges, Lib.):** Mr. Speaker, *Maclean's* magazine has just come out with an article featuring the top 100 Canadian employers. One of them is Centrinity Inc. in my riding.

Centrinity is a global leader in next generation communication platforms for enterprises, educational institutions and government agencies. Headquartered in Richmond Hill, the company also has offices in Sweden, Ireland and the United Kingdom.

Since its inception in 1989 Centrinity has been committed to developing future proof and cost effective technology that enables its customers and partners to break free of traditional communication barriers and work on their own terms. Its technology links user's phone, fax and e-mail enabling it to increase its productivity, break free of information overload and minimize costs by accessing its information via any device anytime, anywhere.

I congratulate Centrinity on its significant achievement and the 180 employees, officers and board of directors on their contributions to making their company a top Canadian employer.

\* \* \*

•(1405)

[Translation]

#### AIRLINE INDUSTRY

**Mr. Stéphan Tremblay (Lac-Saint-Jean—Saguenay, BQ):** Mr. Speaker, after employment insurance, the federal government has simply decided to dump all of the seasonal workers in our regions. Now the Minister of Transport is jumping on the same bandwagon.

Last week, he clearly announced that he did not plan to be providing any assistance to regional air carriers. Yet the assistance that has gone to the major carriers will help out their regional subsidiaries, which are in competition with the small regional carriers.

Unfortunately, the latter have been greatly affected by the economic downturn experienced since September 11. In my riding, for example, Air Alma is one of the companies overlooked in the Minister of Transport's assistance plan. Yet Air Alma makes a vital contribution to the development of the Saguenay—Lac-Saint-Jean area.

The way the federal government has handled employment insurance and the regional air carriers are two clear indications of how it is abandoning the regions.

\* \* \*

[English]

#### SPORTS

**Ms. Beth Phinney (Hamilton Mountain, Lib.):** Mr. Speaker, last Friday in Hamilton the Minister of Canadian Heritage, together with Sue Hylland, executive director of the Canadian Association for the Advancement of Women and Sport and Physical Activity, announced that the Government of Canada would provide \$200,000 for two sport and physical activity initiatives for Canadian women.

The Government of Canada will provide \$150,000 for the development of a Canadian strategy for girls and women through physical activity and sport. The other \$50,000 will support a national conference on women, sport and physical activity to be held in Hamilton in November 2002.

[Translation]

These two Canadian initiatives will be part of an upcoming world conference on women in sport, which will take place in Montreal, from May 16 to 19, 2002.

*S. O. 31*

[English]

These initiatives will demonstrate Canada's ongoing leadership in the area of women and sport at home and abroad.

\* \* \*

#### VETERANS WEEK

**Mr. Leon Benoit (Lakeland, Canadian Alliance):** Mr. Speaker, this week is Veterans Week which leads up to Remembrance Day, a time for us to focus on honouring all of those who served Canada in war so that we may have peace.

Canadians have always been quick to answer the call to defend freedom and democracy. The cost has been thousands of lives lost and even more injured or mentally scarred for life.

We owe it to them to remember every day that we are living and working in a peaceful, democratic society because our men and women were and still are willing to risk their lives and their futures to make it so.

This is a remarkable country. We are so fortunate to be Canadian. We owe all of this to our military and those who have served to defend it. This year I would ask everyone who knows a veteran or a Canadian forces member to make sure to thank them for our freedom. Their sacrifices are not something to be taken for granted. Lest we forget.

\* \* \*

#### NATIONAL DEFENCE

**Mr. David Pratt (Nepean—Carleton, Lib.):** Mr. Speaker, to soldiers the comfort and functionality of the kit they wear are absolutely critical to the performance of their duties.

A great deal of time, effort and research has been devoted to providing our soldiers with the very best in clothing and personal kits through the clothe the soldier program. This important program consists of 24 compatible items of protective clothing and personal equipment. Designed with leading edge technology, the clothing will greatly enhance the operational effectiveness and protection for the men and women of the Canadian forces.

As chair of the defence committee I am pleased to invite all members of the House to join our committee in room 253-D, Centre Block, this afternoon immediately following the three o'clock votes to see the new uniforms of our Canadian forces. Between 3 and 3.30 p.m. four members of our Canadian forces will be present to demonstrate the new kit and answer any questions members may have.

\* \* \*

[Translation]

#### JEAN-FRANÇOIS BREAU

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, on October 31, Jean-François Breau, a resident of my constituency of Acadie—Bathurst, launched his first album of songs in Montreal.

*S. O. 31*

Jean-François Breau, who is 23, developed his love of music in 1997. Since then, he has taken part in a number of competitions, including the Gala de la chanson de Caraquet and the Festival international de la chanson de Granby, where he was a prize winner in 1998.

In 1999, Jean-François performed on stage during the Franco-phone Summit, which took place in Moncton, New Brunswick.

Jean-François has starred on stage both in Canada and abroad, having played the role of Gringoire in "Notre-Dame de Paris" in Montreal, Las Vegas and Lebanon.

This fantastic self-titled album contains 14 tracks, six of which he wrote himself.

As the member of parliament for Acadie—Bathurst, I am proud that we have Jean-François Breau as an ambassador.

\* \* \*

• (1410)

### FINANCIAL SERVICES

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, by 2002, there will only be five banks and two caisses populaires left in the neighbourhood of Hochelaga—Maisonneuve; 20 years ago, there were 28 combined.

For this reason, I organized a meeting in my riding on October 15, in conjunction with the Table de concertation du troisième âge, the CLSC Hochelaga—Maisonneuve, Option consommateurs and Le Collectif en aménagement urbain.

A great many residents of the neighbourhood came to discuss their problems in accessing financial services. Ten resolutions were passed at the meeting in order to improve access to local financial services, including the banks support for community reinvestment.

Representatives from the Mouvement Desjardins were quick to express their intent to take the resolutions into account. This is a fine example of the effectiveness of concrete efforts of local elected officials, public or private institutions, community groups and ordinary residents to make real improvements to the community's welfare on an everyday basis.

\* \* \*

[English]

### REMEMBRANCE DAY

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, this coming Sunday is Remembrance Day. Each year on the 11th hour of the 11th day of the 11th month Canadians take a moment to remember those who fought and defended Canada in many battles to ensure our security and freedom.

We remember the battles in World War I, World War II, the Korean and gulf wars, and countless other battles and peacekeeping missions in which our military and navy personnel took part. Our veterans fought to ensure our protection and liberty. This came at a cost of thousands of lives in the process.

This Remembrance Day is especially meaningful as our troops prepare and leave to join the war in Afghanistan to ensure once again our freedom and security.

In the wake of the attacks on the United States we are reminded of how important our military and navy personnel are during these times. It is important to recognize the efforts of veterans who fought in past wars and to take a moment to reflect on how their hard work has improved the quality of life of all Canadians.

That is why we stop on the 11th hour of the 11th day of the 11th month to remember the cost of freedom and to honour those who have paid the price.

\* \* \*

[Translation]

### DOWN SYNDROME

**Mr. André Bachand (Richmond—Arthabaska, PC/DR):** Mr. Speaker, tomorrow is the last day of the 2001 Down Syndrome Awareness Week.

Each year, the Canadian Down Syndrome Society, in co-operation with its affiliates in every part of the country, organizes a series of public awareness events to make people aware of the plight of those who suffer from this chromosomal disorder.

If some day we want to eliminate the biases relating to this syndrome which, for a long time, was not properly understood, we must support these awareness campaigns and stress the contribution that individuals with Down syndrome make to their community.

We are very appreciative of the efforts of the organizers of this event and, on behalf of all the members of this House, I thank them for their dedication.

I also congratulate them for the 2001 awareness week, and I wish them success in the years to come.

\* \* \*

[English]

### TEKNION CORPORATION

**Ms. Judy Sgro (York West, Lib.):** Mr. Speaker, I rise today to congratulate Teknion Corporation, a company in my riding of York West. Teknion is an international leader in the design and manufacture of office systems and furniture. On September 24 Teknion was bestowed with the prestigious exporter of the year award.

Teknion has become a true Canadian success story. It leads the contract office furniture industry in almost every performance measurement and its annual sales growth more than quadruples the industry average.

One in every three jobs in Canada depends on trade with other countries and Teknion's outstanding achievement is an indicator of its enormous contribution to the Canadian economy.

Teknion's dedication to people and partnerships has proven an unbeatable strategy in the international marketplace. I ask fellow colleagues to join me in recognizing Teknion's commitment to excellence.

*Oral Questions***SUPPLEMENTARY ESTIMATES**

**Mr. John Williams (St. Albert, Canadian Alliance):** Mr. Speaker, the supplementary estimates were tabled last Thursday and the government wants to spend more and more and still more. In fact it wants to spend \$7 billion more.

Where is it going?

There is \$225 million going to Canada Customs and Revenue Agency to pursue revenue generation. That is code for squeezing taxpayers until they squeak.

There is \$2.5 million going to Communications Canada, the propaganda machine of the Minister of Public Works and Government Services who was reported in the paper yesterday to have given contracts to all his friends. Now we know why he needs a propaganda machine.

Another \$114 million will go to the gun registration program. Members will recall it was only supposed to cost \$85 million in total.

Finally, another \$9.7 million will go to celebrate the millennium. That was two years ago and we are still paying taxpayer money on a celebration that went bust.

---

**ORAL QUESTION PERIOD**

• (1415)

[*English*]

**SOFTWOOD LUMBER**

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, for months before April 1 when the softwood lumber agreement was coming to an end, we warned the government there would be thousands of jobs lost. It had no position. A month ago in the area of linking softwood lumber to the oil and gas issue, the government said it did not have a position on linkage. Yesterday the Prime Minister sounded tough here and said there was linkage between oil and gas and maybe the Americans could just burn wood.

I would like to ask the Prime Minister this. What is the position of the government today? Is it the same as yesterday? Will he do something to communicate that position to the president and to the oil and gas industry whose taps he is going to shut off?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we have free trade. We signed a free trade agreement with the United States which was approved by the House of Commons. The free trade agreement was not only about oil and gas. It was about wood too. That is what I tell the Americans all the time. It is what the minister said to Mr. Racicot at lunch, and that is what I will tell him when I meet him later today.

[*Translation*]

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, it would be disastrous to cut our energy exports to the U.S. We should, however, ensure that the softwood lumber problem is settled before considering a new energy pact. We know that the Americans want a new Canada-U.S.-Mexico energy pact.

Is the Prime Minister going to tell President Bush that he will not negotiate a new North American energy pact before obtaining a softwood agreement?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we are not in the process of negotiating an energy pact with the United States and Mexico. At the present time, we have a free trade agreement between the U.S., Canada and Mexico. This includes energy as well as softwood lumber. That is exactly what we are saying today, what we said this past spring, and what I tell the President every time I talk to him by phone or in person.

[*English*]

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, in fact that is not what he said yesterday and it is not what he said a month ago.

Maybe the Prime Minister would be taken more seriously in Washington on the softwood lumber issue, if he would get very serious and very specific on the issue of our border, on the issue of joint immigration standards, on the issue of joint visas and on the issue of detaining, deporting and extraditing fraud refugee claimants. The Prime Minister refuses to be specific and he refuses to be strong.

Will he communicate these specifics to the president and let him know that we are serious about a common secure border to protect our citizens and our trade with the United States?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, this is exactly what we are doing at this time. We have passed the legislation on immigration and it received royal assent a few days ago. It is always part of the discussions we are having with the Americans.

I said and I will repeat, listening to the Leader of the Opposition it seems that he is already willing to have the Americans running everything in Canada and that is not what this side of the House wants to do.

\* \* \*

**NATIONAL SECURITY**

**Mr. Grant Hill (MacLeod, Canadian Alliance):** Mr. Speaker, last week we asked the government to take even the most modest of steps to assure Canadians and Americans on the issue of continental security. Yesterday at a meeting with a U.S. congressman a practical suggestion came up and I would like to propose it to the government.

The suggestion was that we have a harmonized list of countries where both the U.S. and Canada would look for visas. Would the government look at that very practical suggestion and accept something that would improve continental security? Yes or no.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, our information on the subject is always available to the Americans when they need it and they give us the information we need too. We have done that for a long time. They recognize that they have great collaboration between the different departments of Canada and the American departments because we have the same interest. We do not want terrorists either in Canada or in the United States.

*Oral Questions*

●(1420)

**Mr. Grant Hill (Macleod, Canadian Alliance):** Mr. Speaker, how are these real concerns about Canada-U.S. security treated by this government? The foreign affairs minister in fact tries to blame the media for the concerns and then he takes a fictional program *The West Wing* and says it is responsible for this unusual reaction in the U.S.

The government has not acted on combined passenger lists. It has not acted on combined visas. It has not acted on detaining bogus refugees. I would like to know what exactly has it acted on?

**Hon. John Manley (Minister of Foreign Affairs, Lib.):** Mr. Speaker, is that not pathetic? If we are not trying to fight the perceptions that exist which are wrong in the United States, how will we ever build our case for what is right about the Canada-U.S. relationship?

It is time to say to important decision makers in the United States that there are some urban legends out there, I must say some of which have been perpetuated by the opposition, that are simply wrong. We have an important economic relationship and the work that we have going on with the U.S. administration will make things better for both of our economies.

\* \* \*

[Translation]

**SOFTWOOD LUMBER**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the government stepped things up a notch yesterday in preparation for the continuation of discussions on softwood lumber. The Minister of International Trade promised to tell President Bush's envoy exactly where we stand on this issue.

The Prime Minister promised to telephone the U.S. president and remind him that free trade had to apply to lumber too.

On the subject of notches, at his meeting today, did the Minister of International Trade get out his big stick and make it very clear to the Americans that their protectionism is creating a lot of annoyance in Quebec and Canada? Otherwise, will the Prime Minister deliver this message to President Bush?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, I thank the leader of the Bloc Québécois for giving me an opportunity to inform the House about the lunch I had with Mr. Racicot yesterday at the home of the U.S. ambassador.

I can assure you that what we have said here and what will be said, I feel, during the emergency debate we will be having a little later, have been expressed directly and very clearly to Mr. Racicot.

Mr. Racicot appeared to be a man who listened, who is honest, who wants to understand the issue and who has the mandate from his president—a positive signal—to find a way to come up with a long term solution in this issue, which has been going on for years.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, in August, I toured Quebec, and, in the various regions, there was strong resentment against the Americans over what they were preparing to do in connection with softwood lumber.

Since they have taken the measures, the mood of Quebecers has not improved.

Will the government finally decide to run a campaign in Canada, Quebec and the United States against American protectionism, in other words, an advertising campaign to show Americans that we will not accept this decision and to convince American consumers that it is in their interest to return to total free trade?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the best way to resolve the problem is to speak directly and firmly with the Americans.

I am sure they understand our problem and there are administrative difficulties. We realize the American system may be different from ours. The President appears to have less direct influence over things than the Canadian government.

In any case, I am very confident that, in the end, we will reach an agreement or find an appropriate solution to the problem.

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, contrary to what the Minister for International Trade said yesterday, many stakeholders, including the Free Trade Lumber Council and the Canadian Lumber Remanufacturers Alliance, and not just two or three stakeholders as he said, are calling for a summit meeting.

In the wake of last week's events, and now that the Minister for International Trade has met with the U.S. trade envoy, would he not finally agree that a meeting of all stakeholders in the softwood lumber industry is called for?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, we are in constant close communication with the industry in all regions of the country. We are working closely with it. We are involved in discussions with the United States, to which provincial governments, which are also at the table, are contributing, because they are the ones with responsibility for sorting out natural resources problems and for managing practices.

I can assure the House of one thing and that is that, starting November 12, other agreements will be reached. We are fully committed along with the entire industry, and we are making progress on this issue.

●(1425)

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, so far, the talks, which will continue in Washington on November 12, have all been one way. The provinces have made proposals concerning their forestry management system. But the periodic shortages of softwood lumber in the United States are the crux of the problem.

Will the minister ensure that future discussions will also address U.S. practices?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, it so happens that at noon today, we had an opportunity to tell Mr. Racicot that it is very important that we have a better understanding of what Americans expect in a long-term solution.

*Oral Questions*

For the time being, it is true that we have looked at what could be done in terms of provincial practices, especially in British Columbia and in Quebec. Alberta and Ontario are doing likewise.

But it is vital that we also know what the United States expects, so that we can finally have free trade for softwood lumber.

[English]

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, my question is for the trade minister as well. The softwood lumber crisis has already cost 16,000 jobs in British Columbia alone. Today Tembec has announced the second mill closing in a week.

The trade minister rants and raves a lot, he shakes his hair a lot, but the question is whether the government is prepared to back its rhetoric with action. Is this trade minister prepared to pull our energy trade from the table and turn out the lights in California?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I do not like these sexist statements. Indeed the minister has been working extremely well for a long time to make sure that we find an adequate solution to this problem.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, if I had a head of hair like that I would shake it a lot too. Let me say, on a very serious note, that Americans are playing games with Canada, games in which the rules change to suit their needs. Canadians want to know whether the Prime Minister is playing games.

Let the Prime Minister today clarify his comments. Is he really ready this winter to pull our energy trade and let the Americans burn wood?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, some do not have long hair and shake a lot, as is the case with the leader of the Conservative Party, who will be up soon.

I just want to say that I made it clear in the House of Commons that when we signed the free trade agreement, it was not a partial free trade agreement that was signed with them. It was a free trade agreement where in part we were able to sell softwood lumber to the United States. That is what we want to do and what we will achieve—

**The Speaker:** The right hon. member for Calgary Centre.

**Right Hon. Joe Clark (Calgary Centre, PC/DR):** Mr. Speaker, my question is about the Prime Minister's deliberate linkage of the softwood lumber issue with oil and gas exports. When he made that same threat last August, he triggered fears about a new national energy program which of course the Prime Minister supported so very vigorously when it was imposed upon western Canada.

The trade minister has yet another softwood meeting today with yet another American official. If this fails too, will the Prime Minister personally get on his government airplane tomorrow and take Canada's case on softwood lumber directly to President Bush?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, some said GI Joe. I have talked regularly with the president. I do not think grandstanding will be the system that will work. We are a serious government. We are acting seriously.

I am very surprised that, with the experience of the leader of the fifth party, he would think that grandstanding will lead us

somewhere. That is what they did when they were the government and look at the results.

• (1430)

**Mr. Chuck Strahl (Fraser Valley, PC/DR):** Mr. Speaker, whatever it is the Prime Minister is doing it is not working. The U.S. president has appointed a special envoy on softwood lumber and he is here today to drive home the American position. He says he wants things resolved by Christmastime.

The Canadian government could learn a little from this process. It is called trade negotiations 101. We take an issue and make it a top priority, put a deadline on when it should be resolved and then spend time, lots of time, at the highest level until it is resolved to Canada's satisfaction.

When will the Prime Minister get on his government plane, meet directly with the president of the United States and resolve this thing to Canada's satisfaction?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, this is the top priority of the government. We have made that very clear. We are working hard at it.

I spent the time this weekend speaking with a number of chief executive officers of softwood lumber companies from British Columbia. They told me that the Prime Minister has been more active on the file than any prime minister in the past 20 years.

I thank him in the name of communities in British Columbia and in the rest of the country. The Prime Minister has been more active than any prime minister in the last 20 years. We must thank him for that and for the communities that he has assisted.

**Mr. John Duncan (Vancouver Island North, Canadian Alliance):** Mr. Speaker, the Prime Minister talks about not wanting the Americans running everything in Canada. If the Prime Minister continues to display a lack of leadership that is exactly what happens.

Yesterday the Prime Minister said the 1996 softwood lumber agreement worked for five years. It worked all right. It worked against us. We had companies with quota and without quota, loss of investment, job loss, and the Americans continue to attack our value added products to reclassify them as softwood lumber.

If the Prime Minister thinks that was a good agreement, what is a bad agreement?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, this is very nice. Now opposition members are blaming us for letting the agreement extend on March 31 and not renewing it. Then they tell us that we should have continued it, or the other way around.

*Oral Questions*

They continually change their tune. Sometimes they tell us to do the linkage with energy. Sometimes they tell us not to link it. Sometimes they tell us to link it with our commitment to fight Osama bin Laden and sometimes they tell us the other way around. They have to make up their minds in the opposition and determine what is the real line of business they want on softwood lumber.

**Mr. John Duncan (Vancouver Island North, Canadian Alliance):** That just goes to prove, Mr. Speaker, that they can create statements that have never been said. The government has abdicated responsibility and displayed lack of leadership on the softwood lumber talks.

Last week after the anti-dumping announcement everyone fully expected the Prime Minister to engage himself with the U.S. president on softwood lumber. It did not happen. It still has not happened. When will the Prime Minister treat softwood lumber as an urgent priority?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, it is an urgent priority. As I have said and I want to repeat, I talk with the president regularly. I met him in China the other day and I talked with him. That is when I made the statement: "You want our oil and gas and we want to keep selling wood to you". He agreed that it was the right thing to do.

We keep talking with them. There will be another discussion this week with him. As I said, at the moment there is an ongoing process in the United States that is very frustrating for us. We are telling them that all the time.

\* \* \*

[Translation]

**THE ECONOMY**

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, the Minister of Finance tells us that he does not want to return to the era of deficits. We agree with him and we even proposed an antideficit bill, which he opposed, incidentally.

Will he admit that the plan to use the surplus that we proposed to him could stimulate employment and economic growth without causing any deficit?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the member made suggestions. We will take all perspectives into consideration when we bring down the budget.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, in his next budget, is the minister considering using \$5 billion of the expected \$13 billion surplus for the current fiscal year to stimulate economic growth and employment?

The Minister of Finance has two choices: first, stimulating employment and economic growth, and preventing the Canadian economy from sliding further into recession; or second, doing nothing and applying all of the unexpected surplus, which is significant every year, to the debt.

● (1435)

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the government's position is very clear. One has only to look at what we have done. We have stimulated the economy to the tune of more than \$25 billion. This year, Canada has allocated over 2% to economic

stimulation. Compared to the Americans, even Mr. Bush's plan will not exceed 1.5%. So, we will continue in this vein. We will create jobs. We will create a brighter future for our youth.

\* \* \*

[English]

**ANTI-TERRORISM LEGISLATION**

**Mr. Vic Toews (Provencher, Canadian Alliance):** Mr. Speaker, numerous witnesses have advised the justice committee that the anti-terrorism legislation unfortunately targets minority groups in this country. The privacy commissioner has also noted that the draconian powers in the legislation prevent the disclosure of any government information.

Why will the minister not admit that despite her best intentions she has overstepped the bounds of what is needed for Canadian security?

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as I have said before in the House, I respect the hon. member's views and those of some of whom have appeared before committee. I think both the assertions he has just made are not accurate. It is unfortunate that he would promulgate that incorrect impression of what the anti-terrorism legislation is directed at.

As I have made plain time and time again, we are targeting terrorist activity. We are targeting terrorist organizations and those who would support terror.

**Mr. Vic Toews (Provencher, Canadian Alliance):** Mr. Speaker, these are the comments of distinguished witnesses and the privacy commissioner. Canadians are concerned about the failure of the minister to include an effective ongoing review process in the anti-terrorism legislation.

This failure, along with the minister's power to suppress all government information, results in the loss of accountability of ministers to parliament and to Canadians. Why does the minister insist that ministerial accountability to parliament must also be a victim of September 11?

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, again let me suggest that the statement by the hon. member is inaccurate. There is a review mechanism in the legislation. In fact a wholesale review of the legislation can be held at the end of a three year period.

I have also indicated to everyone in the House that I am listening intently to that which the Senate committee has reported and to that which the House committee will report in the coming days. I will return to committee in the coming days. I look forward to a fulsome discussion around the appropriate review mechanisms to ensure the legislation is effective for everyone.

\* \* \*

[Translation]

**FOREIGN AFFAIRS**

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Speaker, the Prime Minister recently told the House that Canada would not give a blank cheque to the Americans regarding the bombings in Afghanistan.



What we pointed out last week has now been confirmed: some children have fallen victim to cluster bombs that fell on the ground without exploding.

Does the Prime Minister not realize that we must not wait until other children fall victim to these bombs before taking action to stop using such weapons?

[English]

**Hon. Art Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, this has been the same question for several days. I am afraid the answer must be the same. Every effort is made to avoid children, to avoid innocent civilians.

There are innocent people in any conflict who become victims, most unfortunately, but every effort is being made by the United States and the allies that are a part of the coalition to avoid civilians, to stay away from civilian populations, and to target only military installations and military personnel.

[Translation]

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Speaker, voices are being raised everywhere condemning these cluster bombs, both in coalition countries and elsewhere.

The use of these bombs is particularly despicable at this time, as famine has gripped the country and winter is fast approaching.

This is why I am asking the government if it will promote the establishment of a humanitarian corridor in Afghanistan to provide medical care and food, as recommended, among others, by the chair of the Canadian chapter of Médecins du Monde, Dr. Réjean Thomas?

• (1440)

**Hon. John Manley (Minister of Foreign Affairs, Lib.):** Certainly, Mr. Speaker. We will do our utmost to support the humanitarian effort in Afghanistan. This is an important contribution that Canada must make, in addition to its contribution to the coalition.

We have equipment that can be useful to the humanitarian effort. This is a top concern for Canada.

\* \* \*

[English]

#### IMMIGRATION

**Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance):** Mr. Speaker, my question is for the immigration minister. The government refuses to automatically detain claimants who show up with no documents. Internal communications of Immigration Canada reveal that 60% of refugee claimants show up without papers.

Her officials warned the minister over a year ago that this was a criminal and security risk and that it was critical to stop this practice, but she ignored them. Why does the minister ignore the facts and advice of her own immigration officials about security?

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, the information the member suggested in his question is not accurate. I am not aware of any report. If he has one, I would ask him to table it because I would like to see it too.

#### Oral Questions

The information I have from my officials is that often people who show up undocumented do so because they flee from a country that does not produce documentation, or if they had stopped to get documentation they might have ended up in jail.

Whenever we have a concern about anyone who shows up undocumented at our ports of entry we have the authority to detain and we do that without hesitation.

**Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance):** Mr. Speaker, immigration officials with years of experience said at the Senate committee that even Bill C-11 which the minister boasts about would not help the problem. In fact I have heard that she has a senior bureaucrat running around just releasing people if the per diem bill gets too high.

The minister's own officials warned over a year ago about the criminal and security risk of non-documented arrivals. They had to have something to get here in the first place. We believe that all who destroy documents should be automatically detained until they meet identity and security needs. Australia does this in a humane and very cost effective way. Why can Canada not do that?

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, it is important for everyone to know that whenever there is a security concern, if there is a concern about the identity of the individual or if we have any evidence to suggest that they will not show up for their hearings, we can and we do detain.

I have actually told the member opposite that we do that, that we do that whenever we have a concern, and yet he wants to continue to give the impression that people are released from detention even when we have concerns. That is just simply not true.

\* \* \*

#### HEALTH

**Mr. Steve Mahoney (Mississauga West, Lib.):** Mr. Speaker, my question is for the Minister of Health. Yesterday Mike Harris, premier of Ontario, said that the federal government had not made health care one of its top priorities. In fact he also accused the Government of Canada of a funding shortfall.

What are the real facts on the Government of Canada's health care spending in the province of Ontario?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, Mike Harris likes to point the finger at others but when it comes to health care he has no one to blame but himself. His government made choices and Ontario is now stuck with the fallout.

They chose tax cuts over health care. They chose tax cuts over education. Ontario's own numbers show that since 1998 over half of additional funding for health care in Ontario came from the federal government. Last year alone it was 55%.

Mike Harris can try to blame others for his choices and his priorities. We have reinvested in health care and will continue to do so. We are proud of our—

*Oral Questions*

**The Speaker:** The hon. member for Churchill.

\* \* \*

**EMPLOYMENT INSURANCE**

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, employment insurance has not been cutting it for many thousands of laid off lumber industry workers. While the Liberal government plays footsie with the Americans, workers find themselves unemployed in an economy on the verge of recession with little or no EI benefits because of Liberal government cuts to the program.

Could the Minister of Human Resources Development tell us if she has any intention of temporarily topping up EI for laid off lumber industry workers to help them through this trade war?

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, we are concerned about the potential impact of the recent decision on workers in the softwood lumber industry. As I have said in the House before, we anticipate the majority of workers in the softwood lumber industry will be eligible for employment insurance should they need it.

Aside from income support the hon. member will know that we make significant transfers to the provinces for use in the active measures, the part 2 benefits for individuals. Now is the time to use those benefits should the workers need them.

\* \* \*

• (1445)

**SOFTWOOD LUMBER**

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, Atlantic lumber producers have been hit with a 12.5% anti-dumping duty. Up until just a few days ago there was no indication from the U.S. or the Canadian government that there was any problem with Atlantic lumber. Now it is clear the NAFTA deal is no deal at all.

My question is for the Minister for International Trade. Does he agree with the statement that when it comes to softwood lumber there are no free trade rules; there are no fair trade rules; there are only the American rules?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, I understand very much why the member is angry at this time, but what is important is that we work on that one together with the Americans.

I am encouraged by the lunch I had with Mr. Racicot because I found him to be a man who I think is fair. He is very close to the president of the United States. He is a man who has listened. We have been able to talk about the very difficult circumstances that so many of our communities are going through. I think we can work on that one together for a long term solution.

\* \* \*

**FOREIGN AFFAIRS**

**Mr. Bill Casey (Cumberland—Colchester, PC/DR):** Mr. Speaker, my question is for the Minister of Finance.

At this very important time in our history, incredibly the foreign service finds itself with 600 unfilled positions around the world.

The deputy minister testified at committee that he does not have the budget to hire new people and pay quality people fair wages.

Will the minister, in his upcoming security budget, make sure there is money available to hire and replace these 600 necessary positions at this very critical time?

**Hon. John Manley (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I will take that as a submission as part of the prebudget process, to the Minister of Finance, but I find it difficult to take issue with the points the hon. member has made.

\* \* \*

**NATIONAL DEFENCE**

**Mrs. Elsie Wayne (Saint John, PC/DR):** Mr. Speaker, the Minister of National Defence told the House defence committee that “We will have to catch up a little bit on the timing” of replacing the Sea Kings for 2005.

However those in charge see it quite differently. Col. Henneberry, head of the Pacific fleet helicopters, stated “It is my opinion that there is a strong potential we will be conducting Sea King operations well past the year 2010”.

Will the minister the minister make public today his departmental plan to deliver new helicopter—

**The Speaker:** The hon. Minister of National Defence.

**Hon. Art Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, I thank the hon. member for her representation and desire to get these helicopters just as quickly as we possibly can, and we are aiming to do that.

The memorandum she referred to that suggests 2010 is only in an extreme case, such as if we run into further difficulties in getting them delivered. We will do everything we can to get the helicopters replaced just as quickly as we can.

Meanwhile, we put \$50 million into upgrading the Sea Kings and they will be performing quite well in the Arabian Sea area.

\* \* \*

**EMPLOYMENT INSURANCE**

**Mr. Joe Pescholido (Richmond, Canadian Alliance):** Mr. Speaker, in October, 26,000 full time jobs were lost and the unemployment rate increased to 7.3%.

In this difficult economic time, job creation must be encouraged. The Minister of Finance said that payroll taxes are a cancer on job creation.

Does the Minister of Human Resources Development agree with her cabinet colleague and will she cut EI premiums to create jobs?

*Oral Questions*

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, as a result of consistent monitoring and prudent changes, the employment insurance system is there and is stronger than ever to support Canadians should they need it.

I remind the hon. member that the government has taken a balanced approach, consistently reducing employment insurance premiums while increasing the benefits. The government will continue that approach and it will serve us well in these difficult times.

**Mr. Joe Peschisolido (Richmond, Canadian Alliance):** Mr. Speaker, the minister has some \$40 billion surplus in the EI account. Our own chief actuary said that only \$15 billion is needed for even the worst recession.

The minister said that she will not cut premiums but there is more than enough money in the EI account.

The minister cannot have it both ways. Either the money has been wasted and it is unavailable for EI or the minister can cut premiums. Which is it?

• (1450)

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, first, over the course of the last four to five years the government has cut over \$6.5 billion in premiums. They are now substantially reduced.

Second, the hon. member talked about job creation. Under the Minister of Human Resources Development, almost 67,000 full time jobs have been created in Canada over the past three months.

There is a final thing I would raise. In this difficult time, when I am preparing a budget and dealing with each of my cabinet colleagues, I would really appreciate it if the opposition would not set me up.

\* \* \*

[Translation]

**AIRLINE INDUSTRY**

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, less than two weeks ago, the Minister of Transport gave Canada 3000 a \$75 million loan guarantee to help it with its financial difficulties.

Today, we have learned that the company is getting ready to lay off 1,400 employees of Royal Aviation.

Will the minister explain to us his criteria for giving loan guarantees, if preserving jobs is not one of them?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, the criteria covered many things, such as investment by investors, restructuring of operations, taking measures for employees, and all sorts of things like that.

The treatment for Canada 3000 will be the same as for all other airlines.

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, given that Canada 3000 has just rejected job sharing, which would have saved jobs, should the minister not make it a condition of any assistance to airlines that jobs be maintained?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, this was the case for Canada 3000. Like any other company, it is entitled to lay off employees only in accordance with the Canada Labour Code and collective agreements. I think that Canada 3000 is meeting these obligations.

\* \* \*

[English]

**IMMIGRATION**

**Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance):** Mr. Speaker, Mr. Creuso, the minister's adviser, is a disgraced Italian politician who has been investigated for corruption, sentenced to jail, skipped out on his fine and immigrated to Canada.

Canadians would like to know how Mr. Creuso, with a sterling resumé like that, would ever qualify for Canadian citizenship and a Canadian government job.

**Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, the member should know that before anyone is granted permanent residence status to Canada, he or she must undergo the statutory requirements of both security checks and criminality checks.

I would also say that further checks are done before citizenship. If, however, an individual knowingly lies or misrepresents himself or herself, citizenship can be revoked under the legislation.

**Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance):** Mr. Speaker, the minister of public works, while representing Canada, was travelling abroad with a known felon as an adviser. That is not a comforting thought, is it?

It certainly adds a new meaning to the expression "Canadian representative at large".

How could the minister not know Mr. Creuso had a felonious past? Why did the minister's staff or immigration not inform the minister of his rap sheet?

**Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, as I said before lunch today, when I was asked by the media, I did not know about his problem with the Italian law. I learned like anyone else who reads the *Globe and Mail* on Saturday mornings.

\* \* \*

[Translation]

**PUBLIC SERVICE OF CANADA**

**Mr. Eugène Bellemare (Ottawa—Orléans, Lib.):** Mr. Speaker, we hear that the results of the vote in the public service have been announced.

Could the President of the Treasury Board inform us today of the results?

**Hon. Lucienne Robillard (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, I am pleased to announce that the employees represented by the Public Service Alliance of Canada have ratified the agreement in principle.

*Oral Questions*

**Some hon. members:** Hear, hear.

**Hon. Lucienne Robillard:** We have always believed that the collective bargaining process could lead to the signing of negotiated agreements for just and reasonable salaries. And this is what we have done.

[*English*]

Let me take the opportunity to thank our public servants.

\* \* \*

• (1455)

**AIRPORT SECURITY**

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, a couple of days ago, a man walked through Chicago's O'Hare airport security checkpoint with seven knives, a stun gun and a can of mace. He made it past airport security.

He was caught by a random second security check by airline personnel in the boarding area.

This is a level of security at airports that Americans have implemented since September 11 that Canada has not.

Do Canadians not deserve the same level of airport security that the United States has? In fact, do Canadians not deserve the very best rather than the second best, which is what is in place?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, the hon. member's question speaks for itself. The fact that he has used an incident in the United States that has not happened here to demonstrate weak security proves that we have a better security system in Canada.

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, while the transport minister may be proud of his record, let me tell him what Liberal senator Colin Kenny said yesterday. He said that despite September 11, airport ground personnel, aircraft cleaners, mechanics, baggage handlers, janitorial staff and sales clerks are still not scrutinized for proper security clearance and low cost, poorly trained employees are still at the helm of security checks.

While the trained seals in the House may applaud him, his colleagues in the other House are saying that he is not doing his job.

When will the transport minister bring to the House real legislation, not directives to his employees, to improve security permanently, not temporarily, like Canadians deserve?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, everyone on this side of the House takes the advice from the other place very seriously.

The hon. member should realize that the United States adopted the clearest procedures for airline workers and all the people who secure air space. The Americans adopted Canadian standards because the Canadian standards were thorough, with background checks, the RCMP and CSIS. That is the kind of security we have in Canada.

[*Translation*]

**PUBLISHING INDUSTRY**

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, yesterday the Minister of Canadian Heritage said she found it normal to request the names and credit card numbers of the subscribers of small publishing houses receiving funding from Heritage Canada.

How can the minister consider it normal to demand a publisher send a private firm such highly confidential and personal information as the name and credit card number, when the privacy commissioner finds that illegal?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, when the government gives money to a publisher, it has a responsibility to ensure a proper audit. That is what we are doing.

If the company does not want an audit, it is not obliged to accept the investment.

\* \* \*

[*English*]

**INDUSTRY CANADA**

**Mr. Mauril Bélanger (Ottawa—Vanier, Lib.):** Mr. Speaker, my question is for the Minister of Industry.

Canada has a long tradition of excellence and innovation in astronomy and astrophysics, yet our participation in future technologies may be in jeopardy.

Will the minister tell us what the government is doing to ensure Canada's participation in the next generation of world observatories so that our scientists can continue to compete in this most innovative field of scientific research?

[*Translation*]

**Hon. Brian Tobin (Minister of Industry, Lib.):** Mr. Speaker, the government is taking a serious look at the long term plan. The field of astronomy and astrophysics is a scientific success in Canada.

[*English*]

In fact Canada is among the top three nations in the world in the important field of science and astronomy. When we can do more of course we will do more. I await with bated breath the budget of the Minister of Finance.

\* \* \*

**FIREARMS REGISTRY**

**Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance):** Mr. Speaker, on top of the colossal waste of more than half a billion dollars, now we have more evidence of bungling by bureaucrats in the problem plagued gun registry.

## Government Orders

## GOVERNMENT ORDERS

The privacy commissioner is investigating a number of firearms licences that were issued with the wrong photos. Now we have a documented case of a firearm being registered to the wrong person. The unhappy recipient complains "I do not want to be responsible for a firearm that I do not possess".

Could the solicitor general please explain how the registry of firearms made such a potentially catastrophic mistake?

• (1500)

**Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, let me remind the hon. member and the House that our firearms licensing and registration program is an investment in public security and safety and it is an investment supported by an overwhelming number of Canadians.

If the hon. member has a specific case that he would like to bring to my attention, I would ask him to do so and I will investigate it.

\* \* \*

## SOFTWOOD LUMBER

**Mr. Gary Lunn (Saanich—Gulf Islands, PC/DR):** Mr. Speaker, the government's performance in QP on the softwood lumber file has been to laugh and joke at these questions while Canadian families are being destroyed. People are losing their jobs and declaring bankruptcy.

The minister says that it is a top priority and that the PM has been the most active. The Prime Minister talks about his staged photo-ops. Well, it is not working. If this is their very best, it is costing our industry \$9 million a day in tariffs and it is going downhill.

What will it take for the Prime Minister to get directly involved in the file and make it his number one priority?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, it is important for the communities in Canada to realize that no one on either side of the House has been laughing while we have been discussing the softwood lumber issue. All of us and all members in the House are very preoccupied with the fate of communities across the land over the softwood lumber issue.

The Prime Minister has been personally involved on the softwood lumber issue from day one. He has raised it at every opportunity he has had with President Bush. He raised it in the first meeting following the attacks of September 11.

\* \* \*

## PRESENCE IN GALLERY

**The Speaker:** I draw the attention of hon. members to the presence in the gallery of Dr. Julio Frenk, Minister of Health of Mexico.

**Some hon. members:** Hear, hear.

• (1505)

[English]

## CANADA NATIONAL MARINE CONSERVATION AREAS ACT

The House resumed consideration of Bill C-10, an act respecting the national marine conservation areas of Canada, as reported (with amendment) from the committee.

**The Speaker:** It being three o'clock p.m., the House will now proceed to the taking of the deferred recorded divisions on the report stage of Bill C-10. The question is on Motion No. 1.

Call in the members.

• (1515)

[Translation]

(The House divided on Motion No. 1, which was negated on the following division:)

(Division No. 160)

## YEAS

## Members

Blaikie  
Davies  
Godin  
Martin (Winnipeg Centre)  
Nystrom  
Stoffer

Comartin  
Desjarlais  
Lill  
McDonough  
Proctor  
Wasylycia-Leis-12

## NAYS

## Members

Abbott  
Allard  
Anderson (Cypress Hills—Grasslands)  
Assadourian  
Bachand (Richmond—Arthabaska)  
Bailey  
Barnes  
Bélanger  
Bellemare  
Benoit  
Bertrand  
Binet  
Bonin  
Borotsik  
Bourgeois  
Breitkreuz  
Brisson  
Bryden  
Burton  
Caccia  
Calder  
Caplan  
Carroll  
Casson  
Catterall  
Clark  
Collenette  
Copps  
Cullen  
Cuzner  
Day  
DeVillers  
Dion  
Dromisky  
Dubé  
Duhamel  
Easter  
Elley

Adams  
Anders  
Assad  
Augustine  
Bagnell  
Baker  
Beaumier  
Bellehumeur  
Bennett  
Bergeron  
Bevilacqua  
Blondin-Andrew  
Bonwick  
Boudria  
Bradshaw  
Brien  
Brown  
Bulte  
Byrne  
Cadman  
Cannis  
Cardin  
Casey  
Castonguay  
Chamberlain  
Coderre  
Comuzzi  
Crête  
Cummins  
Dalphond-Guiral  
Desrochers  
Dhalwal  
Doyle  
Drouin  
Duceppe  
Duncan  
Eggleton  
Epp

*Government Orders*

Farrah  
 Fontana  
 Fournier  
 Gagliano  
 Gagnon (Champlain)  
 Gauthier  
 Godfrey  
 Goodale  
 Graham  
 Grey (Edmonton North)  
 Guay  
 Harb  
 Harvard  
 Hearn  
 Hill (Macleod)  
 Hinton  
 Jackson  
 Jennings  
 Jordan  
 Kenney (Calgary Southeast)  
 Knutson  
 Laframboise  
 Lanctôt  
 Lebel  
 Lee  
 Lincoln  
 Loubier  
 Lunney (Nanaimo—Alberni)  
 MacKay (Pictou—Antigonish—Guysborough)  
 Mahoney  
 Maloney  
 Manning  
 Marcl  
 Marleau  
 Matthews  
 McCallum  
 McGuire  
 McLellan  
 McTeague  
 Meredith  
 Mills (Red Deer)  
 Minna  
 Moore  
 Myers  
 Neville  
 O'Brien (London—Fanshawe)  
 Owen  
 Pallister  
 Paradis  
 Peric  
 Peschisolido  
 Pettigrew  
 Picard (Drummond)  
 Pillitteri  
 Pratt  
 Provenzano  
 Redman  
 Regan  
 Reynolds  
 Ritz  
 Rocheleau  
 Roy  
 Sauvageau  
 Scherrer  
 Scott  
 Shepherd  
 Sorenson  
 St-Jacques  
 St. Denis  
 Stewart  
 Strahl  
 Telegdi  
 Thibeault (Saint-Lambert)  
 Thompson (Wild Rose)  
 Tobin  
 Tonks  
 Tremblay (Lac-Saint-Jean—Saguenay)  
 Ur  
 Vanclief  
 Volpe  
 Wayne  
 White (North Vancouver)  
 Williams  
 Yelich—243

Finlay  
 Forseth  
 Fry  
 Gagnon (Québec)  
 Gallant  
 Girard-Bujold  
 Goldring  
 Gouk  
 Grewal  
 Guarnieri  
 Guimond  
 Harris  
 Harvey  
 Herron  
 Hill (Prince George—Peace River)  
 Hubbard  
 Jaffer  
 Johnston  
 Karetak-Lindell  
 Keys  
 Kraft Sloan  
 Lalonde  
 Lastewka  
 LeBlanc  
 Leung  
 Longfield  
 Lunn (Saanich—Gulf Islands)  
 MacAulay  
 Macklin  
 Malhi  
 Manley  
 Marceau  
 Mark  
 Martin (Esquimalt—Juan de Fuca)  
 Mayfield  
 McCormick  
 McKay (Scarborough East)  
 McNally  
 Ménard  
 Merrifield  
 Mills (Toronto—Danforth)  
 Mitchell  
 Murphy  
 Nault  
 Normand  
 O'Reilly  
 Pagtakhan  
 Paquette  
 Patry  
 Perron  
 Peterson  
 Phinney  
 Pickard (Chatham—Kent Essex)  
 Plamondon  
 Proulx  
 Rajotte  
 Reed (Halton)  
 Reid (Lanark—Carleton)  
 Richardson  
 Robillard  
 Rock  
 Saada  
 Savoy  
 Schmidt  
 Sgro  
 Solberg  
 St-Hilaire  
 St-Julien  
 Steckle  
 Stinson  
 Szabo  
 Thibault (West Nova)  
 Thompson (New Brunswick Southwest)  
 Tirabassi  
 Toews  
 Torsney  
 Tremblay (Rimouski-Neigette-et-la Mitis)  
 Valeri  
 Venne  
 Wappel  
 Whelan  
 Wilfert  
 Wood

## PAIRED

## Members

Anderson (Victoria)  
 Bachand (Saint-Jean)  
 Cauchon  
 Asselin  
 Bigras  
 Kilgour (Edmonton Southeast)-6

**The Speaker:** I declare the motion lost.

[*English*]

The next question is on Motion No. 2.

**Ms. Marlene Catterall:** Mr. Speaker, I rise on a point of order. If you were to ask, I think you would find consent that the vote just taken on Motion No. 1 be applied to Motion No. 2, Motion No. 4, Motion No. 5 and Motion No. 7.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

(The House divided on Motion No. 2, which was negated on the following division:)

(*Division No. 161*)

## YEAS

## Members

Comartin  
 Desjarlais  
 Lill  
 McDonough  
 Proctor  
 Wasylcia-Leis-12

Blaikie  
 Davies  
 Godin  
 Martin (Winnipeg Centre)  
 Nystrom  
 Stoffer

## NAYS

## Members

Adams  
 Anders  
 Assad  
 Augustine  
 Bagnell  
 Baker  
 Beaumier  
 Bellehumeur  
 Bennett  
 Bergeron  
 Bevilacqua  
 Blondin-Andrew  
 Bonwick  
 Boudria  
 Bradshaw  
 Brien  
 Brown  
 Bulte  
 Byrne  
 Cadman  
 Cannis  
 Cardin  
 Casey  
 Castonguay  
 Chamberlain  
 Coderre  
 Comuzzi  
 Crête  
 Cummins  
 Dalphond-Guiral  
 Desrochers  
 Dhaliwal  
 Doyle  
 Drouin  
 Duceppe  
 Duncan  
 Eggleton  
 Epp  
 Finlay  
 Forseth

Abbott  
 Allard  
 Anderson (Cypress Hills—Grasslands)  
 Assadourian  
 Bachand (Richmond—Arthabaska)  
 Bailey  
 Barnes  
 Bélanger  
 Bellemare  
 Benoit  
 Bertrand  
 Binet  
 Bonin  
 Borotsik  
 Bourgeois  
 Breitreuz  
 Brison  
 Bryden  
 Burton  
 Caccia  
 Calder  
 Caplan  
 Carroll  
 Casson  
 Catterall  
 Clark  
 Collette  
 Copps  
 Cullen  
 Cuzner  
 Day  
 DeVillers  
 Dion  
 Dromisky  
 Dubé  
 Duhamel  
 Easter  
 Elley  
 Farrah  
 Fontana

*Government Orders*

## PAIRED

## Members

Anderson (Victoria)	Asselin
Bachand (Saint-Jean)	Bigras
Cauchon	Kilgour (Edmonton Southeast)-6

(The House divided on Motion No. 4, which was negated on the following division:)

*(Division No. 163)*

## YEAS

## Members

Blaikie	Comartin
Davies	Desjarlais
Godin	Lill
Martin (Winnipeg Centre)	McDonough
Nystrom	Proctor
Stoffer	Wasylcia-Leis-12

## NAYS

## Members

Fournier	Fry		
Gagliano	Gagnon (Québec)		
Gagnon (Champlain)	Gallant		
Gauthier	Girard-Bujold		
Godfrey	Goldring	Anderson (Victoria)	Asselin
Goodale	Gouk	Bachand (Saint-Jean)	Bigras
Graham	Grewal	Cauchon	Kilgour (Edmonton Southeast)-6
Grey (Edmonton North)	Guarnieri		
Guay	Guimond		
Harb	Harris		
Harvard	Harvey		
Hearn	Herron		
Hill (Macleod)	Hill (Prince George—Peace River)		
Hinton	Hubbard		
Jackson	Jaffer		
Jennings	Johnston		
Jordan	Karetak-Lindell		
Kenney (Calgary Southeast)	Keys	Blaikie	Comartin
Knutson	Kraft Sloan	Davies	Desjarlais
Laframboise	Lalonde	Godin	Lill
Lancôt	Lastewka	Martin (Winnipeg Centre)	McDonough
Lebel	LeBlanc	Nystrom	Proctor
Lee	Leung	Stoffer	Wasylcia-Leis-12
Lincoln	Longfield		
Loubier	Lunn (Saanich—Gulf Islands)		
Lunney (Nanaimo—Alberni)	MacAulay		
MacKay (Pictou—Antigonish—Guysborough)	Macklin		
Mahoney	Malhi	Abbott	Adams
Maloney	Manley	Allard	Anders
Manning	Marceau	Anderson (Cypress Hills—Grasslands)	Assad
Maril	Mark	Assadourian	Augustine
Marleau	Martin (Esquimalt—Juan de Fuca)	Bachand (Richmond—Arthabaska)	Bagnell
Matthews	Mayfield	Bailey	Baker
McCallum	McCormick	Barnes	Beaumier
McGuire	McKay (Scarborough East)	Bélanger	Bellehumeur
McLellan	McNally	Bellemare	Bennett
McTeague	Ménard	Benoit	Bergeron
Meredith	Merrifield	Bertrand	Bevilacqua
Mills (Red Deer)	Mills (Toronto—Danforth)	Binet	Blondin-Andrew
Minna	Mitchell	Bonin	Bonwick
Moore	Murphy	Borotsik	Boudria
Myers	Nault	Bourgeois	Bradshaw
Neville	Normand	Breitkreuz	Brien
O'Brien (London—Fanshawe)	O'Reilly	Brison	Brown
Owen	Pagtakhan	Bryden	Bulte
Pallister	Paquette	Burton	Byrne
Paradis	Patry	Caccia	Cadman
Peric	Perron	Calder	Cannis
Peschisolido	Peterson	Caplan	Cardin
Pettigrew	Phinney	Carroll	Casey
Picard (Drummond)	Pickard (Chatham—Kent Essex)	Casson	Castonguay
Pillitteri	Plamondon	Catterall	Chamberlain
Pratt	Proulx	Clark	Coderre
Provenzano	Rajotte	Collenette	Comuzzi
Redman	Reed (Halton)	Copps	Crête
Regan	Reid (Lanark—Carleton)	Cullen	Cummins
Reynolds	Richardson	Cuzner	Dalphond-Guiral
Ritz	Robillard	Day	Desrochers
Rocheleau	Rock	DeVillers	Dhaliwal
Roy	Saada	Dion	Doyle
Sauvageau	Savoy	Dromisky	Drouin
Scherrer	Schmidt	Dubé	Duceppe
Scott	Sgro	Duhamel	Duncan
Shepherd	Solberg	Easter	Eggleton
Sorenson	St-Hilaire	Elley	Epp
St-Jacques	St-Julien	Farrah	Finlay
St. Denis	Steckle	Fontana	Forseth
Stewart	Stinson	Fournier	Fry
Strahl	Szabo	Gagliano	Gagnon (Québec)
Telegdi	Thibault (West Nova)	Gagnon (Champlain)	Gallant
Thibeault (Saint-Lambert)	Thompson (New Brunswick Southwest)	Gauthier	Girard-Bujold
Thompson (Wild Rose)	Tirabassi	Godfrey	Goldring
Tobin	Toews	Goodale	Gouk
Tonks	Torsney	Graham	Grewal
Tremblay (Lac-Saint-Jean—Saguenay)	Tremblay (Rimouski-Neigette-et-la Mitis)	Grey (Edmonton North)	Guarnieri
Ur	Valeri	Guay	Guimond
Vanclief	Venne	Harb	Harris
Volpe	Wappel	Harvard	Harvey
Wayne	Whelan	Hearn	Herron
White (North Vancouver)	Wilfert	Hill (Macleod)	Hill (Prince George—Peace River)
Williams	Wood	Hinton	Hubbard
Yelich-243		Jackson	Jaffer
		Jennings	Johnston

*Government Orders*

Jordan	Karetak-Lindell
Kenney (Calgary Southeast)	Keyes
Knutson	Kraft Sloan
Laframboise	Lalonde
Lancôt	Lastewka
Lebel	LeBlanc
Lee	Leung
Lincoln	Longfield
Loubier	Lunn (Saanich—Gulf Islands)
Lunney (Nanaimo—Alberni)	MacAulay
MacKay (Pictou—Antigonish—Guysborough)	Macklin
Mahoney	Malhi
Maloney	Manley
Manning	Marceau
Marcil	Mark
Marleau	Martin (Esquimalt—Juan de Fuca)
Matthews	Mayfield
McCallum	McCormick
McGuire	McKay (Scarborough East)
McLellan	McNally
McTeague	Ménard
Meredith	Merrifield
Mills (Red Deer)	Mills (Toronto—Danforth)
Minna	Mitchell
Moore	Murphy
Myers	Nault
Neville	Normand
O'Brien (London—Fanshawe)	O'Reilly
Owen	Pagtakhan
Pallister	Paquette
Paradis	Patry
Peric	Perron
Peschisolido	Peterson
Pettigrew	Phinney
Picard (Drummond)	Pickard (Chatham—Kent Essex)
Pillitteri	Plamondon
Pratt	Proulx
Provenzano	Rajotte
Redman	Reed (Halton)
Regan	Reid (Lanark—Carleton)
Reynolds	Richardson
Ritz	Robillard
Rocheleau	Rock
Roy	Saada
Sauvageau	Savoy
Scherrer	Schmidt
Scott	Sgro
Shepherd	Solberg
Sorenson	St-Hilaire
St-Jacques	St-Julien
St. Denis	Steckle
Stewart	Stinson
Strahl	Szabo
Telegdi	Thibault (West Nova)
Thibeault (Saint-Lambert)	Thompson (New Brunswick Southwest)
Thompson (Wild Rose)	Tirabassi
Tobin	Toews
Tonks	Torsney
Tremblay (Lac-Saint-Jean—Saguenay)	Tremblay (Rimouski-Neigette-et-la Mitis)
Ur	Valeri
Vanclief	Venne
Volpe	Wappel
Wayne	Whelan
White (North Vancouver)	Wilfert
Williams	Wood
Yelich-243	

**PAIRED**

## Members

Anderson (Victoria)	Asselin
Bachand (Saint-Jean)	Bigras
Cauchon	Kilgour (Edmonton Southeast)-6

*(Division No. 164)***YEAS**

## Members

Blaikie	Comartin
Davies	Desjarlais
Godin	Lill
Martin (Winnipeg Centre)	McDonough
Nystrom	Proctor
Stoffer	Wasylycia-Leis-12

**NAYS**

## Members

Abbott	Adams
Allard	Anders
Anderson (Cypress Hills—Grasslands)	Assad
Assadourian	Augustine
Bachand (Richmond—Arthabaska)	Bagnell
Bailey	Baker
Barnes	Beaumier
Bélanger	Bellehumeur
Bellemare	Bennett
Benoit	Bergeron
Bertrand	Bevilacqua
Binet	Blondin-Andrew
Bonin	Bonwick
Borotsik	Boudria
Bourgeois	Bradshaw
Breitkreuz	Brien
Brison	Brown
Bryden	Bulte
Burton	Byrne
Caccia	Cadman
Calder	Cannis
Caplan	Cardin
Carroll	Casey
Casson	Castonguay
Catterall	Chamberlain
Clark	Coderre
Collette	Comuzzi
Copps	Crête
Cullen	Cummins
Cuzner	Dalphon-D-Guiral
Day	Desrochers
DeVillers	Dhaliwal
Dion	Doyle
Dromisky	Drouin
Dubé	Duceppe
Duhamel	Duncan
Easter	Eggleton
Elley	Epp
Farrah	Finlay
Fontana	Forsyth
Fournier	Fry
Gagliano	Gagnon (Québec)
Gagnon (Champlain)	Gallant
Gauthier	Girard-Bujold
Godfrey	Goldring
Goodale	Gouk
Graham	Grewal
Grey (Edmonton North)	Guarnieri
Guay	Guimond
Harb	Harris
Harvard	Harvey
Hearn	Herron
Hill (MacLeod)	Hill (Prince George—Peace River)
Hinton	Hubbard
Jackson	Jaffer
Jennings	Johnston
Jordan	Karetak-Lindell
Kenney (Calgary Southeast)	Keyes
Knutson	Kraft Sloan
Laframboise	Lalonde
Lancôt	Lastewka
Lebel	LeBlanc
Lee	Leung
Lincoln	Longfield
Loubier	Lunn (Saanich—Gulf Islands)
Lunney (Nanaimo—Alberni)	MacAulay
MacKay (Pictou—Antigonish—Guysborough)	Macklin

(The House divided on Motion No. 5, which was negated on the following division:)



## Government Orders

Mahoney  
Maloney  
Manning  
Marcil  
Marleau  
Matthews  
McCallum  
McGuire  
McLellan  
McTeague  
Meredith  
Mills (Red Deer)  
Minna  
Moore  
Myers  
Neville  
O'Brien (London—Fanshawe)  
Owen  
Pallister  
Paradis  
Peric  
Peschisolido  
Pettigrew  
Picard (Drummond)  
Pillitteri  
Pratt  
Provenzano  
Redman  
Regan  
Reynolds  
Ritz  
Rocheleau  
Roy  
Sauvageau  
Scherrer  
Scott  
Shepherd  
Sorenson  
St-Jacques  
St. Denis  
Stewart  
Strahl  
Telegdi  
Thibeault (Saint-Lambert)  
Thompson (Wild Rose)  
Tobin  
Tonks  
Tremblay (Lac-Saint-Jean—Saguenay)  
Ur  
Vanclief  
Volpe  
Wayne  
White (North Vancouver)  
Williams  
Yelich-243

Malhi  
Manley  
Marceau  
Mark  
Martin (Esquimalt—Juan de Fuca)  
Mayfield  
McCormick  
McKay (Scarborough East)  
McNally  
Ménard  
Merrifield  
Mills (Toronto—Danforth)  
Mitchell  
Murphy  
Nault  
Normand  
O'Reilly  
Pagtakhan  
Paquette  
Patry  
Perron  
Peterson  
Phinney  
Pickard (Chatham—Kent Essex)  
Plamondon  
Proulx  
Rajotte  
Reed (Halton)  
Reid (Lanark—Carleton)  
Richardson  
Robillard  
Rock  
Saada  
Savoy  
Schmidt  
Sgro  
Solberg  
St-Hilaire  
St-Julien  
Steckle  
Stinson  
Szabo  
Thibault (West Nova)  
Thompson (New Brunswick Southwest)  
Tirabassi  
Toews  
Torsney  
Tremblay (Rimouski-Neigette-et-la Mitis)  
Valeri  
Venne  
Wappel  
Whelan  
Wilfert  
Wood

## PAIRED

## Members

Anderson (Victoria)  
Bachand (Saint-Jean)  
Cauchon

Asselin  
Bigras  
Kilgour (Edmonton Southeast)—6

(The House divided on Motion No. 7, which was negated on the following division:)

*(Division No. 166)*

## YEAS

## Members

Blaikie  
Davies  
Godin  
Martin (Winnipeg Centre)  
Nystrom  
Stoffer

Comartin  
Desjarlais  
Lill  
McDonough  
Proctor  
Wasylycia-Leis—12

## NAYS

## Members

Abbott  
Allard  
Anderson (Cypress Hills—Grasslands)  
Assadourian  
Bachand (Richmond—Arthabaska)  
Bailey  
Barnes  
Bélanger  
Bellemare  
Benoit  
Bertrand  
Binet  
Bonin  
Borotsik  
Bourgeois  
Breitkreuz  
Brison  
Bryden  
Burton  
Caccia  
Calder  
Caplan  
Carroll  
Casson  
Catterall  
Clark  
Collenette  
Copps  
Cullen  
Cuzner  
Day  
DeVillers  
Dion  
Dromisky  
Dubé  
Duhamel  
Easter  
Elley  
Farrah  
Fontana  
Fournier  
Gagliano  
Gagnon (Champlain)  
Gauthier  
Godfrey  
Goodale  
Graham  
Grey (Edmonton North)  
Guay  
Harb  
Harvard  
Hearn  
Hill (Macleod)  
Hinton  
Jackson  
Jennings  
Jordan  
Kenney (Calgary Southeast)  
Knutson  
Laframboise  
Lanctôt  
Lebel  
Lee  
Lincoln  
Loubier  
Lunney (Nanaimo—Alberni)  
MacKay (Pictou—Antigonish—Guysborough)  
Mahoney  
Maloney  
Manning  
Marcil  
Marleau  
Matthews  
McCallum  
McGuire  
McLellan  
McTeague  
Meredith  
Mills (Red Deer)  
Minna

Adams  
Anders  
Assad  
Augustine  
Bagnell  
Baker  
Beaumier  
Bellehumeur  
Bennett  
Bergeron  
Bevilacqua  
Blondin-Andrew  
Bonwick  
Boudria  
Bradshaw  
Brien  
Brown  
Bulte  
Byrne  
Cadman  
Cannis  
Cardin  
Casey  
Castonguay  
Chamberlain  
Coderre  
Comuzzi  
Crête  
Cummins  
Dalphond-Guiral  
Desrochers  
Dhaliwal  
Doyle  
Drouin  
Duceppe  
Duncan  
Eggleton  
Epp  
Finlay  
Forseth  
Fry  
Gagnon (Québec)  
Gallant  
Girard-Bujold  
Goldring  
Gouk  
Grewal  
Guarnieri  
Guimond  
Harris  
Harvey  
Herron  
Hill (Prince George—Peace River)  
Hubbard  
Jaffer  
Johnston  
Karetak-Lindell  
Keyes  
Kraft Sloan  
Lalonde  
Lastewka  
LeBlanc  
Leung  
Longfield  
Lunn (Saanich—Gulf Islands)  
MacAulay  
Macklin  
Malhi  
Manley  
Marceau  
Mark  
Martin (Esquimalt—Juan de Fuca)  
Mayfield  
McCormick  
McKay (Scarborough East)  
McNally  
Ménard  
Merrifield  
Mills (Toronto—Danforth)  
Mitchell

*Government Orders*

Moore	Murphy
Myers	Nault
Neville	Normand
O'Brien (London—Fanshawe)	O'Reilly
Owen	Pagtakhan
Pallister	Paquette
Paradis	Patry
Peric	Perron
Peschisolido	Peterson
Pettigrew	Phinney
Picard (Drummond)	Pickard (Chatham—Kent Essex)
Pillitteri	Plamondon
Pratt	Proulx
Provenzano	Rajotte
Redman	Reed (Halton)
Regan	Reid (Lanark—Carleton)
Reynolds	Richardson
Ritz	Robillard
Rocheleau	Rock
Roy	Saada
Sauvageau	Savoy
Scherrer	Schmidt
Scott	Sgro
Shepherd	Solberg
Sorenson	St-Hilaire
St-Jacques	St-Julien
St. Denis	Steckle
Stewart	Stinson
Strahl	Szabo
Telegdi	Thibault (West Nova)
Thibeault (Saint-Lambert)	Thompson (New Brunswick Southwest)
Thompson (Wild Rose)	Tirabassi
Tobin	Toews
Tonks	Torsney
Tremblay (Lac-Saint-Jean—Saguenay)	Tremblay (Rimouski-Neigette-et-la Mitis)
Ur	Valeri
Vanclief	Venne
Volpe	Wappel
Wayne	Whelan
White (North Vancouver)	Wilfert
Williams	Wood
Yelich—243	

**PAIRED**

## Members

Anderson (Victoria)	Asselin
Bachand (Saint-Jean)	Bigras
Cauchon	Kilgour (Edmonton Southeast)—6

**The Speaker:** I therefore declare Motions Nos. 2, 4, 5 and 7 lost. The next question is on Motion No. 3.

**Ms. Marlene Catterall:** Mr. Speaker, I rise on a point of order. I think you would find unanimous consent that those who voted on the previous motions be recorded as voting on the motion now before the House, with Liberal members voting yes.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

**Mr. Richard Harris:** Mr. Speaker, members of the Canadian Alliance will be voting yes to Motion No. 3.

[*Translation*]

**Mr. Pierre Brien:** Mr. Speaker, members of the Bloc Quebecois vote no to this motion.

**Mr. Yvon Godin:** Mr. Speaker, members of the NDP vote yes to this motion.

[*English*]

**Mr. Jay Hill:** Mr. Speaker, PC/DR coalition members present this afternoon will be voting in favour of Motion No. 3.

(The House divided on Motion No. 3, which was agreed to on the following division:)

(*Division No. 162*)

**YEAS**

## Members

Abbott	Adams
Allard	Anders
Anderson (Cypress Hills—Grasslands)	Assad
Assadourian	Augustine
Bachand (Richmond—Arthabaska)	Bagnell
Bailey	Baker
Barnes	Beaumier
Bélanger	Bellefleur
Bennett	Benoit
Bertrand	Bevilacqua
Binet	Blaikie
Blondin-Andrew	Bonin
Bonwick	Borotsik
Boudria	Bradshaw
Breitkreuz	Brisson
Brown	Bryden
Bulte	Burton
Byrne	Caccia
Cadman	Calder
Cannis	Caplan
Carroll	Casey
Casson	Castonguay
Catterall	Chamberlain
Clark	Coderre
Collenette	Comartin
Comuzzi	Copps
Cullen	Cummins
Cuzner	Davies
Day	Desjarlais
DeVillers	Dhaliwal
Dion	Doyle
Dromisky	Drouin
Duhamel	Duncan
Easter	Eggleton
Elley	Epp
Farrah	Finlay
Fontana	Forseth
Fry	Gagliano
Gallant	Godfrey
Godin	Goldring
Goodale	Gouk
Graham	Grewal
Grey (Edmonton North)	Guarnieri
Harb	Harris
Harvard	Harvey
Hearn	Herron
Hill (Macleod)	Hill (Prince George—Peace River)
Hinton	Hubbard
Jackson	Jaffer
Jennings	Johnston
Jordan	Karetak-Lindell
Kenney (Calgary Southeast)	Keyes
Knutson	Kraft Sloan
Lastewka	LeBlanc
Lee	Leung
Lill	Lincoln
Longfield	Lunn (Saanich—Gulf Islands)
Lunney (Nanaimo—Alberni)	MacAulay
MacKay (Pietou—Antigonish—Guysborough)	Macklin
Mahoney	Malhi
Maloney	Manley
Manning	Marcil
Mark	Marleau
Martin (Esquimalt—Juan de Fuca)	Martin (Winnipeg Centre)
Matthews	Mayfield
McCallum	McCormick
McDonough	McGuire
McKay (Scarborough East)	McLellan
McNally	McTeague
Meredith	Merrifield
Mills (Red Deer)	Mills (Toronto—Danforth)
Minna	Mitchell
Moore	Murphy
Myers	Nault

*Government Orders*

Neville	Normand
Nystrom	O'Brien (London—Fanshawe)
O'Reilly	Owen
Pagtakhan	Pallister
Paradis	Patry
Peric	Peschisolido
Peterson	Pettigrew
Phinney	Pickard (Chatham—Kent Essex)
Pillitteri	Pratt
Proctor	Proulx
Provenzano	Rajotte
Redman	Reed (Halton)
Regan	Reid (Lanark—Carleton)
Reynolds	Richardson
Ritz	Robillard
Rock	Saada
Savoy	Scherrer
Schmidt	Scott
Sgro	Shepherd
Solberg	Sorenson
St-Jacques	St-Julien
St. Denis	Steckle
Stewart	Stinson
Stoffer	Strahl
Szabo	Telegdi
Thibault (West Nova)	Thibeault (Saint-Lambert)
Thompson (New Brunswick Southwest)	Thompson (Wild Rose)
Tirabassi	Tobin
Toews	Tonks
Torsney	Ur
Valeri	Vanclief
Volpe	Wappel
Wasylycia-Leis	Wayne
Whelan	White (North Vancouver)
Willfert	Williams
Wood	Yelich-220

**NAYS**

## Members

Bellehumeur	Bergeron
Bourgeois	Brien
Cardin	Crête
Dalphond-Guiral	Desrochers
Dubé	Duceppe
Fournier	Gagnon (Québec)
Gagnon (Champlain)	Gauthier
Girard-Bujold	Guay
Guimond	Laframboise
Lalonde	Lanctôt
Lebel	Loubier
Marceau	Ménard
Paquette	Perron
Picard (Drummond)	Plamondon
Rocheleau	Roy
Sauvageau	St-Hilaire
Tremblay (Lac-Saint-Jean—Saguenay)	Tremblay (Rimouski-Neigette-et-la Mitis)
Venne-35	

**PAIRED**

## Members

Anderson (Victoria)	Asselin
Bachand (Saint-Jean)	Bigras
Cauchon	Kilgour (Edmonton Southeast)-6

**The Speaker:** I declare Motion No. 3 carried.

The next question is on Motion No. 6.

[*Translation*]

**Ms. Marlene Catterall:** Mr. Speaker, I believe you would find unanimous consent that those members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting no.

**The Speaker:** Is there unanimous consent of the House to proceed in such a fashion?

**Some hon. members:** Agreed.

[*English*]

**Mr. Richard Harris:** Mr. Speaker, Canadian Alliance members will be voting yes to the motion.

[*Translation*]

**Mr. Pierre Brien:** Mr. Speaker, members of the Bloc Québécois vote no to this motion.

[*English*]

**Mr. Yvon Godin:** Mr. Speaker, members of the NDP present are voting no to the motion.

**Mr. Jay Hill:** Mr. Speaker, coalition members will be voting no to the motion.

**Mr. Gary Lunn:** Mr. Speaker, I rise on a point of order. I wish to be recorded as voting yes to Motion No. 6.

● (1520)

(The House divided on Motion No. 6, which was negated on the following division:)

(*Division No. 165*)

**YEAS**

## Members

Abbott	Anders
Anderson (Cypress Hills—Grasslands)	Bailey
Benoit	Breitkreuz
Burton	Cadman
Casson	Cummins
Day	Duncan
Elley	Epp
Forseth	Gallant
Goldring	Gouk
Grewal	Harris
Hill (Macleod)	Hinton
Jaffier	Johnston
Kenney (Calgary Southeast)	Lunn (Saanich—Gulf Islands)
Lunney (Nanaimo—Alberni)	Manning
Martin (Esquimalt—Juan de Fuca)	Mayfield
Merrifield	Mills (Red Deer)
Moore	Pallister
Peschisolido	Rajotte
Reid (Lanark—Carleton)	Reynolds
Ritz	Schmidt
Solberg	Sorenson
Stinson	Thompson (Wild Rose)
Toews	White (North Vancouver)
Williams	Yelich-48

**NAYS**

## Members

Adams	Allard
Assad	Assadourian
Augustine	Bachand (Richmond—Arthabaska)
Bagnell	Baker
Barnes	Beaumier
Bélanger	Bellehumeur
Bellemare	Bennett
Bergeron	Bertrand
Bevilacqua	Binet
Blaikie	Blondin-Andrew
Bonin	Bonwick
Borotsik	Boudria
Bourgeois	Bradshaw
Brien	Brison
Brown	Bryden
Bulte	Byrne
Caccia	Calder
Cannis	Caplan
Cardin	Carroll
Casey	Castonguay
Catterall	Chamberlain
Clark	Coderre

*Government Orders*

Collenette	Comartin
Comuzzi	Copps
Crête	Cullen
Cuzner	Dalphond-Guiral
Davies	Desjarlais
Desrochers	DeVillers
Dhaliwal	Dion
Doyle	Dromisky
Drouin	Dubé
Duceppe	Duhamel
Easter	Eggleton
Farrah	Finlay
Fontana	Fournier
Fry	Gagliano
Gagnon (Québec)	Gagnon (Champlain)
Gauthier	Girard-Bujold
Godfrey	Godin
Goodale	Graham
Grey (Edmonton North)	Guarnieri
Guay	Guimond
Harb	Harvard
Harvey	Hearn
Herron	Hill (Prince George—Peace River)
Hubbard	Jackson
Jennings	Jordan
Karetak-Lindell	Keys
Knutson	Kraft Sloan
Laframboise	Lalonde
Lancôt	Lastewka
Lebel	LeBlanc
Lee	Leung
Lill	Lincoln
Longfield	Loubier
MacAulay	MacKay (Pictou—Antigonish—Guysborough)
Macklin	Mahoney
Malhi	Maloney
Manley	Marceau
Marcil	Mark
Marleau	Martin (Winnipeg Centre)
Matthews	McCallum
McCormick	McDonough
McGuire	McKay (Scarborough East)
McLellan	McNally
McTeague	Ménard
Meredith	Mills (Toronto—Danforth)
Minna	Mitchell
Murphy	Myers
Nault	Neville
Normand	Nystrom
O'Brien (London—Fanshawe)	O'Reilly
Owen	Pagtakhan
Paquette	Paradis
Patry	Peric
Perron	Peterson
Pettigrew	Phinney
Picard (Drummond)	Pickard (Chatham—Kent Essex)
Pillitteri	Plamondon
Pratt	Proctor
Proulx	Provenzano
Redman	Reed (Halton)
Regan	Richardson
Robillard	Rocheleau
Rock	Roy
Saada	Sauvageau
Savoy	Scherrer
Scott	Sgro
Shepherd	St-Hilaire
St-Jacques	St-Julien
St. Denis	Steckle
Stewart	Stoffer
Strahl	Szabo
Telegdi	Thibault (West Nova)
Thibeault (Saint-Lambert)	Thompson (New Brunswick Southwest)
Tirabassi	Tobin
Tonks	Torsney
Tremblay (Lac-Saint-Jean—Saguenay)	Tremblay (Rimouski-Neigette-et-la Mitis)
Ur	Valeri
Vanclief	Venne
Volpe	Wappel
Wasylycia-Leis	Wayne
Whelan	Wilfert
Wood-207	

## PAIRED

## Members

Anderson (Victoria)	Asselin
Bachand (Saint-Jean)	Bigras
Cauchon	Kilgour (Edmonton Southeast)-6

**The Speaker:** I declare Motion No. 6 lost.

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.)** moved that the bill be concurred in.

**Ms. Marlene Catterall:** Mr. Speaker, I believe you would find consent that the members who voted on the previous motion be recorded as voting on this motion, with Liberal members voting yes.

**The Speaker:** Is there unanimous consent to proceed in this way?

**Some hon. members:** Agreed.

**Mr. Richard Harris:** Mr. Speaker, Canadian Alliance members will be voting no to the motion.

[*Translation*]

**Mr. Pierre Brien:** Mr. Speaker, members of the Bloc Québécois vote no to this motion.

**Mr. Yvon Godin:** Mr. Speaker, members of the New Democratic Party vote no to this motion.

[*English*]

**Mr. Jay Hill:** Mr. Speaker, coalition members will be voting in favour of the motion.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 167*)

## YEAS

## Members

Adams	Allard
Assad	Assadourian
Augustine	Bachand (Richmond—Arthabaska)
Bagnell	Baker
Barnes	Beaumier
Bélangier	Bellemare
Bennett	Bertrand
Bevilacqua	Binet
Blondin-Andrew	Bonin
Bonwick	Borotsik
Boudria	Bradshaw
Brisson	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Cannis
Caplan	Carroll
Casey	Castonguay
Catterall	Chamberlain
Clark	Coderre
Collenette	Comuzzi
Copps	Cullen
Cuzner	DeVillers
Dhaliwal	Dion
Doyle	Dromisky
Drouin	Duhamel
Easter	Eggleton
Farrah	Finlay
Fontana	Fry
Gagliano	Godfrey
Goodale	Graham
Grey (Edmonton North)	Guarnieri
Harb	Harvard
Harvey	Hearn

Herron	Hill (Prince George—Peace River)
Hubbard	Jackson
Jennings	Jordan
Karetak-Lindell	Keyes
Knutson	Kraft Sloan
Lastewka	LeBlanc
Lee	Leung
Lincoln	Longfield
Lunn (Saanic—Gulf Islands)	MacAulay
MacKay (Pictou—Antigonish—Guysborough)	MacKlin
Mahoney	Malhi
Maloney	Manley
Marcil	Mark
Marleau	Matthews
McCallum	McCormick
McGuire	McKay (Scarborough East)
McLellan	McNally
McTeague	Meredith
Mills (Toronto—Danforth)	Minna
Mitchell	Murphy
Myers	Nault
Neville	Normand
O'Brien (London—Fanshawe)	O'Reilly
Owen	Pagtakhan
Paradis	Patry
Peric	Peterson
Pettigrew	Phinney
Pickard (Chatham—Kent Essex)	Pillitteri
Pratt	Proulx
Provenzano	Redman
Reed (Halton)	Regan
Richardson	Robillard
Rock	Saada
Savoy	Scherrer
Scott	Sgro
Shepherd	St-Jacques
St-Julien	St. Denis
Steckle	Stewart
Strahl	Szabo
Telegdi	Thibault (West Nova)
Thibeault (Saint-Lambert)	Thompson (New Brunswick Southwest)
Tirabassi	Tobin
Tonks	Torsney
Ur	Valeri
Vanclief	Volpe
Wappel	Wayne
Whelan	Wilfert
Wood-161	

## NAYS

### Members

Abbott	Anders
Anderson (Cypress Hills—Grasslands)	Bailey
Bellehumeur	Benoit
Bergeron	Blaikie
Bourgeois	Breitkreuz
Brien	Burton
Cadman	Cardin
Casson	Comartin
Crête	Cummins
Dalphond-Guiral	Davies
Day	Desjarlais
Desrochers	Dubé
Duceppe	Duncan
Elley	Epp
Forseth	Fournier
Gagnon (Québec)	Gagnon (Champlain)
Gallant	Gauthier
Girard-Bujold	Godin
Goldring	Gouk
Grewal	Guay
Guimond	Harris
Hill (Macleod)	Hinton
Jaffer	Johnston
Kenney (Calgary Southeast)	Laframboise
Lalonde	Lancôt
Lebel	Lill
Loubier	Lunney (Nanaimo—Alberni)
Manning	Marceau
Martin (Esquimalt—Juan de Fuca)	Martin (Winnipeg Centre)
Mayfield	McDonough
Ménard	Merrifield

## S. O. 52

Mills (Red Deer)	Moore
Nystrom	Pallister
Paquette	Perron
Peschisolido	Picard (Drummond)
Plamondon	Proctor
Rajotte	Reid (Lanark—Carleton)
Reynolds	Ritz
Rocheleau	Roy
Sauvageau	Schmidt
Solberg	Sorenson
St-Hilaire	Stinson
Stoffer	Thompson (Wild Rose)
Toews	Tremblay (Lac-Saint-Jean—Saguenay)
Tremblay (Rimouski-Neigette-et-la Mitis)	Venne
Wasylycia-Leis	White (North Vancouver)
Williams	Yelich-94

## PAIRED

### Members

Anderson (Victoria)	Asselin
Bachand (Saint-Jean)	Bigras
Cauchon	Kilgour (Edmonton Southeast)-6

**The Speaker:** I declare the motion carried.

## EMERGENCY DEBATE

[*Translation*]

### SOFTWOOD LUMBER

**The Speaker:** The House will now proceed to the consideration of a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, softwood lumber.

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ)** moved:

That this House do now adjourn.

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, I wish to advise you that members of the Bloc Québécois taking part in this emergency debate will be splitting their time in 10 minute segments.

First, I want to thank the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques for requesting an emergency debate on the softwood lumber issue. I think everybody will agree that this emergency debate has become necessary after last week's announcements.

We requested an emergency debate on this issue because we are both concerned and appalled. Obviously, we are appalled by the decisions made by the Americans, which we find outrageous. With countervailing duties of 19.3% to which anti-dumping duties averaging 12.58% were just added, we are talking about duties totalling about 32%. This will be extremely detrimental to our industries, our businesses, our jobs and our regions in Quebec.

It is outrageous because in this process that the Americans just put in place, they are both judge and judged. That enables overly protectionist lobbies to constantly harass the Canadian and Quebec industry, as we have seen not only over the last 15 years, but also over the last century.

*S. O. 52*

What is somewhat sad is that this surtax, this practice used by the American industry of calling upon trade tribunals to impose this type of surtax, is detrimental to the American economy and goes against the interest of American consumers, an interest that would be well understood.

As I was saying, these duties exceeding 32% that will apply for the next six weeks represent a surtax currently estimated at \$637 million for Quebec alone. This means that on \$2 billion worth of shipments to the United States, the Quebec industry could pay \$637 million a year in duties, should these decisions, which are just preliminary, be maintained as final decisions.

We are appalled by these decisions that are totally unjustified. In this regard, I think everyone in the House will agree that our industries are not subsidized, as recent investigations have shown. What we must face is deeply rooted prejudice on the part of American officials, American elected representatives and the industry to the effect that, because our forests are publicly owned and managed, they are automatically sold at low price to the industry, which would be a form of subsidy.

So, as I have already said, we are concerned because, until December 17, there will be this 32% surtax, which is a threat to our exports, to our jobs and to our industries, not to mention our businesses.

I would remind hon. members that Quebec is the second largest producer of softwood lumber in Canada, after B.C., with 25.5% of total production. We produce approximately seven billion board feet annually. This provides 40,000 jobs directly related to the industry, whether in sawmills or in the bush.

• (1525)

In Canada, there is talk of 130,000 jobs related to this industry. They are threatened at the very moment that we are undergoing an economic downturn, perhaps—although we would not wish for it, but it is a strong possibility—the beginning of a recession. In Quebec, this is an industry which generates \$4 billion in revenues annually. There are more than 250 Quebec municipalities which have developed around it. There are 135 towns and villages 100% dependent on the softwood lumber industry for their jobs in manufacturing. As hon. members can see, this is an extremely important industry not only for Quebec as a whole, but also for its regions and the municipalities in those regions.

Half of our production for export goes to the U.S., and the other half to Canada. As I have pointed out already, we are talking about annual exports of CAN \$2 billion. For all of Canada, we are talking some \$10 or \$11 billion. This is, therefore, an industry of great importance for Canada and for Quebec.

We are concerned because the Americans' protectionist actions will impact, and have already impacted, employment in many regions of Quebec and Canada. They have also had an impact on a number of businesses, particularly smaller businesses, which are more financially vulnerable. However, we are also concerned, more than when parliament reopened, about the current government's real will to bring us to free trade.

I will not hide the fact that I am concerned that the situation in which we currently find ourselves closely resembles the situation

that led to the 1996 agreement, which, I will remind hon. members, penalized the industry in Quebec considerably. Even though we had managed to prove that we were not subsidized, we were subjected to a 6.5% export tax, which was the average that was negotiated with the Americans. For us, this was additional proof of the federal government's inability to defend Quebec's interests. Our exports were unfairly subjected to a quota, and we do not want to go through that experience again.

I am concerned because there are currently discussions under way between the provinces and American officials. We are in favour of such discussions. The Americans were quite clear about their demands. They want to discuss stumpage fees and long-term contracts, also known as the tenure system. They want to discuss mandatory requirements, in other words everything having to do with the requirement to harvest the volumes allocated by governments, particularly in Quebec and British Columbia. They want to discuss transition measures to ensure that during the time it takes for the provinces to modify their forest management systems, there are certain measures and bridging mechanisms to lead to free trade. They are also asking that both parties respect the agreements, which is completely understandable. They especially want Canada to abandon its procedures before the WTO, and eventually, before the NAFTA panels.

But what did we ask for from the Americans in return? Nothing. This is what I do not understand about the discussions. Clearly, for now, these are not what you would call negotiations.

• (1530)

We know for a fact that there are adverse effects from American practices, which create distortions in the United States, but which also create distortions in how we manage the softwood lumber industry. Because of these chronic softwood shortages in the U.S., we are forced to periodically increase our production capacities, not to meet demand from Canada or Quebec, but to meet demand from the United States.

They are the ones then calling for help. When their forests resume production, then we are in the way. Periodically, we have gone through these protectionist crises to restore portions of the market. Especially since Canada and Quebec in particular have invested in technology and reorganized the work. I know whereof I speak, because I used to be the secretary general of the CSN, and we were well represented in the lumber industry. I was a party to the discussions which arose in these companies, especially in the early and late 1980s, about how to reorganize the work, and move on from an approach which was perhaps a bit easygoing to one which was performance-oriented.

Now, because we in Quebec and in Canada have done our homework, we should pay the price, while the Americans did not invest enough in their industry. It is the federal government's responsibility to ask these questions to the personal envoy of the U.S. president. The provinces should not have to do it. They are currently working very hard in their discussions on forest management systems. I know that, particularly in Quebec, a number of proposals were put on the table. In any case, these proposals were necessary, and the government had intended to put them on the table. They will satisfy, partly for sure, U.S. officials.

However, this will not be enough if the federal government does not take its responsibilities. This is why it is important to maintain, both in the rhetoric and in the practice, a will to return to total free trade with the United States. I am concerned when I hear the parliamentary secretary refer to negotiations and discussions at the same time. I am also concerned when I hear the Prime Minister of Canada tell us, as he did yesterday, that we had an agreement that worked for five years. It did not work for five years. It penalized us for five years.

A summit meeting with all the players is necessary to ensure that the consensus achieved in May still exists in November. The next six weeks will be extremely difficult, and understandably so. Some manufacturing associations, such as the Canadian Lumber Remanufacturers Association and FTLC, the Free Trade Lumber Council, asked for such a meeting. We are also asking for a meeting at the earliest opportunity.

Some measures are in order, I am convinced that the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques will elaborate on this, and more specifically on employment insurance, to help workers make it through this difficult period.

I will conclude by saying that the Prime Minister must absolutely get the U.S. president to order the withdrawal of these countervailing and anti-dumping duties, until the WTO panels have validated our position.

**Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ):** Mr. Speaker, I am really pleased to have the opportunity to take part in this emergency debate tonight. I live in a region that has been feeling the negative impact of these decisions made by the Americans.

Particularly last weekend, everybody was asking me "What is happening with the softwood lumber issue? What can you do against the Americans? Why are they doing this?" People are wondering why the Americans are acting this way. Why did we take our case to the international tribunals? What good did it do us to take our case to the WTO and to win, if it does not change a thing?

People are getting tired of this situation where it seems that we are engaged in a battle like the one that opposed David to Goliath, a battle of the poor against the rich, the weak against the mighty. They are getting tired of seeing that we keep going back to square one and that this situation is hurting us more and more. They are wondering how things could change.

Things must change. We cannot go on like this. We must find a way of getting through this wall that is preventing us from asserting our rights.

*S. O. 52*

In 1996, the government signed an agreement. As mentioned by my colleague from Joliette, it proved to be a negative agreement. It was not beneficial to Quebec and British Columbia, and it was not beneficial to Canadians.

When it expired and even before that—we knew it was due to expire on March 31, 2001—we kept asking the government "What will you do? The agreement is about to expire. We want free trade. We signed a free trade agreement and now we want it to be honoured".

We know what has happened since that time. The American government has made decisions that are truly detrimental to us.

What conclusion should we draw from all this? We realize that Canadian officials refuse to use the word "negotiations", as if they were afraid of it. They do not want to talk about negotiations; they say that they are having "discussions" with the U.S. government. They are discussing, and not negotiating, with the American government.

They should really be negotiating. In a negotiation system, a relationship of power is established and there is some give and take. They have to start saying to the Americans "We want to change our policy now. We have lost our sympathy for the United States. You will not get any more of our oil, our natural gas or whatever else you want".

The Americans want our drinking water. Well we better tell them right off that if they do not give us what we want in terms of lumber, they will get nothing. Let us put that in the negotiations. This is the sort of thing we negotiate for. A negotiations mindset is required, not a defeatist or cry-baby attitude over the corner of a table. We must negotiate.

The Americans are negotiating; they have appointed a negotiator, the former governor of Montana, Marc Racicot. If there is no one opposite them to negotiate, the Americans will negotiate all by themselves. Canadians have to get it into their heads that they have to negotiate too. This is a very important attitude to have from the outset.

Without the right attitude initially or if the idea is simply to go and parley, chew the fat, talk over coffee, how will they get down to negotiations? I think this is important. Negotiations are underway, at least the Americans have started them.

The industry is unhappy about not being involved in these negotiations. It was simply told "You can roam the halls, lobby all you want around us, and entertain our court, as an industry, but we will do the negotiating". The government sends officials to negotiate, but perhaps it should consider sending those who know which side is up.

• (1535)

We must therefore pursue the battle with the Americans and explain to the public that something has to happen. I have seen articles referring to a two by four war. This is an image that is very important, for the people of Canada anyway.

S. O. 52

Everyone has seen tractor trailers on the highways hauling loads of two by fours. Very often, it might be something else but, very often, it looks like two by fours. Often they are wrapped in paper. One end is painted green and the other blue. It depends on the company.

In my area, almost everyone knows someone directly or indirectly related to a lumber worker. Lumber workers are those who work right in the forest or who transport wood from the forest to the sawmill. Some of them work in the sawmill and some of them take the resulting lumber somewhere in the United States, because that is where over 50% of our production goes.

Last summer, the hon. members for Joliette and Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques and I met with the Americans. We met senators and members of congress. I must admit that I was astonished. There were several other people. There were Liberals and people from all parties. I do not think that any party was not represented—or perhaps one—but we all tried to be there because we had an interest in doing so. We were all there. As I said, we met senators, members of the house of representatives, and even lobbyists. The vice president of Home Depot was there.

These people spoke with us and understood the situation. Very often, Canadian wood is of better quality than American wood. In addition, Americans do not produce the same wood that we export to the United States. These trees do not grow in the United States.

What struck me was the complete ignorance of American parliamentarians. They understand nothing about our system and they are wrongly accusing us of subsidizing an industry when this is not the case at all. I was truly astonished to see senators say quite simply “Oh, so that is how it works.”

We must therefore develop some method for informing the staff of the U.S. department of commerce, the senators and the representatives, the ones making decisions, on how the situation is being experienced on our side of the border, so that they can at last grasp that we are not competitive with them in the least.

This we need to do. It is very important for us to eventually arrive at a solution that is to our local industry's advantage. Things cannot continue the way they are.

In my riding, at least 600 jobs have been lost. A loss of 600 jobs in a region like mine is the equivalent of 10,000, 15,000, 20,000 in a larger centre.

It strikes me, therefore, as very important for this to be given a great deal of attention, because of all those direct and indirect jobs. The situation is a difficult one, but the Americans must not complicate it further by not properly understanding the situation and by their decisions, which smack of protectionism as well as a desire, as the giants that they are, to impose their will on everyone.

I feel we must be able to stand up to them. As my colleague from Joliette has said, we must go to the United States and negotiate. We must not negotiate with petty functionaries, but with the top man, the president himself if need be. Our Prime Minister must make this his cause.

● (1540)

Perhaps he is seeking a cause, since I see we are not that busy in parliament. So perhaps the Prime Minister is looking for a cause. Let him set off on his pilgrimage with his pilgrim's staff. This time we will close our eyes to how much he spends on travel. He is the one who must go to the U.S. to settle the softwood lumber situation.

● (1545)

[English]

**Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.):** Mr. Speaker, I am pleased to rise in the House to debate the issues put forward by the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques.

The member's motion on softwood lumber is timely and important for all Canadians. The Canada-U.S. softwood lumber dispute is ongoing and it continues to be our country's latest trade concern with our neighbour to the south.

Last week's decision by the U.S. department of commerce, while not surprising given its protectionist leanings, is punitive for our industry in terms of job loss and mill closures and for U.S. consumers who will pay needlessly high housing prices to cover unwarranted duties.

This dispute, the fourth in 20 years, directly impacts hundreds of thousands of Canadian jobs and many more indirectly. Over 300 Canadian communities are at least 50% dependent on a strong lumber industry and on positive softwood lumber trade relations with the United States. Almost one million Canadians' livelihoods, or one in 16 jobs, are related to the lumber industry. Canadians in these communities know first hand of the impact that the U.S. trade action has on our country's economy, on their individual communities and on their families at home.

I will speak today on what the Government of Canada has done to defend the interests of its industry and what it will do in the days ahead.

Since the U.S. lumber industry petitioned the U.S. department of commerce in April of this year alleging that our industry is subsidized and is dumping lumber into the United States, the government has responded forcefully and clearly that these allegations are false and not based in fact. During the past 20 years three previous cases have not been sustained. Once again these allegations will be refuted. Based on protectionist sentiments, the U.S. industry's trade action has brought uncertainty, mill closures, job loss, reduced exports and lost opportunities to Canada's lumber industry.



*S. O. 52*

Having said this, let me say that we in Canada are not the only ones hurting. As a result of the U.S. trade action, American consumers are feeling the impact of a needless dispute. As a result of U.S. duties on our lumber, American consumers will have to pay higher lumber prices and, accordingly, increased housing costs. The United States will see reduced housing starts, the only shining light in a lagging economy, and a weakened ability of hundreds of thousands of Americans to buy a home.

What impact does this have on those who want to purchase a home, a couple's first home, let us say, or on those who are concerned about affordable housing? The coalition American Consumers for Affordable Homes and other housing groups in the United States estimate that 32% duties on Canadian lumber will needlessly raise housing costs by up to \$3,000.

Incredibly, the levying of duties by the United States administration on Canadian producers will greatly hurt the U.S. public, who will have to pay up to four months' mortgage just to cover the cost of needless trade action against Canadian lumber producers. Ironically, in an attempt to satisfy big lumber interests in the United States, the U.S. department of commerce has indirectly hurt those who are bystanders in this trade dispute.

In the face of the trade action and the difficulties it causes on both sides of the border, I would like to congratulate the many Canadian interests that have stood together prior to the investigation and since the trade action began in April. Canadian lumber producers, the provinces and territories and the Government of Canada have met regularly to determine the next steps. They have worked in a united fashion and have indicated in clear terms that we will fight the U.S. trade action based on the merits of our case, a case that has been successful for Canada many times before.

● (1550)

I am proud to say that our government has been active in defending our interests and in leading the way forward. To those say "what more can we do?", I will summarize what we have done already and outline what we can do together in the near future.

Our Prime Minister has frequently personally engaged President Bush on the trade dispute at every opportunity. As the Prime Minister said in the House today and as he has said repeatedly, he had the opportunity to raise this issue a week or so ago in Shanghai with President Bush and has committed to again in the next few days raise this issue with the U.S. president. Let there be no doubt that the Prime Minister is personally engaged in this issue in a most serious way and has repeatedly raised this matter with the American president.

Our Minister for International Trade has forcefully made our case and has engaged in high level discussions on numerous occasions with commerce secretary Evans and U.S. trade representative Bob Zoellick. In answering a question in the House today, my colleague the Minister for International Trade indicated that he had met with the new special representative, Marc Racicot, appointed by President Bush. He indicated that they met earlier today and that Mr. Racicot now knows in no uncertain terms from the Minister for International Trade just exactly what are the concerns of the Canadian lumber producers, the Canadian workers and the Canadian government in this dispute.

Our minister and officials have been holding regular federal-provincial meetings. I applaud the provincial governments for sticking together in tough times and for advancing our common interest with the Government of Canada.

In order to counter protectionist views, we have built alliances with U.S. consumer groups and with companies that are dependent on Canadian lumber. For example, Home Depot, the large U.S. lumber retailer, has been a great supporter of our position and has actively lobbied members of the U.S. congress on the need for free trade in softwood lumber. That is the best answer: free trade in softwood lumber. Home Depot was instrumental in the recent team Canada mission to Atlanta. It has been a key player in the United States, advocating for free trade and not for trade action.

In response to the U.S. allegations, the Government of Canada has filed over 250,000 pages of evidence refuting categorically U.S. industry allegations. We have helped individual companies prepare applications for exclusion from the countervailing duty investigation and recently submitted 334 applications to the U.S. department of commerce.

Our embassy in Washington and our consulates across the United States have been very active in lobbying decision makers and in educating the American public on the impact that duties will have on them, U.S. consumers. To date, some 115 members of congress have agreed with the position of the Government of Canada. As well, many articles supporting the Canadian position have appeared in U.S. newspapers.

This is a new phenomenon and a positive one compared to the last time we had this dispute with the United States. The American public and the American congress are more informed now and we are actively building and cultivating an alliance south of the border that supports us in arguing for free trade in softwood lumber. They just want their government to stand up to what it says it is and be a free trader in softwood lumber like it is when it chooses to be so in other commodities.

Canada's answer to the preliminary determinations of subsidy of the United States department of commerce and to its trade action has been to level the playing field so that big U.S. lumber does not rule the day. Our decision to challenge the United States on its protectionist softwood lumber rulings before the World Trade Organization is the best means of achieving success for our industry once again.

S. O. 52

•(1555)

I know that we are challenging U.S. law and department of commerce rulings on five separate measures before the WTO. Our challenges are directly related to softwood lumber and I am pleased that the WTO has already ruled in our favour with respect to log export policy. In conjunction with a dozen other countries we are challenging another measure of U.S. legislation that impacts softwood lumber, the infamous Byrd amendment. While we are fighting the countervailing duty case on its merits, the Government of Canada in conjunction with the provinces is working to seek the individual exclusion of hundreds of Canadian companies from this trade action. Our government's success in having all of Atlantic Canada's producers exempted from the subsidy case is a recent victory that we hope to extend to the many Canadian producers that should not even be considered a part of the United States trade concern.

What are Canada's next steps? I agree with my colleague, the Minister for International Trade, and with the assessment of our industries and provinces that we should continue to fight the U.S. trade action with every single legal means at our disposal. Continued challenges before the WTO and a pending free trade agreement challenge of the U.S. relating to softwood lumber should also be in the works.

The meetings and discussions with U.S. officials to try to find a long term solution to the situation between our two countries can only help, not hurt, our industry. The series of ongoing discussions is part of the two track approach to this problem that the government has been engaged in for some time now: litigate if necessary and start the procedure necessary to do that, but also discuss at the highest level, from the Prime Minister, to the minister, to officials both American and Canadian, involve the industry widely in consultation, which the minister has done, and involve the provinces widely as part of these discussions to see if we can find the root causes once and for all of what is it the Americans do not accept. They have been repeatedly proven to be incorrect when they challenge that we subsidize.

Once and for all, let us get to the root problem. Let us come up with a solution that will be long term, that will give us free trade in softwood lumber and that will not find us back in these positions every few years fighting and winning this old battle once again, which is what we have had to do.

We understand why the United States industry continues to make false claims about our industry. We know that its concerns are based on protectionism and fear of losing market share. This is all about market share. Our producers have an excellent product at a good price. They have managed to capture 34% of the U.S. market and the American producers do not like it. It is not the fault of our producers that they do such a great job. They want free trade, they deserve free trade and the government will continue to fight for free trade for all Canadians.

While our exports have remained steady at about one-third of the U.S. market, this being the fourth attempt to erode our industry we know what the game is all about. We will not stand by while misinformation about our industry attempts to rule the day. Our government and indeed all MPs have a duty to set the record straight

and defend the best interests of our industry. Our communities, the jobs that build them and the families that depend on a strong lumber industry deserve no less.

**Mr. John Duncan (Vancouver Island North, Canadian Alliance):** Mr. Speaker, the ongoing softwood lumber dispute has a long and tangled history. My greatest frustration is the lack of urgency or hands on attention the Prime Minister has shown the dispute.

I am not alone in this thinking. It is the opinion of a majority of forest industry workers, people representing forest communities and political participants. If it is observable to us that the Prime Minister is not fully engaged then it is surely observable to the U.S. administration and the U.S. special interest lumber lobby.

Yesterday in the House of Commons during question period the Prime Minister said we had a softwood lumber agreement that worked for five years. It did not work. It led to a massive loss of investment and jobs. It led to distortions in the market that proved costly and divisive for producers and customers.

We are in trouble when we expect leadership on our largest trade commodity and the person from whom we require leadership makes such uninformed statements.

Last week the U.S. department of commerce announced a preliminary duty of 12.6% on top of an existing countervail duty of 19.3%, which brings it up to 32%. What did we hear from the Prime Minister? Did we witness a sense of urgency or direct action resulting from the announcement? I could ask the question again but I would not get much of an answer because we saw no urgency or direct action from the Prime Minister.

The U.S. administration has in some respects been much more engaged than the Prime Minister although the U.S. department of commerce has not. The administration has appointed a representative, Mr. Marc Racicot from Montana. He is in Ottawa today.

The Prime Minister assures us he is in communication every two or three weeks with the president and that he spent some time with him in China. That is the extent of it. I am embarrassed that the Prime Minister of Canada would stoop to suggest this would count for anything.

I read that the Prime Minister finagled a photo opportunity with the U.S. president while in China. Once again I am embarrassed. This is not how a Prime Minister behaves. He should not seek a photo opportunity with an unwary president to look good at home while achieving nothing. This is serious business. Communities, workers, their families and enterprises are at risk and we get glibness from the Prime Minister.

Let us talk about today. Today I asked the Prime Minister why he is not fully engaged. Once again he made reference to his overlap along with dozens of other leaders with the president of the United States in China. This was before last Wednesday's anti-dumping announcement.

*S. O. 52*

Is anybody home over there? Are we to believe that the Prime Minister is fully engaged on softwood lumber? I am not a lawyer but the evidence is overwhelmingly clear that he is not.

• (1600)

I cannot overemphasize how large and significant a problem this has been, is and will continue to be unless we witness a dramatic reversal. The dispute may be resolved or it may go to long winded litigation. Does the government have a contingency plan? Since it does not have a plan it probably does not have a contingency plan.

I welcome the appointment by the U.S. of a representative on the softwood lumber dispute. I welcome the litigation announced yesterday by Canfor Corporation. Canfor announced its intention to file a \$250 million legal suit under chapter 11 of NAFTA, claiming that the U.S. department of commerce has acted in a capricious and biased manner against its interests. This logic would apply to many other Canadian companies operating in the forest industry.

This protection exists under NAFTA but some in the House of Commons argue it does not belong under NAFTA. The sum of these members resides in the New Democratic Party.

This is the only way to get to a neutral body on this dispute. It is a good move on the part of a Canadian company to let the administration know that in the longer term biased behaviour from the U.S. department of commerce on what is clearly an unsubsidized industry is not acceptable.

When we describe the dispute it is important to recognize that we have strong U.S. allies on this file. A consumer lobby has been in effect in the U.S. for the last two years which has been lobbying legislators and congress to make them aware of the negative impact of the dispute on their constituents, the American public, from the standpoint that putting tariffs on Canadian lumber going to the U.S. is costing American consumers.

This is not a Canada-U.S. battle. It is a fight between Canada and the special interest U.S. lumber lobby. It is completely unproductive and unnecessary and it hurts both nations.

In the longer term I am optimistic because the consumer movement in the U.S. represents 95% of lumber consumption. We have seen an expansion beyond lumber consumer groups into the larger consumer group involved in all aspects of the American economy which says the dispute is hurting everyone in the American economy whether or not they are lumber consumers. That is a positive move.

In the longer term we will see U.S. protectionist legislation change. We may even see litigation deriving from some of the larger players in the consumer movement. I hope that occurs.

Canada cannot alienate the U.S. consumer movement. Whatever we do in the settlement of this dispute we must be cognizant of that. Canada must also rule out any arrangement where we would end up going back to a quota arrangement.

• (1605)

The old quota arrangement for Canada's forest industry that has just expired was a negative one. After yesterday's comment by the

Prime Minister it concerns me that it was called a good agreement. I suddenly have a new concern that the government might consider another quota arrangement.

The Canadian Alliance has been pursuing free trade in lumber for a long time. The 1996 to 2001 softwood lumber agreement that recently expired created a softwood lumber quota system that cost Canada thousands of jobs. The federal government orchestrated the arrangement in 1996 with selected industry support. When the deal turned sour and its negative implications became clear to virtually everyone, the government washed its hands and said industry had made it do it.

The Canadian Alliance took the issue seriously and set out a clear analysis and policy statement in June 2000. The Minister for International Trade finally came to a free trade position in March 2001, days before the softwood lumber agreement expired. Much of Canadian industry, the official opposition and American Consumers for Affordable Homes worked hard to ensure the softwood lumber agreement would not be renewed or extended when it expired on March 31.

Canada cannot enter into any arrangement that would impair our competitiveness in the future or reinforce the belief in the U.S. that it could impose its will without concern for international trade rules. The Prime Minister has a strong role to play by talking to the Bush administration. The Prime Minister's Office should have no role in pushing a deal on to the minister against Canadian long term interests.

Some American politicians in the U.S. department of commerce are pushing for a crushing victory for the U.S. lumber lobby. This is producer driven politics at its worst.

What must the government do? The Prime Minister and his senior officials must continue to point out to the Bush administration the benefits of free trade in lumber. They must point out that Canadian industry is not subsidized. The Prime Minister must deliver on his promise that the U.S. cannot call for more Canadian energy while restricting Canadian lumber exports. He can do this in terms of any proposed continental energy discussions.

Now is the worst possible time for governments or industry to concede to the U.S. lumber lobby. Canada has a strong case for free trade access before NAFTA and WTO trade tribunals and the U.S. lumber lobby knows it. Fifteen years of harassment have taken a major toll. If we do not get back to free trade now we will see further permanent job losses and loss of investment in the industry.

Where do we go from here? We need a cost effective analysis to compare litigation with negotiation. I think we will find litigation comes out fairly well in the analysis.

For example, the softwood lumber quota arrangement we all lived with for the past five years effectively cost industry in the range of 15% to 20% although there were haves and have nots depending on who had quota or duty free access and who did not. There was no fairness there.

*S. O. 52*

Now more than ever we need leadership and resolve from our Prime Minister and the federal government. The U.S. lumber lobby did not anticipate that Canada would hold out as long as it has. The U.S. lumber lobby has shown itself to be a self-serving special interest group contrary to the interests of both nations.

● (1610)

There is much pessimism today but there is room for optimism as well. We need to hold our alliance together. We need to fix this thing once and for all.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, I will be sharing my time with my colleague from Vancouver East who comes from the province where the forestry industry, workers and their communities have been hardest hit by this ongoing softwood lumber crisis.

I listened carefully to the comments of the Parliamentary Secretary to the Minister for International Trade. I do not question for a moment that the parliamentary secretary shares with members on the opposition side the frustrations about this continuing, unresolved dispute.

I do not question whether he is concerned about the impact that it is having on forestry workers and their families. Christmas is coming and some 16,000 workers have already lost their jobs in British Columbia alone. They do not have any idea about what will happen in the future. In fact they are losing hope for any possibility of getting up off their knees and working in the industry in which they have proven themselves to be highly skilled and competitive.

I share with those workers the incredible frustration they feel when government members, including the Prime Minister, the trade minister and the parliamentary secretary, I am sorry to say, wring their hands and speak about how meritorious is the Canadian position.

The government only deals with the symptoms. It is not willing to talk about the underlying causes, the root problems, the reasons we are in this difficult situation yet again. People are losing their homes and communities. They are literally faced with personal bankruptcy and in many cases family breakdown because of the pressures involved.

It is high time for the government to speak about the reasons we are in this situation with the U.S. We will continue to be harassed as we have been time and time again unless we face the real problem: that we do not have a fair trade deal with the U.S. We will continue to face that kind of harassment until we have proper trade dispute mechanisms that can deal with this kind of unwarranted, unfair attack or until we are able to be highly competitive in various sectors.

I had an opportunity to question the Prime Minister earlier this afternoon on his tough talk yesterday about finally getting up off his knees and standing up to the Americans on softwood lumber. Unfortunately it turns out that it appears to be a very temporary tough talk. Temporary indeed. It is not the first time we have heard this.

The Prime Minister met with President George Bush after his election. He boasted that he had stood up to the American president

on the issue of softwood lumber. Yet, to the embarrassment of not just the Prime Minister but all Canadians, the American president's own staff came forward and said that he actually did not say those things to the American president.

● (1615)

Once again we end up being a laughing stock. We end up being seen on the one hand as saying that we are prepared to fight for our forestry industry, our workers, their families and communities and on the other hand we backpedal like Olympic cyclists when it comes to following through on the concerns. That kind of bluffing and rhetoric, not backed up with solid actions, is a source of frustration.

I was asked if I identify with the incredible frustration that those forestry workers and their families are feeling and facing at this time. Darned right I do.

We have to begin to recognize that 16,000 jobs have already been lost in British Columbia alone. The prediction is that 30,000 jobs will be lost in that province. We know what a devastating blow that is to those families and to the entire economy. Some 50% of the impact is predicted to rip through British Columbia, but let us make no mistake. There will be a devastating impact on other communities across the country.

Two weeks ago the government was talking as if it were on the verge of signing a new deal on softwood lumber. It appeared to be ready to step up to the plate and insist that the supposed free trade deal into which Canada entered in 1989 would be the start of a free trade deal relating to softwood lumber.

The fact of the matter is that we have been hit with an even more punitive measure of an unwarranted 19.5% duty on the already imposed dumping levy of 12.5%. That cripples many of our lumber mills and forestry industry in many parts of the country.

The reality is that the so-called free trade for which we paid a very heavy price over the years has turned out to be no such thing. We remember the sales pitch for the free trade agreement. This party stood alone, but there was also a lot of talk from the Liberals that they too were opposed to that flawed free trade agreement. Members will recall that in the early 1980s the U.S. tried and failed to get countervailing duties levied against Canadian lumber exports to the U.S.

Ronald Reagan agreed to curb lumber imports from Canada when he was trying to get fast track authority from the U.S. congress. The U.S. set about putting in place a punitive tariff and warned that free trade talks would be in peril. The Mulroney government quickly succumbed to those pressures and agreed to impose an export tax of 15% on Canadian softwood lumber that remained in place for five years until 1991.

In 1992 the U.S. imposed a 6.5% tax on Canadian softwood lumber which Canada appealed to a NAFTA panel. Canada won the appeal but still the U.S. pressure remained. The current Prime Minister, like Brian Mulroney, surrendered to U.S. power and agreed in 1996 to an escalating penalty on shipments in excess of 14.7 billion square feet.

● (1620)

IWA President Dave Haggard had it absolutely right when he said “We cannot capitulate our way into an acceptable agreement with the Americans”.

It seems that when we win these disputes in international tribunals we lose. Why is this? It is because the U.S. is prepared to ignore, challenge or tie up in endless adjudication any case which it deems contrary to its domestic political interests. Softwood lumber has always been a powerful lever for U.S. harassment in Canada.

Six months ago U.S. lumber interests were threatening to seek punitive duties of up to 40%. Then they upped the threat to 76% with the full support of Bush's trade representative Robert Zoellick who extols the benefits of free trade while advancing protectionism.

We have again heard the trade minister and the Prime Minister huffing and puffing that Canada won those rounds before international tribunals. Yet we have ended up having to pay again for the privilege of free trade in softwood lumber.

There could be no better way to sum up what the current situation is and what the best advice is to the government than to quote one of the B.C. forestry workers who came to state his solidarity and support for the NDP against this harassment of our softwood lumber industry. He said that negotiating on our knees is not working and it is high time that Canada stood up to the Americans.

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, I am pleased to follow the leader of the NDP in the debate today who has spoken eloquently on this issue. The member for Halifax has been present in the House and has put a lot of pressure on the government to come clean on its softwood lumber agenda. She has attended many briefings and was at the NDP federal council meeting on October 14 when we passed an emergency resolution on the issue.

This is an issue that is at the top of the agenda for members from B.C. in terms of expressing a very strong concern about what is taking place with the softwood lumber market.

● (1625)

I represent an urban riding in east Vancouver. There is a perception that this issue affects smaller communities that are dependent on the forestry industry, but there is no question that the forestry industry is an economic driver of urban communities as well. Jobs are affected in Vancouver as well as in smaller communities.

This industry is the largest source of Canada's export earnings. It does about \$10 billion in exports. It directly employs 350,000 Canadians and indirectly employs about one million Canadians in over 1,000 communities. It gives us an understanding of the significant impact and devastation taking place right across the country and certainly in British Columbia.

As a result of the very unfair countervailing duties that have been dumped on the industry it is estimated that up to 30,000 jobs will be lost and as many as 90,000 additional jobs will be lost indirectly. This is absolutely staggering. These figures cannot be repeated often enough to understand the magnitude of what we are facing.

*S. O. 52*

In British Columbia alone 15 of 25 mills on the coast have been closed entirely due to the U.S. tariff, throwing about 12,000 people out of work. For example, three Doman mills were closed on Vancouver Island and 400 workers from Cowichan Bay, Ladysmith and Saltair have been put out of work. Hammond Cedar and two value added mills in Maple Ridge have been closed with another 450 workers losing their jobs. This closure has meant that Interfor, one of the major companies, has only 1,000 of its total 3,000 workforce currently employed.

The issue that we have to grapple with and the issue we are confronting the government with is: What is the possible way forward? What is the government's agenda on this issue?

The New Democrats have pressed the government to respond to this issue by making it a priority. It must recognize that it is the workers who need immediate assistance. They are either unemployed now or will be facing unemployment with enormous insecurity and anxiety.

There is nothing in trade laws that would prevent the Canadian government from assisting workers who have been adversely affected. We only have to look at what happened on the east coast when the northern cod stock disappeared. Ottawa assisted displaced workers who were crushed by the collapse of the industry.

We can look at the Mifflin plan and the restructuring that took place subsequent to the Mifflin plan. We had our criticisms about that program, but the Canadian government recognized the priority of what was going on and recognized that there were individual communities, families and workers who needed help.

The government has been considering assistance to the airline and tourism industries as a result of what happened on September 11. We have to recognize that the lumber industry is the backbone of thousands of communities and is a very significant economic factor.

● (1630)

We in the NDP want to say loud and clear to the government that it cannot let the workers bear the brunt of this unfair trade action. It needs to step in immediately.

Today in the House, my colleagues, the member for Churchill and the member for Acadie—Bathurst, asked with the government what support there would be for the workers who have been affected. The response they got was pathetic. The government says that there is EI. Well most workers consider EI to be a joke. They pay into it but they get nothing out of it when they are hurting and need help.

When we confronted the Minister of HRDC today to ask whether she would provide a top up or income support to those workers, we heard some vague grumblings and it was back to EI.

We in the NDP say that is not good enough. It is not just a sellout of our resources in terms of what is taking place with these unfair trade practices but it is also a sellout for workers who are now affected.

*S. O. 52*

It was interesting to note today that other members in the House from other parties were calling for a summit to be held for all the parties that are affected. Members of my party have also raised this matter on other days. In listening to the response from the trade minister, I noticed that he was very reluctant to specifically deal with that issue. It led me to wonder what exactly the government's position was on this.

Does anyone actually understand what the government's position or strategy is for dealing with this?

We know the U.S. has appointed a special envoy. We know the minister apparently had a very nice meeting today. However, when we cut through all the rhetoric, does any of us really have an understanding of the government's plan and of what it is actually going to do?

Having listened to the debate today and in earlier days, I really do not have an understanding on what the government is prepared to do specifically to get us out of the mess, to make this a priority and to help the communities that have been affected.

We in the New Democratic Party want to be very clear and say that it is incumbent upon the government, in working in consultation with opposition parties, to have a game plan. I think have heard other members in the House say that today. It is not just me who is wondering where is the game plan. I think we are all feeling like that.

We want to say that the words "this is a crisis" and "this is a problem" are simply not good enough. We want to know what the government is proposing to do to negotiate, to make this a priority and to make sure that these unfair trade deals are put aside. It needs to negotiate a settlement that will support what has already been proven in international tribunals, that Canada is not dumping into the U.S. market.

I want to put forward a message to the B.C. government. The IWA and other organizations have an enormous concern that as this crisis begins to unfold it would be very easy for this provincial government or another provincial government to be picked off.

We want to say very loudly and clearly again that this is another key reason why the federal government must develop a national response and a national strategy to ensure that, for example, the B.C. government does not completely capitulate to American interests by giving away protection to workers, the tying up of manufacturing to harvest rights or increasing raw log exports.

We are very concerned that while this crisis continues if the federal government does not step in and show the leadership that it needs to show, then we will have provinces, whether it is British Columbia or elsewhere, cutting deals and basically ripping off the workers in those communities.

In closing I want to say that it is good we are having this debate but we want the government to tell us its plan, its strategy to deal with the crisis and where its support is for the workers in the communities.

•(1635)

It is not good enough for the minister to say that he met the CEOs and that he has been in contact with them. The livelihoods of

thousands and thousands of people are at stake and we want to know what the government will do to protect those communities.

[*Translation*]

**Right Hon. Joe Clark (Calgary Centre, PC/DR):** Mr. Speaker, I am pleased to take part in this debate. I want to congratulate the Bloc Quebecois for bringing this issue forward.

[*English*]

I will be sharing my time this afternoon with the member for Saanich—Gulf Islands.

As the hon. member who just finished speaking said, this is literally a life and death issue for thousands of Canadians who live and work in rural areas and in the forest industry right across Canada.

I do not know if the Prime Minister has been out to talk to the Canadians, whose jobs are in jeopardy, on this issue, but I have been and my colleagues have been. This is a real threat, both to a major Canadian industry and to men, women and families who count on the government to protect their interests when they are unfairly attacked.

Many of the workers in this industry have been laid off already. Many of our companies, small and large, simply cannot stay in business with their money locked up in American hands. Now they have the additional burden of dumping duties that are both severe and unjustified.

Two months ago, I went directly from meetings with British Columbia lumber producers to take Canada's case to Washington myself. I told Vice-President Cheney that this dispute, serious in itself, also risks undermining support in Canada for the very principle of free trade. I committed my colleagues to supporting a reasonable agreement either in Canada or at the World Trade Organization.

However, two months later, the Government of Canada has not moved this issue forward at all. As on so many cases, the only imaginative leadership has come from some of the provincial governments.

The Government of Canada cannot claim to be surprised. It knew the dumping decision was coming. It knew the former agreement was expiring and yet it sat back and let small Canadian sawmills and ordinary Canadian workers suffer because Ottawa was asleep at the switch.

The United States is the main customer of Canada's softwood lumber industry. We ship \$11 billion of softwood lumber to the U.S. each year.

The latest blow to the industry was the imposition of dumping duties of 12.57%. It may be that the Prime Minister knows he lost credibility with the White House when he was so slow to respond to the terrorist crisis, but the answer to that is to build that credibility up again.

The Prime Minister has to act, not sulk. He has to rebuild Canada's relations with the United States, not force the thousands of Canadians who work in the softwood lumber industry to suffer because of his indifference.

[*Translation*]

There are two important points to raise with regard to free trade. The first one is that softwood lumber is not directly covered by the free trade agreement.

However, when the softwood lumber issue was examined in the context of the free trade agreement, Canada won. We also win most times before the World Trade Organization, even though these processes are extremely complex.

The problem today is that the United States has managed to circumvent the spirit of the free trade agreement. This means that we must strengthen the agreement and not let it go, because such free trade agreements are essential to the growth of the Canadian economy.

I would like to raise a second point and indicate that the problem is the result of an attack from American interest groups and not American consumers. On the contrary, American consumers support our position since we offer them a product at a much lower cost.

The terrible thing is that the government could have prevented this problem, had it been effective in mobilizing American consumers, our supporters, to counter the efforts of lobbyists employed by the American softwood lumber industry.

The Canadian government has simply failed in that regard. We have a passive government that does not defend the interests of the average Canadian. This government is drifting at a time when we need a strong and active government that is not afraid to vigorously defend Canada's interests against the United States.

• (1640)

[*English*]

Of course the issue is complicated. Provincial jurisdictions are involved. The interests of the industry vary from region to region. It makes sense to seek a united front on this issue but the national government cannot simply sit back on issues of this kind. One of the reasons we have a federal government is to take the lead in solving complicated issues. On this question, as on so many other questions, there has been no one home at 24 Sussex Drive.

Three fundamental failures by the government stand out. The first is a failure to foresee. The government knew the five year softwood lumber agreement was due to expire at the end of March this year and that we would be subject again to countervail, yet it took no effective steps to stop a countervail or to protect Canadian interests. It was as ill-prepared for this action as it was for the terrorist attacks, yet in this case it had five years warning.

The second is a failure to bring together the Canadian industry in a common position that Canada could carry aggressively to the United States. Instead, the minister preferred to rely on persuading Robert Zoellick, the American trade representative, who everyone knew would be of scant help to Canada because his major priority was to get, what used to be called, fast track authority on other larger trade issues from the very congressmen who support the softwood attack on Canada.

The third is the Prime Minister's personal failure to solve the dispute at the very highest level. The Prime Minister claims he has

*S. O. 52*

raised this with President Bush. He claims he is on the phone all the time. He should get off the phone and get on the road. The Prime Minister should take Canada's case directly to the president of the United States. That is where this issue will be solved.

As long as the Prime Minister of Canada sits back and lets people in the softwood lumber industry across Canada lose their jobs and lose their hopes then this issue will not be solved.

**Mr. Gary Lunn (Saanich—Gulf Islands, PC/DR):** Mr. Speaker, this is the second emergency debate we have had on this issue in just over a month. The duties imposed by the U.S. commerce department now total roughly 32%. I do not know what it will take to get people in the government to listen. We just cannot keep having more and more emergency debates without any action.

This is the fourth round of trade litigation on this file since 1982. Fifteen of the past eighteen years have seen the lumber market disrupted by threats of countervailing duty. Canada defeated countervailing and anti-dumping allegations in 1982 and again in 1991. I have no doubt that we will prevail again.

The issue is that the litigation process can take years and these families will be facing bankruptcy and personal losses because people are losing their jobs. Again, there will be hardships on families and the destruction of relationships. We cannot even measure that toll.

There is plenty at stake. An estimated one out of 16 Canadians work in the forest sector. Of 337 communities in Canada, more than 50% of the people in those communities depend on the forestry industry for survival. More than 384,000 Canadians are directly employed in logging, wood industries and paper. The death of our lumber industry will create ghost towns across the country. With the stakes so high, where do we go?

Although there is no question we are morally and legally right, it is never easy to face the economic might of America. We must act in concert. We must think in long term. We must make use of our allies in the United States. We must present our position from the highest level, and I want to emphasize that.

In question period today the Prime Minister talked about being engaged on this file. The Minister for International Trade said the government was doing everything it could, that the Prime Minister was engaged on it and that more people were involved. I want to emphasize that it is not working.

In the 18 year history, have we had 32% tariffs? Have we had 20,000 people out of work and going up to 50,000 people? Have we had people declaring bankruptcy? Have we had families being torn apart? No. It is not working.

If members would come to my province of British Columbia, they would see the human toll that this has caused. There is no other trade issue right now facing this country. The Prime Minister has to make this his number one priority.

S. O. 52

We had a quota of 14.7 billion board feet in the past. In the past we were restricted on the softwood lumber agreement. What I am suggesting right now is that another bad deal like we had in the softwood lumber agreement is worse than no deal at all. The facts speak for themselves.

The provinces were covered under the softwood lumber agreement in the past, from 1995 to 1999. Their market share fell by 14.5%. The market share of regions which were not covered in the softwood lumber agreement rose by 130%. Third countries increased their market share by 106%. What happened? Canadians lost with the bad deal which was as a result of the Liberal government.

During the five years of the softwood lumber agreement, what was it supposed to do? It was supposed to give the government an opportunity to find a long lasting solution. Government members sat on their hands. By their own admission, they did nothing. They said that we had to wait until the agreement expired before they could challenge it, instead of being united, having one voice taking the message to Washington, at the very highest level, and letting the Americans know that this action was not acceptable.

We have many allies in the United States. More Americans support free trade than support the protectionist, bullying tactics of the U.S. lumber industry.

•(1645)

In fact American consumers of forest products and lumber dependent industries in the United States outnumber lumber producing industries by a factor of 18 to 1. Lumber tariffs hurt American housing starts and slow its economy. Ultimately the attempts by the lumber lobby to close access to American markets hurt more Americans than it helps.

On August 14 an editorial in the *Wall Street Journal* stated:

Let's hope the Bush Administration recognizes this irony and abandons its unsophisticated South Park strategy of blaming our friends to the north for our own lack of competitiveness.

One U.S. consumer group referred to the Coalition for Fair Lumber Imports as "one of the biggest multi-million dollar bullies on the international trade playground, and it's about time everybody stopped tripping over themselves to appease them".

To date 100 members of the United States congress have asked President Bush to protect the interests of consumers and workers from potentially onerous import duties seeking to limit the amount of lumber imported from Canada.

We do have friends in the United States. Unfortunately they have been speaking louder than our own government. Some of the lobby groups in the United States have been doing a better job fighting for the Canadian forestry workers than our own Prime Minister. This is not acceptable. It has to change.

Of course the Prime Minister will say the government has been doing everything. I say look at the facts. Look at the job losses. Look at the duties that are being paid in the country today. Nine million dollars a day is what is being paid in unfair lumber duties because of the ineffective ability of the government.

It gets worse. There is the Byrd amendment. It is a piece of U.S. legislation wherein the money that is collected by the U.S. government from Canadian forest companies, at the rate of 32%, is passed on to the U.S. lumber industry that filed the complaint against Canada. I questioned the parliamentary secretary on that specific fact in the House on October 4. Of course he stood up in the House and advised that the Bush administration had suspended that amendment. He was wrong. I accept that.

The point I am trying to make is he is being advised by Canada's trade officials. When mistakes as elementary as this are made on such an important issue, it does not give confidence to our lumber industry. It sends a message that the government does not have its act together and that officials are not on this file. Where is the Prime Minister? We have to think in the long term.

Marc Racicot, the United States trade envoy, was in Canada today. He stated that he hoped for a solution within 30 to 45 days. It is not surprising that the United States seeks a resolution to resolve this issue. On December 15 the 19.3% countervail will expire and cannot be reinstated for at least two months.

How can we get a fair deal quickly? The Prime Minister has to do more than he is doing now. The phone calls are not enough. I was outraged by the first 10 or 15 minutes of question period today. Members were making jokes and laughing. They were talking about people shaking their hair. Everyone was laughing and having a great time. That is not—

**An hon. member:** That is not so.

**Mr. Gary Lunn:** Government members participated. The Prime Minister got involved. Everyone on the other side was laughing. People are losing their houses, their jobs and families are being torn apart. I emphasize that. There are tens of thousands of workers.

We need the highest level of intervention. We need a Prime Minister to pay more than lip service. We need a Prime Minister who will recognize that this matter deserves a flight to Washington. He should stay there until it is resolved. He should make sure the Americans knows the past and know that this is not acceptable.

I will close by saying that, although the U.S. lumber envoy is looking for a four to six week window, this matter has to get resolved this year.

•(1650)

Next year is not good enough. The toll will be absolutely immense across the entire country. The person who needs to get engaged is the Prime Minister. He has a duty and an obligation to resolve this matter. I ask him to quit playing games in the House, to quite making jokes and to take this matter seriously. I ask him to think about the human toll, the families and the cost to this country and its economy.



*S. O. 52*

**Mr. Joe Comuzzi (Thunder Bay—Superior North, Lib.):** Mr. Speaker, I will be sharing my time with the Minister for International Trade who will follow me in this debate.

It is a privilege to participate in this debate today inasmuch as it may be the most serious economic matter that is facing our country and has faced our country since April 1 of this year. It continues to be a very strong irritant in our relations with our friends in the United States.

I keep repeating this, but the forestry industry is still Canada's largest single industry. It employs more Canadian men and women than any other single industry. It contributes more to the balance of payments with our friends in the United States than any other single industry in our country. It is Canada's foremost and most vital industry. Canada was born on the forestry trade and it still is the backbone of what we are as an economic unit in world trade. It goes without saying how important the forestry industry is to us.

We are faced, as we have been over the last 15 years or so, with that horrible dilemma of having to defend ourselves again because of the unfair subsidies that the Americans claim are being forced upon them, causing unfair competition and anti-dumping in their country. As we know, and as we have proven over the last 15 years, this is so untrue.

In this instance, by the very fact that the Americans have launched this claim against us again, it is no different from any other action. Our industry started to suffer the moment the claim was launched by the United States on April 2. All of a sudden our banking facilities became weaker. People who financed us did not want to continue with their financing.

People who are creative of new innovations, which we are so good at and of which we should be so proud, are no longer spending money on research and development to enhance our forestry industry. This is one of the few instances where we see that the start of an action is where the penalty begins. That is why it is so important that we bring this to a conclusion.

I agree with everybody in the House that it has gone on too long. There are many people in the Chamber who say we should have done some other things. Maybe we should have prepared for the advent of the ending of the softwood lumber agreement a couple of years ago. That may be true.

Other people have said we should have been at the World Trade Organization long before we were and used the new procedures under the World Trade Organization for an accelerated process. That may be true. There could be other things we could have done.

In the area I represent, which is Thunder Bay—Superior North, the most vital industry is the forestry industry and the softwood lumber industry. I can say unequivocally that from the time we have been involved the Prime Minister has said that this is the most important file that he has on his desk. He wants the file resolved and will do most anything to get it resolved. He is abreast of developments. We talk on a regular basis about the softwood lumber dispute and how concerned he is about it.

We can be partisan, but I have to come to his defence in this sense. He is very cognizant of everything that is happening with this file

and truly wants to see a solution to it. He knows the injury it has caused our companies because of the actions by the United States.

● (1655)

One of the important issues we may not have considered is the issue of ownership of all these companies involved in the forestry industry in our country. It is something that we as parliamentarians sometimes fail to realize. Although we have these huge corporations that through management rights, timber limits and so on claim they own the forests and would like to think so, they do not.

Every tree in Canada is owned by every Canadian. Since forestry is under provincial jurisdiction, all the trees in British Columbia are owned by the people of British Columbia. All the trees in Alberta are owned by the people of Alberta. All the trees in Quebec are owned by the people of Quebec. All the trees in Ontario are owned by the people of Ontario. That is critical to our debate. Unless people feel they are getting advantages out of owning this huge natural resource, the advantages of having and living a better quality of life, they are not interested in carrying on with the ownership of these companies. What we have to do is guarantee our people that they will have a better quality of life because of these natural resources.

Having said that, let me say that sometimes we have to be parochial. As we know, over 8,000 people in northwestern Ontario rely directly on the forestry industry. We have to get parochial about Ontario because we know, Mr. Speaker, you and I, that we do not subsidize in any way, shape or form the harvesting of trees, thereby not giving an unfair advantage to anyone. If there is an advantage through the stumpage rates in Ontario it goes to the people of Ontario. We in Ontario are very comfortable with having any kind of review of the stumpage rates in the province of Ontario.

I would like to impress this upon the minister, because I think it is his position. In the discussion process being taken on today with the former governor of Montana, since forestry is a provincial jurisdiction Ontario should retain its right, in any discussions and any proposed settlement, to carry on with the eventual goal that we have all agreed on in this House. We have agreed that it is time we had free trade in lumber under the NAFTA rules without using the areas of NAFTA under chapter 19, the dispute resolution mechanism on anti-dumping and the countervail. We in Ontario reserve the right to make this determination.

The U.S. has started the fight. We must take this determination to its final conclusion. We can have a review and go to the World Trade Organization. Let us carry our position forward to an eventual resolution. I am sure the Prime Minister, the Minister for International Trade and the opposition would agree that we must finally have free trade with the United States. We can do this if we stay together as a nation, as provinces. It can be accomplished and it has to be accomplished now. There should be no further argument with respect to free trade in lumber going to the United States.

*S. O. 52*

● (1700)

[*Translation*]

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, I would like to thank the member for Thunder Bay—Superior North for sharing his time with me. He shared with us his perspective, which is very interesting and which reflects the tremendous importance that we in government have given to building a strong team Canada, with involved provinces and an industry that is closely consulted.

I believe that our team Canada, our united front right now vis-à-vis the U.S., and American producers in particular, will be a determining factor. I would like to thank all those who have been working on the softwood lumber issue, the provincial governments, industry and representatives who shared their perspectives with us. It was all very useful.

I would also like to thank my colleagues, members, from both sides of the House, who came to Washington and who demonstrated in no uncertain terms to the Americans that their own best interests were served by free trade in softwood lumber, by having access to Canada's quality product at the best possible price, especially at a time when the economy is faltering as is now the case.

[*English*]

I am really very pleased to respond to the motion put forward by the member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques.

The U.S. commerce department decision last week to add a 12.5% tariff on dumping on top of the 19.3% countervailing duty was a very punitive and unjustified gesture. This is a finding which is completely unjustified. I have conveyed my views to U.S. secretary of commerce Evans and I will continue to argue that very strongly.

I would like to thank the provincial ministers and the industry for the support and co-operation they have shown in presenting a common and united front in the defence against these unfounded actions. I can tell the House that I believe we will be able to make a lot more progress as a united team than otherwise.

I had the opportunity of meeting with former governor Racicot today, a close ally of the president of the United States and a good friend of his. He is a man who knows the issues very well. He is a man who can listen, who can go beyond the prejudices the American producers have about crown lands in Canada and look at the reality of the file. I believe he is someone we can really work with. I appreciate as a very positive signal his appointment by the president of the United States.

Too, I would like to say in the House how very supportive the Prime Minister of Canada has been on the file. The Prime Minister has not lost one opportunity even in very delicate times, such as his first meeting after September 11 with President Bush, to raise the situation of the softwood lumber issue.

I had many discussions over last weekend with chief executive officers from British Columbia, Ontario and Quebec, who told me that in 20 years they had never seen a Prime Minister so completely and personally engaged on the softwood lumber file. They said that the previous prime minister would never have been that deeply

involved. I would like to thank the Prime Minister for being so supportive.

The government is extremely sensitive to what is happening in the communities across our country that are most dependent on softwood lumber. I had the opportunity this very afternoon to talk to mayor Colin Kinsley of Prince George, British Columbia. I had the pleasure of talking with mayor Jamie Lim of Timmins, Ontario. I am very pleased to see that they are here with us in the House today. They have explained very well what their communities are going through. I know there are dozens of other communities that live with the same situation. I would like to tell them that the government realizes how very punitive and unfair it is to them and that it affects other workers beyond the softwood lumber people, because of course whole communities are affected by it.

● (1705)

I want to thank them for having come here to explain to us how much they support our work, how much they are part of that team Canada and how much of our problem is protectionism in the United States, protectionist producers in the United States, that it is not east and west. I am glad that they are the mayor of Timmins, Ontario and the mayor of Prince George, British Columbia, provinces from both the centre and west. The regions do not count here. What really counts is that we remain together in promoting free trade in softwood lumber. I believe it is imperative that we go in this direction and of course the discussions in which we have been engaged have been very useful.

[*Translation*]

We had these discussions on the basis of provincial practices. I hear opposition members say "Why are we letting the provinces explain their views to the Americans?" The answer is very simple. In 90% of the cases, the allegations made by U.S. producers concern provincial programs.

Our government's way of doing things is to have the Minister for International Trade lead and co-ordinate these discussions with the Americans, but we also have at the table those responsible for forest management practices in our country.

The way to free trade is to make sure that, beyond the slogans and biases that Americans may have about the crown lands that are part of our Canadian fabric and our way of doing things, we have forest practices that are fair and equitable.

[*English*]

I want to congratulate the provincial Government of British Columbia, which has had the audacity and the courage to really tackle this issue and really wants to do constructive work for the long term by addressing the reality of its provincial practices, to do the right thing for its industry, not to please the Americans. No, we want to do the right thing for Canadians, but we realize that by addressing and improving these forestry management practices we might be denying the Americans many of their arguments, their prejudices and the allegations they are making. I want to say that I have appreciated its contribution a great deal.

S. O. 52

[Translation]

I am also very pleased that the Quebec government agreed to take part in these discussions. To be sure, the dispute resolution system is there. The hon. member for Thunder Bay—Superior North said it earlier, we are before the WTO to challenge the allegations made by Americans, because we know full well that they do not make any sense. We also know that we will win if we go to the end of the process.

However, in the meantime, there are communities that are really suffering. This is why we are also trying to find a human and long term solution that is leading us toward free trade, by solving the issues that may exist regarding free trade, and by making sure that we will have a large common market open to free trade, as we do for the rest. I think we have accomplished an enormous amount of work in recent months.

• (1710)

[English]

I am extremely impressed by where we are as a country at this moment. The times are difficult. It is very tough to be met with the punitive actions that Americans have imposed on us on the softwood lumber issue but this is not the time to blink. We are committed to free trade in the long term. In years to come we will be very pleased to have addressed the issues at its very heart. That takes some time and I know how hard it is in the communities. I am begging people for a little patience. I know how tough it is but I can tell everyone that this is the number one priority of our government. This is the number one priority in the U.S.-Canada agenda of our Prime Minister and of the Minister for International Trade.

I can tell members that following the meeting I had today with representative Racicot I do believe that the discussions track might really lead us to a constructive long term solution, which is softwood free trade. That is what we deserve.

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance):** Mr. Speaker, I rise today as a member representing thousands and thousands of constituents who are facing job loss as a result of the government's mishandling of the softwood lumber file.

It was nice to hear that the minister met with the former governor today and that he is enthusiastic about that. It was nice to hear that he was speaking today to some mayors from across Canada. It was also nice to hear him say that he was impressed by where we are as a country today on this issue.

However I submit to the minister and to his government that we have known for a long time that this agreement was going to be up and that we should have started these talks two years ago because, as I mentioned, I have thousands of people in my constituency out of work today.

Not only are we facing a general economic slowdown across the country but also, through the government's inactivity, Canada is facing a prospect of losing a further 15,000 jobs in the forestry sector. This is on top of the estimated 15,000 jobs already lost because of the government's handling of the softwood lumber file.

Just last week we heard the Parliamentary Secretary to the Minister for International Trade calling British Columbia lumber leaders and workers nervous Nellies.

I submit that someone losing his or her job has strong cause to be nervous. If the parliamentary secretary were losing his job tomorrow would he not be nervous? If the major employer in his riding was going under would he not be nervous?

Forest workers are worried about how they are going to pay their mortgages and how they are going to feed and clothe their families. They are wondering how and when they will get back to work. That is why this file should have been opened up a couple of years ago, not eight months after the contract was over.

I am sure a mill worker in Squamish, British Columbia is pleased to know that the parliamentary secretary of this government is taking such a personal interest in the situation. I invite the parliamentary secretary to come to British Columbia to tour a mill and hear the reaction firsthand. I hear the parliamentary secretary saying that he already has. I invite him to come to my constituency with me because I probably have more papermills and more people cutting down trees than most constituencies in British Columbia. I would love for him to come there and sit down, as I have, and talk to those people and see how concerned they are.

Before I finish today, I will read some letters from a few of those people from my constituency.

These workers, their families and the communities are the innocent victims in a ridiculous trade dispute between the two countries that are supposed to be best friends. I agree with the minister, this is a ridiculous dispute.

The 19.3% countervailing duty has already cost an estimated 15,000 Canadian jobs and forced the shutdown of dozens of mills. Many lumber producers are now facing a 12.58% anti-dumping duty on top of the countervailing duty. Export duties on Canada's lumber industry now total 31.9%. What industry can afford an additional one-third in costs?

The government was urged almost two years ago to begin addressing this issue, knowing full well that the five year softwood lumber agreement was soon to expire, yet the Prime Minister and the international trade minister failed to act or even recognize the importance of engaging the United States early on.

So here we are, some eight months after the expiry of the agreement, Rome burning around us, and all the government can say is that everything is under control. To quote the minister, he said that he was impressed by where we are in Canada today.

Analysts suggest that job losses resulting from the countervailing and anti-dumping duties could reach more than 30,000 as more companies are forced to post bonds covering what they would have to pay if duties are made final next March. Let me repeat that 30,000 jobs have been lost or threatened and still the government dithers.

Thirty thousand job losses means hardship for workers, bankruptcy for small businesses that serve their communities and the eventual destruction of some of these communities.

*S. O. 52*

Since last week we are already feeling the impact of the additional punitive duties.

In the past week, Interfor closed its Hammond Creek cedar mill in Maple Ridge, putting 450 people out of work, along with the primary mill, two remand mills, McDonald Cedar and Albion, will also close.

• (1715)

Forestry company Tembec is closing its mill at Cranbrook, British Columbia next week as a result of the latest U.S. penalties on Canada's softwood lumber. The Quebec Lumber Producer said Friday that it would shut down the mill in southeastern B.C. on Monday, affecting another 37 jobs.

Norseskog is shutting down mills. Shutdowns are planned at the company's mills in Crofton, Elk Falls, Port Alberni and Powell River.

Over 500 more job losses in less than a week, and this looks like just the beginning. Yet from the government we see nothing but an inadequate response. We have dismissive attitudes and even insults.

The government is standing by and allowing the very lifeblood to be sucked out of the province of British Columbia. The forest industry in B.C. is B.C.'s number one industry and is a huge economic generator. It contributes more than \$4 billion a year in revenue and taxes, and employs more than 270,000 people, directly and indirectly.

The government pays more to turbot than it does to lumber. It pays more attention to split run magazines than it does to lumber. It pays more attention to Bombardier than it does to lumber in British Columbia. It pays more attention to a mismanaged national airline than it does to workers in British Columbia. If any of these were losing 3,000 jobs, let alone 30,000, the government would jump. Why is the forest sector being treated differently?

I heard a member from the other side say that it is not fair to compare. I am from western Canada and I am telling him that it is damn fair to compare because we see it too often. It is a long way from British Columbia to downtown Ottawa. These people in my riding are out of work. They cannot buy shoes for their kids. Christmas is coming up. There are 30,000 of them, not 3,000. We have seen the government operate a lot quicker closer to the central Ottawa area than it does in British Columbia.

The Prime Minister's response has been tepid at best. He is travelling to Vancouver this week, not to calm the fears of workers in communities but to hold a Liberal fundraising dinner. He is going to the province where the number one industry is getting the stuffing kicked out of it and he is going asking for money. It is a cruel and insensitive twist but a glowing example of the government's lack of understanding of the issue and of its compassion for jobless British Columbians.

We can almost get the sense that the government gets some perverse pleasure out of encouraging western alienation. Why else would such a double standard be applied to such a significant part of our export economy?

Yesterday Canfor Corporation took aggressive action in the softwood dispute. With patience straining, forced into a corner and abandoned by the federal government, Canfor Corporation initiated a lawsuit under chapter 11 of NAFTA against the United States for \$250 million, the amount it is losing in this protracted exercise. Canfor Corporation and other lumber companies will be on their knees before the government acts.

Let us not be deluded here. The Canada-U.S. trade relationship is the largest in the world and forest products make up the largest part of that relationship. What we are talking about here is the largest export market in the world for any product anywhere. We are talking about a \$44.2 billion a year export market, of which 31% is lumber. For those in the government not paying attention, that means lumber accounts for almost \$15 billion a year in exports from Canada.

Lumber exports alone are double our agriculture and fishing exports. They are almost equal to our energy exports. Our Prime Minister has time to contemplate a North American energy policy while at the same time ignoring an industry of equal size.

Where is the logic in the government's trade policy? Why is it so hard for the government to understand? What the government does not realize is that if our lumber industry suffers we all suffer.

Canada needs to act now to protect these thousands of jobs at risk. It needed to act two years ago, not when we are into this panic situation.

The government must make solving the softwood problem its number one trade and economic priority. We cannot wait years for a litigated decision. We cannot afford to spend years at the WTO just to have the Americans change the rules of the game once again.

How many times do we have to beat them before we can sit down with them between Prime Minister and president and solve this problem?

• (1720)

I agree with what the Prime Minister said today about natural gas. We are all paying more for gas in western Canada because of free trade. We agreed to pay the same price as the highest bidder anywhere that bought our natural gas in North America. Because the people in the southern United States like our natural gas we are shipping a lot to them, and we are all paying a little more for it. That is part of free trade. It is part of what we do as brothers and sisters living on a continent that we all share, but the softwood lumber agreement is not sharing. This agreement is to help a few Americans but not even the masses.

Many hardworking Americans trying to buy their first homes will be gouged another \$1,000, \$2,000 or maybe even \$3,000. Has our government taken ads out on American television to tell those consumers that this is what some of their wealthy people, people like former President Carter, are pushing on Canada? Why have we not gone after them to tell Canadians and Americans the facts of this matter?

S. O. 52

The American Lumber Coalition has said that if it loses at the WTO it will just turn around and lobby for a rewrite of its trade laws. It has definitely declared that it will not be bound by international trade laws. Its actions to date have proven that because we have won every case up to now.

Three times Canada has fought for free trade at the international level. Three times we have won and three times the Americans have changed the rules. Why should this time be any different? Does the government enjoy being made to look like the fool?

British Columbians and other Canadians employed in the lumber industry cannot wait. Mortgages cannot wait. We sit here in these wonderful buildings. We all make good incomes. We all have guaranteed salaries for another two or three years but tonight 15,000 people in British Columbia, with Christmas coming, are wondering how they are going to make their mortgage payments. Their kids cannot wait. Credit card bills cannot wait. These people are no different than we are. They have credit card bills and other things and we are not doing anything to help them while they are in this situation.

It is time the government recognizes the country's dependency upon the forestry industry. It is time the government recognizes that there is a country west of Ontario.

Forest industry workers across the country want the government to finally turn its attention to the problem. Simply waiting for the lawyers is not enough. I urge the Prime Minister to direct the Minister for International Trade to enter into serious negotiations with the United States to end this problem before it is too late for the communities in my riding.

I urge the Prime Minister to instruct the minister responsible to consult regularly the provincial ministers, particularly the British Columbia minister of forests who seems to have a clearer understanding of the issue than the Minister for International Trade. The government might say that the provincial ministers were here today, yes, but where were they here two years ago?

The question is not what we are doing today. The government can say that it met with the governor and the ambassador today, and that the Prime Minister talked to the president in Shanghai, but where was the government two years ago when it knew this problem was going to be here? Perhaps it was more concerned about winning another election than getting at the real issues of the country.

The government allowed the last softwood lumber agreement to lapse without a plan. The government has allowed our largest export industry to suffer immeasurable harm without any consideration for the impact on the lives of those Canadians who are suffering. Now foolish pride refuses to allow the minister responsible to take the necessary action to reach a negotiated settlement quickly. Tough talk is easy when one is not impacted but the loggers and mill workers in British Columbia cannot wait for the minister's ego to deflate.

I urge the Prime Minister to direct the minister to move negotiations to the next level or assign the file to someone more suited to the task. I am sure the forest industry and the forest workers would not begrudge the Prime Minister for recognizing the current minister's failure on this file and assigning the task to someone with

a better understanding of the industry and its importance to our country.

Canada cannot afford the loss of 30,000 taxpayers. Small communities cannot afford the loss of 30,000 consumers and their families. Families cannot afford the loss of 30,000 wage earners.

I have received expressions of concern today from some 15,000 B.C. forest workers who face unemployment, the ones that the Parliamentary Secretary to the Minister for International Trade called nervous Nellies. This is the human side of the softwood lumber crisis.

● (1725)

Before I close, I would like to read some concerns of constituents which include signatures on petitions and signatures on cards and letters collected on weekends over the last couple of weeks in shopping centres in British Columbia, mostly in my riding. These arrived today by Federal Express. One says:

I am a concerned citizen of the community of Squamish that is concerned about the softwood lumber dispute with the U.S. This dispute is about more than lumber, it's about jobs, communities, and families.

A 19.3% duty on softwood lumber exports is unfair, unjustified and wrong. Cedar products should be excluded from this dispute completely, as they have nothing to do with structural building products.

That is a fact. It goes on:

We urge you to beat this situation with great urgency and ensure that all stakeholders are represented with a strong, unified free trade position.

There are cards addressed to the Prime Minister and to the minister. Another letter addressed to the Prime Minister reads:

I am profoundly concerned about the future of the western red cedar (WRC) industry in Canada. Thousands of jobs will be lost unless the Canadian government acts now to have WRC removed from the current U.S. trade action against Canadian softwood lumber. Already thousands of people have been laid off as a result of the 19.3% duty imposed by the U.S. Department of Commerce on Aug. 10, 2001.

As you know, the U.S. lumber dispute with Canada is over structural products, like 2x4s. WRC is not a structural product. It is a high-value appearance product that is more than triple the price of U.S. structural wood products. The U.S. needs our cedar. They don't have any suitable wood product substitutes. There simply is no reason why cedar is part of this lumber fight.

I urge you to demonstrate your commitment to the thousands of jobs, hundreds of businesses and dozens of Canadian communities that depend on the WRC industry. Please tell President Bush that cedar should not be part of this dispute.

That letter was addressed to the Prime Minister.

There are literally thousands of names on a petition to the Prime Minister which states:

We are profoundly concerned about the future of the western red cedar (WRC) industry in Canada. Thousands of jobs will be lost unless the Canadian government acts now to have WRC removed from the current U.S. trade action against Canadian softwood lumber. Already thousands of people have been laid off as a result of the 19.3% duty imposed by the U.S. Department of Commerce on Aug. 20, 2001.

We the following urge you to demonstrate your commitment to the thousands of jobs, hundreds of businesses and dozens of Canadian communities that depend on the WRC industry. Please tell President Bush that cedar should not be part of this dispute.

*S. O. 52*

I could go on and on. As I said, there are 15,000 people just in a short period of time.

It is nice that the government and the minister met with the former governor today. It is great that they are talking to mayors in British Columbia. However they should not be impressed as to where we are as a country today. Think tonight about the 30,000 people who will be unemployed at Christmastime because we did not do our job as members of parliament. I do not blame just the government. I blame us in the opposition as well. Maybe we did not put up a big enough fight two years ago to get the Liberals off their seats to do the job. That is why people are unemployed.

We asked the questions, but we did not get any answers.

**An hon. member:** You did not have a trade critic.

**Mr. John Reynolds:** The parliamentary secretary says we did not have a trade critic. I do not know what he was reading, because we did. That is an inaccurate statement.

We are concerned. We have asked the questions. We have tried to get the government to move. The Liberals are moving now and I give them credit for that. They are putting on good action now. They probably have every spin doctor in the PMO working on this file right now because the government knows people are unemployed and are getting mad.

I beg the government to solve this problem. Solve it for the people in western Canada and others who are going to lose their jobs across Canada. I met with the people in my riding. Again I invite the parliamentary secretary any time he wants to visit Squamish or any other city in British Columbia, I would be happy to take him personally in a very non-partisan way. I would like him to listen to what these people have to say.

• (1730)

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, I will be splitting my time with my capable colleague from Eglinton—Lawrence.

It is quite ironic that we are debating this particular issue at this point in time. One would think this issue should not even be an issue for debate given that our two countries share the longest border in the world and that we do more trade with one another than any other countries in the world. Over 87% of our trade is with the United States as compared to over 25% of their trade being with Canada.

To a large extent we are friends, neighbours and partners whether we like it or not. In the interests of people on both sides of the border we are forced to work collectively.

The issue of softwood lumber represents less than 3% of the overall trade with the United States, slightly less than \$10 billion on an annual basis.

If we were to look at the overall relationship between Canada and the U.S., it is excellent. Frankly, it is those small irritants that are causing a tremendous amount of frustration on this side of the border. Simply put, the softwood lumber issue is clearly creating a tremendous amount of problems in different parts of the country.

Thousands of families, as colleagues on both sides of the House have indicated, are suffering as a result of the countervailing duties

and the punitive duties the Americans have decided to put on softwood lumber.

This is not the first time the issue has surfaced. It is now three or four times that we have fought with our friend and trading partner to the south in courts and before tribunals and almost every time we have won. The last time we had a dispute, the Americans had to pay Canadian companies in excess of \$800 million along with interest on taxes illegally collected from those companies on goods that had been sold on the other side of the border under an arrangement we had with them for many years.

The American administration is moving again like a pit bull with an imposition on our industry in excess of 30%. Frankly, it is totally unacceptable. As the minister clearly stated, the challenge the government mounted at the World Trade Organization is very much wanted. The government and industry on this side of border will win again. The bottom line is, what does it take for the American administration when it comes to this particular issue to understand that enough is enough and that we have to move on?

The bottom line is not a question of subsidies or no subsidies; it is a question of protectionism or no protectionism. The question that needs to be asked of the American administration is why it continually seems to buckle under to the pressure of special interests in the United States, whether it comes from Montana, Mississippi or wherever. Enough is enough.

The unfair duties being imposed on the Canadian industry not only penalize the industry here in Canada, but they penalize American consumers. American consumers are absolutely outraged at the administration. American homeowners have to pay in excess of \$3,000 as a result of this unfair tax being imposed on softwood lumber imported from Canada.

• (1735)

We could tell consumers in the United States to buy wood from Mississippi but consumer group after consumer group told us when we were in the United States that they do not like Mississippi wood. Even if we were to give it to them for free they would not put it in their homes simply because the wood from Mississippi is not good enough quality to put in homes. It may be okay to use for chairs, tables or whatever else, but it is not of sufficient quality to put in homes. That is the problem. That is the crux of the matter.

American consumers are smart. They are intelligent. They are consumers who will pay for the high value goods they receive. The administration is robbing those consumers of their right to choose. How is it doing that? By imposing this unfair tax of 30% on products being imported from Canada.

We can talk all we want. The government was asked to do this and that but the bottom line is the government has done exactly what it is supposed to do. After the agreement expired on March 31, 2001 what kicked in immediately was free trade. With free trade an agreement is not required. Everyone follows the law.

*S. O. 52*

Two things are being asked of our government. First, we want the government to know it has our unequivocal support in what it does in terms of its challenge at the World Trade Organization so the laws of the land are upheld. Second, if and when the industry itself in Canada asks the government to sit down and look at ways to come up with a mutually conclusive agreeable type of arrangement then it should look at that.

For us to try to undermine the process and criticize the government, whether it is the opposition, special interest groups or whatever, is highly unfair. At the end of the day the government is doing exactly what it is supposed to do, which is to stand up for the interests of consumers, the workers and the industry and to do what is fair and important to the industry in Canada. Whether the industry is in the west or the east, it should stick together and maintain the common position that it has maintained all along, which is free trade in softwood lumber. That is what we were told in the United States when we met with consumer groups and when we met with the industry here.

The subcommittee on international trade held a number of hearings with all of the stakeholders. They are totally and unequivocally in support of free trade on softwood lumber. Therefore the case is closed. Let us move on. The bottom line is, will our friends to the south move on? One can only say the test of time will tell.

Our colleagues in both houses, the senate as well as the congress in the United States had better stand up for the rights of their consumers. They had better stand up for the rights of their constituents who are calling on them. We want free trade in softwood lumber. The very same consumers have called on us in the House to defend the interests of the consumers in the United States and to defend free trade as we know it now.

To that extent I am very happy with the way the Minister for International Trade, his parliamentary secretary and officials have conducted themselves over the past few months. They have been trying to provide strong leadership. They have been trying to do what is right and fair on both sides of the equation.

To that extent I can say this debate is very timely. However, in the interest of time we had better come to grips with the fact that free trade must prevail at all times. There cannot be a double standard where on the one hand products are bought under the rules of free trade and on the other hand taxes are imposed on them. It is not right. It is not free trade and it is not acceptable. We will not let that occur without a challenge.

• (1740)

**Mr. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, I am delighted to follow my colleague from Ottawa Centre, in part because he has given a big city member's perspective on the issue but, more important, because he has begun to focus the debate.

For me the issue has not been so much about how we should say woe is us and look at the plight we are in. We should not point fingers at government inactivity or activity that is perhaps not what we would have liked. The member instead did something no one else has done. He said the ambassador is presumably following this debate. The issue is of interest to the Americans and it should be.

What message would we give them? Should it be that we are whining, finger pointing and playing partisan politics? Should it be that we are ready to cast blame on the Prime Minister or other members in this place if not the industry itself? No, it should not.

Thanks to the member for Ottawa Centre we now know what we should be doing. The message the ambassador and the embassy should be getting, as well as the people in the U.S. commerce department who are entrusted with this file, is that the resolve of the Canadian public, Canadian parliamentarians and Canadian industry has never been as firm as it is now.

The hon. member indicated, as has my colleague from Thunder Bay—Superior North, that the industry is of vital importance to Canadians. Of course it is. Everyone knows that. Some 350 communities throughout Canada rely exclusively on the industry. It is important to everyone in the House. Eight per cent of our GDP relies on the timber industry. I am not yet taking into consideration the after market or downstream industry that develops from it.

Mr. Speaker, you were on our natural resources committee about a year ago when we studied this issue. You will know and understand where I am coming from. The city of Toronto consumes about \$1 billion of lumber on an annual basis. We consume about \$.75 billion worth of plywood, an additional \$200 million worth of wood panels and \$1.5 billion worth of pulp and paper.

The industry is important to all of us. Yet in terms of international trade, as the U.S. secretary of commerce has said, it amounts to only about 2% of trade between Canada and the United States. My colleague will correct me if I am wrong because we went down with delegations of parliamentarians to meet with our counterparts in the U.S. congress and senate.

The U.S. secretary of commerce said lumber was an important issue but that it accounted for only about 2% of the trade between our two nations. Our response was that he was right but that for this 2% he was buckling under the pressure of one timber lobby that operates primarily out of three states.

He was doing so because the U.S. system allows him to knuckle under to the bit of pressure some people may bring to bear as a result of whatever contributions they make to the democratic process during an election. For that 2% he would skew the entire relationship of two partners on the same continent.

I would be embarrassed to admit that if I were in a position of authority. I would be ashamed to admit it if I were a congressman or a senator. I would have to look those people in the eye and ask wherein lies the interest of the American people and American industry. I would have to ask wherein lies the interest of the political and economic relationship we have with our neighbour to the north. It certainly is not in the pocketbook of the U.S. timber lobby.

*S. O. 52*

• (1745)

Thank God Canadians are prepared, as are many of my colleagues here, to say no to the government. Those of us who went down to the United States to meet with our counterparts are prepared to say no to the government. Under no circumstances will we give in.

We go to the WTO. My colleague from Thunder Bay—Superior North asks why we go to the WTO. It is because it is the one institution whose rules have an impact on American legislators and whose decisions carry with them the concept of precedence.

We do not go to NAFTA. We have already won at NAFTA. Hon. members and my colleagues on the opposite side of the House know well enough that we have won at NAFTA not once, not twice, not three times, but every time we have gone to an FTA or NAFTA panel. We do not have to apologize for anything.

What is the problem? It is not a Canadian problem. We are playing by American rules that were designed for Americans in an American system. It is a system where the executive must respond to congressmen and senators who insist that the commerce state department come up with the figures and facts that will support their contentions, invalid as they might be.

What defence do we have? We have one defence. We go to the WTO. That is where we have said our interests lie. That is where all of us have said we find resident those decisions on which we will all abide while we concurrently pursue legal actions in American courts. It is costly but 350 communities depend on it.

Canadian industries, including those in your riding, Mr. Speaker, are among the most competitive, innovative and technologically advanced in the entire world. That is why they are causing difficulties for the Americans.

Our counterparts in the U.S. senate told us when we went down there that they would abandon everything. They told us not to drill holes and put grooves in our lumber. Why not? It is because those holes and grooves reduce the cost of housing by about seven days worth of labour. While American industry has been shipping logs to the Asian market, Canadian companies which do not have the same access to the Asian market have been improving their technology. They are the most competitive and environmentally sound world-wide.

What happens? Instead of being rewarded for this they are being penalized. The Canadian government must come to the aid of such industry.

I will speak for a moment about Ontario. We need a government that says yes, we will go to the WTO. Yes, we will be in trouble over the next while. My colleague from B.C. says we are losing thousands of jobs. There is no one on either side of the House who is more sorry that is the current situation, but we must look beyond today.

The way we look beyond today is to say we have the methods available to us. What are the methods? We have EDC. We have financing abilities. We must give all these companies the opportunity to come up with the appropriate bonds while we pursue long term solutions.

Will we be criticized for this? When someone is drowning we do not worry about where the life jacket came from. We make sure it gets on the drowning person. That is what we are doing. That is what we will do. That is the message we must give to embassy officials, the ambassador and all Americans watching today. There are no milquetoasts on this side of the House.

My colleague from Thunder Bay indicated there are provincial governments that want to do much more and some that have quite frankly left leadership to others. That is not our problem. Ontario wants to be aggressive. As a member from Ontario I support that position. We know it is a solid position that can be supported by members from Quebec. We know it is a position that industry leaders from the Atlantic provinces would support because it is a long term solution.

• (1750)

All of us who have taken the issue to heart and want to defend the interests of our constituents at least as aggressively as those American senators, few that they are, want the Americans on the other side of the television screen to know we have resolve.

Senator Graham, the one who wanted to be president, said that if one believes in free trade one must take everything that comes with it. We in my party are free traders.

[*Translation*]

**Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ):** Mr. Speaker, I would like to inform the House that I will be sharing my time with the member for Champlain.

It is my pleasure to speak today in this emergency debate proposed by the Bloc Québécois, and accepted by the Chair on Thursday last. In the end, this debate is taking place tonight because I believe it was more convenient for most members. I am also thrilled to hear from the Liberal members, because we often criticize them for being so silent. However, tonight it is fair to say that they seem to have found their voices, and we agree with what they have had to say.

This really is an emergency debate, since on October 31, the U.S. department of commerce began charging an additional duty of 12.58% on top of the 19.3% countervailing duty charged in August.

This is what three businesses in my riding were fearing when I met with their senior management on October 9. These three companies are Les bois Blanchet, owned by Leggett Wood, Moulin de préparation de bois en transit and Perfect-Bois. Together they employ 262 people.

This may not seem like a lot of people when compared to Davie Industries, which was mentioned frequently yesterday in the House. However, 262 employees is considerable, and the consequences are considerable for them and their families. This also has an economic impact. It has an impact because it supports manufacturing, and that is important.



*S. O. 52*

I would also like to speak on behalf of the neighbouring ridings, because I am from the Chaudière—Appalaches region. This is one of the main areas in Quebec in terms of private forests. There are even businesses in the Chaudière—Appalaches region that process lumber from Maine, and then ship it back to the U.S.

This is somewhat exceptional. It may well exist elsewhere, but a number of companies in the Beauce region depend on this. It worked well for people on both sides of the border. On the American side, as we know, around Beauce, there is a fairly large area, and the Americans were happy to come and process their lumber in Quebec, and then turn around and take it back to the U.S.

Following recent events, the position of the Bloc Québécois has not changed. I will repeat it and I know that several of my colleagues will do it also, but it cannot be overemphasized. As was mentioned by the Liberal members who just spoke, we want a complete return to free trade.

If I may, I will make a remark of a somewhat partisan nature here. I will say in all friendship that it is reassuring now to hear Liberal members speak in favour of free trade in their speeches. I remember the 1993 election campaign when the Prime Minister went as far as to talk about tearing up the free trade agreement. It is kind of amusing to see the change, but it is also interesting to see that these people have understood the importance of free trade in today's context.

We are calling for a meeting of all stakeholders to review Canada's strategy in this matter. For the past week, I have heard the Minister for International Trade say on several occasions "Yes, I talk to them. I phone them individually".

However, as a group, the stakeholders want a summit to give everybody the opportunity to discuss this issue at the same time, to ensure that the agreement between the stakeholders continues to exist, to ensure that there are no backroom negotiations or last minute concessions.

We are concerned in Quebec because we are the second province that is the most affected by this issue, after British Columbia, of course. Quebec has 25% of Canada's production in that industry, which represents 40,000 jobs.

• (1755)

The sawmills employ 20,430 people and the forestry industry 10,000. We know that the total in Canada is in excess of 130,000 jobs. The softwood lumber industry injects more than \$4 billion into the Quebec economy annually. That is a lot of money.

More than 250 Quebec municipalities have developed around lumber processing, and in 135 towns and villages 100% of manufacturing jobs are connected with it. The U.S. receives 51.4% of Quebec softwood lumber exports. The value of these exports is some \$2 billion. This is all extremely important.

An aside here, for a rather special point. Yes, the Liberal MPs are fervent promoters of free trade. That is all very well, but I would point out that certain things like Davie Industries, shipbuilding and shipping were excluded from NAFTA. This is something I have always found regrettable and still do.

The American attitude is very often protectionist. Even in another area—not the subject of debate this evening—this was the case for tomatoes. Yet the Americans need us, particularly when it comes to fighting terrorism. We agree with them, but they often do need us. So they also need to play fair with softwood lumber.

The Bloc Québécois is calling upon the Prime Minister to intervene personally with President Bush in order to get him to understand this. Today, during Oral Question Period, my leader called for a publicity campaign to raise the American public's awareness of the problem. It is in the best interests of the U.S. consumer to have more affordable, quality lumber for construction.

One cannot be pro-free trade just when it suits one country. One must be pro-free trade all the time and in all areas, if one believes in the principle.

There is one aspect of the problem the Liberal MPs have not addressed, although I believe they are sympathetic to these proposals. Emergency measures would have to be adopted to help those who are unemployed because of the softwood lumber crisis. First, by reducing the number of hours required to qualify for EI. Let us keep in mind that all this started in August and lumbering is a seasonal job.

The Bloc Québécois is calling for a single minimum threshold of 420 hours for seasonal workers to be eligible for employment insurance.

Second, the Bloc is calling for an increase of five weeks in the maximum benefit period. Third, it wants longer benefits for older workers who have been laid off and who lack the skills needed to find another job quickly. Fourth, the Bloc proposes an increase in the coverage of insurable earnings from 55% to 60% to allow low and medium income workers to better endure a lengthy work stoppage.

I know that my time is passing quickly, but we have heard Liberal members, the Prime Minister and the Minister of International Trade speak of free trade. This last person sometimes uses words that make us a bit nervous. Without speaking of negotiations, he talks of discussions and of the fact that they will do something based on free trade. This hints at a certain compromise that will not exactly be free trade and at certain conditions.

I am delighted by the speeches of the Liberal members who spoke before me. I think they sort of reminded their government of the way to go, although I realize that to be a member of the party in office is like diplomacy. They cannot proceed quite as directly as a member of the opposition.

• (1800)

Still, I enjoyed the speeches I heard, and I hope this will be the line followed by the current Liberal government, the Prime Minister and the Minister of International Trade.

*S. O. 52*

**Mr. Marcel Gagnon (Champlain, BQ):** Mr. Speaker, at this time of the day, and considering the number of speeches heard on this issue, one is under the impression that everything has been said, or almost.

Still, I want to add my voice to those of my colleagues and thank the Bloc Québécois for proposing this emergency debate. As we know, an emergency debate does not always enjoy the unanimous support of the House. But I sense that today we are close to it. I am convinced that if there are forestry workers listening to us, at least they will be unanimous.

My region is one of Quebec's most important forestry regions. In the riding of Champlain and surrounding areas, there are close to 3,800 forestry workers. I recently had the opportunity to meet some of them and I can say that, for them, it is urgent that the situation be settled.

When forestry workers in the Haute-Mauricie or elsewhere in Quebec lose their jobs, possibly the only jobs that they can have, they hope for a quick settlement.

In La Tuque and in more remote areas in the bush, the choice of jobs is limited, particularly at this time of the year. When we see plant closures, or when we live in fear of such closures, it is extremely difficult, particularly just two months before Christmas, at the beginning of winter.

Earlier, the minister congratulated the Prime Minister and congratulated himself on the debate and on their efforts to try to settle the softwood lumber issue. I agree that they worked hard, but the fact is that so far their efforts have been in vain.

Perhaps the strategy could have been different. Perhaps the minister could have sought out all stakeholders across the country so that, together, they could present a common front. He said he let the provinces and industries negotiate; but this is perhaps not the time to negotiate, because the negotiation has already taken place.

It took place when we signed the free trade agreement. Will we have to launch into negotiations all over again every time there is a problem? I do not think that the minister wants to negotiate. I think that he wants to see the free trade agreement respected. But, for that, a very firm approach will probably be required.

For workers in our region, as for workers elsewhere in Quebec and Canada, who face losing their jobs because of the arrogance—and perhaps, a bit, the contempt—of the American government, I think that this is a bit contemptuous.

We heard that, at the meetings, the American government said that lumber accounted for barely 2% of trade. But it is 100% of the earnings of forestry workers. It is 100% of their worries about the winter ahead. It is 100% of their income, with respect to all the things they will have to pay for to provide for their families.

For a big government, for a big country which not only thinks it is rich, but is, this 2% is perhaps a way of flexing its muscles. It is perhaps only 2% of trade, but it is 100% of the problem of workers who have to contend with this arrogance.

Recently, some workers asked me to explain free trade to them, to explain who it was for and why we had it. I am for free trade. We

said this today, and I think that most people are for it. But must it all be one-sided?

• (1805)

Can a government, through its arrogance or because of the pressures from influential people, interfere at any old time and create a mess elsewhere claiming that free trade applies more or less in some cases, because they claim there are subsidies that should not exist? If free trade is going to work, then it has to work both ways. When we sign a free trade agreement, it has to be respected by both sides.

We cannot forget that this issue has already been heard by the WTO, and we won. The minister once said here in the House that we need not worry, that we would win again. He said that at some point, the U.S. government would be required to pay back hundreds of millions of dollars in duties it had charged us for nothing.

But the workers who lost their jobs, their homes and who, in some cases, had to take their children out of school, because they could no longer afford it—in the case of a child that wanted to go to university—they were not paid for their damages. They had to suffer.

It would seem to me that in this day and age, especially given the events that took place recently, people should start governing with more compassion, keeping in mind those they have made to suffer and whom they could help with the laws and regulations they adopt.

From time to time, I have the opportunity to meet Americans, since half of my family is American. When it comes to incidents such as this one, I find it difficult to congratulate their government. Some have talked about American consumers. But it is not all American consumers who agree with the pressures that have been brought to bear. American consumers are not done any favours when they are forced to pay, as the member mentioned, something in the order of \$3,000 or \$3,500 more for a house because of duties.

At some point, there needs to be pressure so that when an agreement is reached, when it is also important for the future of workers, the agreement needs to be respected and arrogance and contempt have to be put aside.

I am asking the Canadian government to show as much leadership as possible in this matter, not to negotiate and not to make any tradeoffs. We cannot make tradeoffs on such an agreement by saying “If you honour your agreement, we will give you increased access to our resources”. It simply cannot be done.

Such an agreement must be honoured. I think that the government and the Prime Minister must take a strong stance, with the support of all those who have a say in this matter, so that we have a common position to solve this problem once and for all, and not at half price. Softwood lumber must be included in the free trade agreement.

S. O. 52

We must also think about the workers who, inevitably, as I said earlier, will suffer the consequences. It seems to me that with an accumulated surplus of \$35, \$36 or \$37 billion in the employment insurance fund, now is the time to show a little more compassion. That money belongs to forest workers as much as it belongs to anybody else. Now is the time to show a little more compassion by relaxing eligibility requirements somewhat.

When workers lose their jobs with winter fast approaching and, on top of being unemployed, they cannot get EI benefits because of stricter eligibility requirements, even though they paid premiums, that qualifies as hardship.

On behalf of these workers, I am asking the government, as did my colleague who spoke before me, to relax EI eligibility requirements to help them get through the winter.

\* \* \*

●(1810)

[English]

#### MESSAGE FROM THE SENATE

**The Acting Speaker (Mr. Bélair):** Before resuming debate I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-33, an act to amend the Carriage by Air Act, to which the concurrence of the House is desired.

\* \* \*

#### SOFTWOOD LUMBER

The House resumed consideration of the motion.

**Mr. Brent St. Denis (Algoma—Manitoulin, Lib.):** Mr. Speaker, I will be sharing my time with the member for Mississauga West, who like myself has his roots in Algoma district. I am pleased to be sharing this time with him.

This is a very serious subject and all members of the House share that sentiment. While we might argue over the details and over what should best be done in this very difficult time, we do agree that what the U.S. industry in conjunction with its government is doing is truly unfair to our softwood lumber sector.

When we think of the sector, we think of the mills and their workers. Some think of the investors without whom it would not be possible to build and expand mills. However, let us think more carefully about the families of those workers. Let us think of the bush workers who do not go to the mill with their logs but who are a very important part of the industry and, of course, the truckers, without whom the logs would not get to the mills. The bush workers, truckers and suppliers have families as well.

The loss of a job in a mill because of the unfair U.S. approach to trade with Canada on softwood lumber has an impact well beyond that worker. It is a small business and many more people are affected.

In my large northern Ontario riding of Algoma—Manitoulin, there is a large number of small communities that depend upon the softwood lumber industry. I will not name them all, but communities like Chapleau, White River, Espanola, Thessalon and a number of

others would not have a major employer in their communities without the softwood lumber industry.

You are from northern Ontario, Mr. Speaker, and you know very well that our economy has depended for many generations upon the primary resources of forestry and mining. Fortunately in the latter decades tourism has come along to create jobs and augment our economy. However, we always go back to our primary sectors, in the case of my riding to forestry, to maintain our local economy, to make sure our people are not forced to move away to find employment and to make sure there are jobs in the industry for young people to come back to once they graduate from college or university.

The forestry sector is quite a high tech sector. This is probably one of the root causes of our problem with the Americans. The American industry has not kept up. It has not made the investments in its mills and bush operations that would have allowed it to be as competitive and efficient as our mills.

Members of the House may have been to mills where computers are used to maximize every bit of the log to make sure that the optimal number of board feet come out of a tree so that there is very little waste. Without computerization our industry would not be the leader it is.

It also seems to me that we are jeopardized because we happen to have vast resources in forestry. We also happen to have vast resources in energy. I doubt that when it comes to energy our American friends will complain if we can provide them with energy at a very competitive price. They should look at our plentiful energy and our plentiful forests as a resource over which not to fight, but over which we should be allowed to compete fairly.

We each have our domestic advantages. The Americans have a longer growing season. In many cases they have much better terrain on which to harvest their forests. These are their natural advantages. They perhaps have a more extensive road system simply because they have a greater population. Those advantages are not present in Canada, but we have other advantages so it is all balances out.

●(1815)

I believe that as this works its way through the system, and I remain confident that a solution will be found, a solution will be found, one that is for the long term and not a five year patch as we have been forced into too many times over the last few decades.

I have great confidence in our international trade minister who has spoken with a very strong voice. He has brought together the industry and provinces in a way that we have not seen in past attempts to deal with our American friends on softwood lumber. I have great confidence in his ability to get us through this.

I know we are coming to the 11th hour. It will not be too many weeks from now that the final determinations will be made. To remind those who question the commitment of the government, and they should not question it, the Prime Minister has on numerous occasions over the last weeks and months, if not years, raised the softwood lumber issue with the president of the U.S. Year in and year out the issue was raised with the American secretary of trade. However there is no accounting for the ceaseless attempts by the U.S. forest lobby to undermine, criticize and incorrectly characterize Canada's softwood lumber industry.

*S. O. 52*

For the benefit of my constituents and others who may be listening, I reiterate that the minister talked about a two track approach. The legal side would require preparation for a WTO challenge. Hopefully the Americans will respond appropriately should they lose that challenge, but in the meantime Canada and U.S. officials, at the industry, provincial and federal levels are having ongoing discussions with our American neighbours to try to find a solution once and for all. I am confident that will take place.

It is about not negotiating. Canada does not have to negotiate from the position that it already takes. We do trade fairly in lumber. We do not subsidize our industry. Our industry does not dump product into the U.S. market. There is no real proof of injury to the U.S. producers. I do not believe it to be necessary for us to negotiate but I agree it is important to discuss. Maybe it is a matter of the U.S. finding a way to get through it on its side which mollifies its industry.

I accept and understand that some provinces are looking at the way they contract out tracts of forest with so-called stumpage fees. Maybe there is some room for improvement there, although I have heard it said that should our forest resources be tendered or auctioned out at market, that in many cases the prices will be lower than the stumpage fees charged, so our American friends may be in for a surprise. They might want to be careful for what they wish.

Some of my colleagues across the way call for the government to do more. I doubt that we can do more except to remain diligent. It is naive to believe that we can tell the Americans what to do on any given subject. They have to see the resolution in terms of what is best for them, an understandable position if one is discussing an important subject from two different points of view.

I believe at the end of the day the Americans will realize that it is in their best interests to deal fairly under NAFTA and under the emerging rules that govern world trade. It is incumbent upon them to accept the discipline that comes with free trade.

As a nation we are free traders. We are attempting to adjust as we must to the new world trade realities. I call upon our American friends to do the same.

I appreciate this chance to say a few words on a very important subject. I know that all colleagues in the House agree that we have to find a long term solution.

• (1820)

**Mr. Steve Mahoney (Mississauga West, Lib.):** Mr. Speaker, first, I want to say how much I empathize and sympathize with the people who have spoken in this place expressing concern over the possible job loss, particularly at this time of year, but at any time of year. They fear what may happen in their communities as a result of the closing of mills and the loss of business resulting from these punitive actions and movements by the United States government.

While I do have some northern Ontario roots, as my friend from Algoma mentioned, being from Sault Ste. Marie, I also represent a riding that is very reliant upon the lumber industry in a community like Mississauga. I cannot imagine the damage that would happen to the housing industry if we lost our mills or if we had to resort to importing wood from Mississippi or Tennessee, perhaps at exorbitant prices as was referred to earlier. This would have a

rippling effect and could affect not only jobs and economies of places like Thunder Bay and other parts of northern Ontario, Quebec, New Brunswick, B.C., but it could have an effect throughout the country.

Canada controls something in the neighbourhood of 21% of the world market in lumber, so it is an important sector of the Canadian economy. It is important for my riding and for urban ridings equally, perhaps not as obvious at first blush, because of the impact it could have.

When the NAFTA agreement was entered into, I was not in this place but rather in another place at Queen's Park. I recall the debate wherein people used the phrase "It's like getting into bed with an elephant". If that elephant rolls over or decides to do whatever, it is done and a person has no defence. The reality is that the elephant in this case has attempted to roll over onto the mouse in the past and the mouse has kicked back, challenged and won at the WTO.

It continues again. The elephant is a little twitchy, nervous and does not quite understand how this can happen. The most powerful nation with the biggest lobby groups in the world feels it should have its way on this particular issue.

I have thought about this and asked myself: What is the real issue? People I talked to in my community get confused with all the acronyms such as WTO and NAFTA and the words countervailing and duties to be paid. They hear all this and wonder what is going on.

In my view, this is much more than simply a trade dispute. This is potentially an attack the sovereignty of Canada. I have heard it said before, and I have often thought it was a bit of a knee-jerk reaction, that we can determine our own sovereignty and that no one can take it away from us.

Let us analyze what is happening.

Canada has a system of licensing out to corporations the harvesting rights on crown land so they can harvest the wood under a reforestation plan, or an under an environmental plan or working in with groups like MNR and local communities in Ontario to determine how much of the forest should be harvested. Let me call it stumpage. We have that all over the country. Stumpage is a public manner in which we manage our forest inventory.

The United States system is quite different. The lands are privately owned. Corporations go in and simply do what they want. There may be some environmental constrictions, remembering that they respond to the shareholder on the bottom line. They have to decide corporately how they will manage their particular inventory.

• (1825)

If times are tough maybe they step it up a bit. If times are good maybe they back off and move somewhere else. Do they pay attention to reforestation policies to the same degree as our provincial governments do? We all know that forestry comes under the jurisdiction of the provinces. That is another issue. They want to tell us how we should interact as a federal government with our provincial partners and our industry partners. We should simply do it the way they do.

*S. O. 52*

The Americans say that stumpage is an unfair subsidy because it is crown land and we do not charge enough for the licences that we give out. Yet there is so much more to it in terms of reforestation.

I want to share with the House a small example of the detail and the level to which our officials in the province of Ontario and elsewhere in the country actually manage their forests. My wife and I own a small cottage property in the Parry Sound area. We were told that a licence had been given out to a forestry company to come in right behind us and take out a number of trees. We called and found out that the ministry of natural resources had assigned the responsibility to a consulting firm to do a complete inventory and analysis of the site in question.

We met with those folks. The bottom line was very interesting. Two separate licences were given to the same company in the same general area on our lake. The nest of a red shouldered hawk was discovered on the crown land behind our property. Everything came to a grinding halt because of this red shouldered hawk.

The level of detail had an individual actually walking through the forest doing an inventory of the trees, marking the trees that could be removed under this licensing agreement and then discovering that there was a species at risk nesting in the area and calling the whole thing off. I was not afraid to have a bit of culling done in the forest behind our property, but I was quite impressed with the conservation attitude.

How does my story relate? It seems to me that the Americans would like to take away the opportunity for our officials to do that and that we should simply operate like they do. That is to go in, clear cut, do whatever and worry about reforestation later.

Why is this sovereignty? We have a right as Canadians and an obligation as members of parliament to ensure that it is our policies that are determining the future of the forest industry and, perhaps more important, the future and the conservation of the forest itself.

In addition to hockey what else identifies this country more than the forest, the forest industry, the jobs and all benefits that come from that?

We can stand and get excited about this debate. However we have to realize what is next. Is it bulk water? We all know the debate. Is it oil and gas? We all know what they want. We know the crunch in the United States.

It is impossible for anyone to publicly criticize the United States ever since September 11. God bless America. We are their family and friends. We will not be ridden roughshod because a certain lobby group or sector in that country decided that it does it the right way and that Canadians do not.

We will not be told how to manage the future resources of this great land. We will not be told by the Americans how to do business, no matter what sector it happens to be in.

● (1830)

**Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance):** Mr. Speaker, I will be splitting my time with the member for Okanagan—Shuswap. My riding contains the most vibrant and active softwood lumber area in the province of B.C. Prince George is right in the central part of British Columbia.

Our mills are the finest in the world as far as technology goes. These mills can produce softwood lumber in such an efficient manner that we can put a 60 foot tree through the system and come up with a handful of waste. That is how efficient it is.

That is not so in the U.S. The big softwood lumber manufacturers have the company owned forests. The mill owners are the principals behind the lobby group. They call themselves the coalition for fair lumber imports. They have been successful in getting the ear of the senators and the United States government. They have claimed time after time that Canada is being unfair to them because they say we subsidize our softwood lumber industry.

We do not subsidize our softwood lumber industry. We use a system that ensures there is a price paid for the harvest to the government. The other costs are all relative to what the costs are in the industry for labour, technology and taxation. As a matter of fact we can argue that we pay too much to harvest and produce our softwood lumber.

We have been to the WTO three times to fight the cases that their coalition has brought against our country. We have been successful every time. No evidence exists to date that was sustainable in the WTO courts. There was no subsidy, no dumping and no evidence of injury to the U.S. market.

The decision of the U.S. government to proceed with yet another countervail anti-dumping imposition of a duty only confirms the protectionist attitude of the American government. The prior administration to this one did the same.

The fact that there has been no evidence of subsidization and dumping only confirms that this is all about the big southeastern American firms wanting to make more money and wanting to secure a greater share of the market because they could not produce softwood lumber like we could.

They are so inefficient that they are trying to offset their inefficiency with the imposition of a countervail tariff and by saying that we subsidize softwood lumber production in Canada. It is just a veil to help with their bottom line.

We had WTO disputes and we won them every time. Someone came up with the idea that we should develop a five year program to put an end to all the countervail threats. We came up with the softwood lumber agreement in 1996. It was to be the end to all these types of threats from the U.S.

● (1835)

When the Liberal government was in power in 1996 and this was coming into force we in the Reform Party, now the Alliance, questioned the government about its foresight and suggested that the deal was wrought with peril.

I remember the Minister for International Trade and the Minister of Industry saying to us that they did not know why we were blaming them as it was the industry that put it together. They were partially right because the large firms in the softwood lumber industry were involved in putting the package together.

*S. O. 52*

We went down that road and when we were about halfway through the SLA some flaws started to show up, particularly with the quota system. As it turns out the large manufacturers did just fine as far as the quota but the small and medium producers were having trouble. They employ Canadians who also have to feed their families.

We brought these concerns to the Liberal government and we were ignored. We told the government time after time that everything we hoped for was not so good any more and that some of the flaws in the SLA were starting to show up. We did not get any attention from the government.

We told the government halfway through that this SLA would expire in May. We had already determined that it was wrought with peril. We had to do something so that when we got to May 2001 we would not be caught wondering what to do and then again be at the mercy of the American coalition for fair lumber imports.

That was exactly what happened. The government did not get involved in the issue until about November 2000. That was much to our dismay because we had been talking to it about this since the beginning when all the flaws started to show.

The Minister for International Trade became involved. Suddenly he was gung-ho and making a lot of pronouncements with six months left in the SLA. Where was the government three years ago when we told it things were going bad? Suddenly it was in panic mode because the SLA was running out.

The Americans were rattling their sabres and we ended up in the situation we are in. We had the countervail tariff put on, the anti-dumping tariff put on, and now we have to go through the WTO again. This is all because the government refused to get involved until about six months before the SLA was to expire in May.

It is because of the government's lateness that we are in the crisis we are in. The Americans are saying Canada is subsidizing lumber and dumping it. Therefore they will charge us extra fees and we will fight it out in court. In the meanwhile we must pay them.

Our producers are having trouble with their money. What does it take? It takes a bureaucrat doing some negotiation. It takes the Minister for International Trade getting involved, but most of all it takes the Prime Minister of Canada, the top politician in Canada, to recognize just how important the softwood lumber industry is to the country.

First, the Prime Minister must recognize that. Second, he could consult with his experts who would confirm the impact on the economy. Third, he could phone the president of the United States on an ongoing basis.

If the Prime Minister realizes how important the softwood lumber industry is, he would be on the phone every week telling the president that this can be fixed. If our bureaucrats and junior ministers cannot do it, they as the top guys would fix it. That is what he should be doing. I hope the message is taken to him and he reacts to it.

• (1840)

**Mr. Darrel Stinson (Okanagan—Shuswap, Canadian Alliance):** Mr. Speaker, I rise tonight in what is more of a discussion

than a debate. I am not what we would call a happy camper. As the hon. member for Prince George—Bulkley Valley stated in his speech, as did other members in the House, the government was warned for a long time that this crisis was about to happen.

I would like everyone in the House and those who are listening to be assured that not all the Americans are on board with what a small band of special interest people is doing down there, not by a long stretch. As a matter of fact, the majority of American people are against exactly what is taking place here. Not only is it creating havoc in this country, it is creating havoc in the United States.

When the softwood agreement expired, the government acted as if it was a revelation that this would hamper our industry and create problems. Let me take members back. This dispute has been going on since 1962. Time and time again the Americans have challenged us and time and time again we have beaten them at the WTO in regard to these duties. It is not as if the government members could stand here tonight, and I have heard them, and say in all innocence that they should not have any concerns on this. They should have. History repeats itself until we do something right.

We went into the softwood lumber agreement with basically a five year understanding to get this worked out. When we stood up in the House and stated the concerns we had in regard to softwood lumber, I remember the minister saying it would give us five years of stability in the industry. That is what the minister said. The minister said that it would give us time to work on it.

There was no work done and now there is no work for our loggers or for those who depend on the logging industry, because the government refused to do absolutely anything. It treated it as a non-issue.

I would like to quote something from a gentleman whom I kind of agree with. David Emerson, the president of Vancouver based Canfor Corp., said:

*If this was the auto industry or if this was Bombardier or the aerospace business or if it was split-run magazines, we'd have had high-level emissaries flying back and forth daily and it probably would have been resolved by now.*

He is right. We have seen that happen in the House.

I will step away from probably the party and everything else because I really have a problem with free trade. The problem is that when we went into NAFTA and we talked about free trade it was sold to the people in Canada as free trade. To me free trade means free. We know it is not happening. We know it never did happen. Maybe we should be looking at fair trade. We should start looking at that issue and get rid of this concept of free trade because it is not free. It is costly.

For those who think that this has impacts only on those working in the forests, I have news for them. Everyone who is laid off in the forest industry, whether it be in the mills or in the bush, has impacts on the communities they live in, right down to the teachers, because if there are no jobs, people move to find jobs. It has impacts on the classrooms, the stores and the hospitals. It impacts everything. The government does not seem to understand that. This impacts not only small communities in our rural areas, it impacts right across Canada. Every time people have to go on unemployment or assistance of some sort, it has impacts on the social safety net. The government has to understand this. I am sure that if this was the textile industry or it was taking place somewhere close to home here in Ottawa that the government would understand exactly what we are talking about.

● (1845)

I find this situation highly degrading for a number of people, particularly those in British Columbia because they are who was referred to when the parliamentary secretary stood in the House and called them nervous nellies. They are losing their homes. They are losing their trucks. I find it quite exceptional that someone could even conceive of standing in the House to say "quit acting like nervous nellies".

We have to come to some kind of agreement. We cannot stay on this route with the Americans. In my own opinion, and only my own opinion, it is time the government got tough. It is time the government got tough on these issues. The Americans depend upon us and we depend upon them. It is that simple. There is nothing wrong with bargaining hard, the same as they have been doing with us. We can do it. All we need to have is the will from the government. In my opinion there is nothing wrong with using linkage, if that is what it takes to resolve the issue.

I heard a member from the other side of the House say, and quite rightly so, that since September 11 nobody wants to take a hard line with the United States. I do. I will say that right now on this issue. The Americans are wrong. It is a small interest group that has driven this agenda to where it is now. The Americans are right in some respects. Their foremost interest right now is the security of their nation. That is one way in which they are right, for those on the other side of the House who wanted me to name one. Their primary interest is the security of their nation and rightly so.

If somehow we could loosen up those concerns, and they have come to us on a number of these issues, we would then be able to free up some of the senators who we know are sympathetic to the issue we have here regarding softwood lumber and we would be able to have them pay more attention to what is going on in this industry, because we do have support on the issue in their senate and their congress. We have consumer support in the States. There is overriding support from consumers to get rid of these countervailing duties on our lumber. They should not be there.

A lot of people do not even understand what softwood is and where it comes from. We need time to better educate the people. It is pine and spruce. They like to throw in cedar and fir. It has impacts across all aspects of the building industry in the United States.

I find it very strange that the government has had all this time and yet has done absolutely nothing in this regard except during the last five or six months. The Americans have lost their challenges in

regard to this issue with Canada, yet they keep coming back. Now is the time to get a final agreement on this and really force the issue. We have to. Our people out there are depending upon us, not only in B.C., Quebec and Ontario but all across Canada.

All I can do is implore the government on behalf of the working people in Canada, those who depend on this industry, to please finally do something and do it fast. This is a crisis. If the government cannot do anything on the governmental side to fix the crisis with regard to the trade dispute, it should at least look at some way of offsetting the costs of the layoffs. This is a crisis as big as any the government has seen, bigger than the ice storm crisis. The government has to be responsible because it is a trade dispute and it is out of the hands of the workers. It is a trade dispute and the government is responsible for trade.

● (1850)

**Ms. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.):** Mr. Speaker, I will be sharing my time this evening with the member for Durham. I am pleased to rise this evening to speak in this take note debate on the softwood lumber trade dispute. In fact this is the second time that I have had the opportunity to participate in debate on this issue. We had an emergency debate a couple of weeks ago on this issue.

At first glance members might wonder why the Parliamentary Secretary to the Minister of Canadian Heritage would participate in this debate and what I, being an urban member, could possibly know about this issue. Let me begin by saying that I know this is an issue that is important to all Canadians, rural Canadians and urban Canadians. We heard my colleague, the member for Mississauga South, speak to us about how this issue is affecting home building in his riding.

I also want to say that as a former chair of the subcommittee on international trade, trade disputes and investment in the last session, we considered this issue years ago when we did our cross-country hearings on the WTO. Also, as a lawyer I have a very strong interest in international trade issues and I think it is also very important that Canadians try to understand and learn about this trade issue.

The last time I rose I took the opportunity to outline Canada's case before the WTO. Tonight I would like to actually inform Canadians about what the leading advocates in the United States are saying about these trade actions.

Again, while we are pleased that Canadian and American officials are meeting regularly to discuss a long term solution to our softwood lumber, at the same time it is very important to highlight some concerns that have been raised about protectionism in the United States and the U.S. trade action. I want everyone to realize that I will speak about what the Americans are saying about Americans in the United States.

## S. O. 52

The first and foremost concern is something that has not been mentioned by the U.S. lumber producers, that is, U.S. consumers are hurt by protectionism. The United States National Association of Home Builders estimates that at least one-third of any tariffs would be passed along to U.S. consumers. Estimates indicate that duties on Canadian softwood lumber exports would increase United States house prices by up to \$3,000. While some families would have to pay a few months' mortgage to justify lumber duties, hundreds of thousands of others would in fact be priced right out of the market for new homes.

Other groups that are looking into the negative impact that duties will have on U.S. consumers include: the coalition American Consumers for Affordable Homes, the United States Census Bureau, and the Cato Institute, a U.S. think tank that has been following the Canada-U.S. softwood lumber dispute.

The second concern about the Canada-U.S. dispute is the reality about the United States industry. Softwood lumber production in the United States has fluctuated around 31 billion board feet yearly between the years 1991 and 1996. United States production increased to a peak of 35 billion board feet two years ago.

What U.S. companies and the U.S. lumber lobby will not say is that the supply of timber in the United States is increasingly constrained. Lumber from federal lands, which accounts for only 10% of the total U.S. harvest, is dwindling and subject to increasing environmental protection. In the south the industry is almost totally dependent on private lands for supply and yet annual harvests from private lands are exceeding replanting rates. All in all, U.S. producers cannot meet their own demand for lumber. Canadian producers helped build this market demand by providing up to 35% of lumber to U.S. consumers.

What is it the Americans are saying? What does Alan Greenspan, the U.S. federal reserve chairman, say about U.S. protectionism? He recently said to a congressional committee:

There is no question in my mind that as the economy slows we must accelerate our endeavours toward free trade. If we were to move in the direction of protection, that would create some very significant problems for the American economy...It would have been a great tragedy were that process stopped or reversed...The evidence has become increasingly persuasive that opening up trade to significant international competition is a major force in economic growth and rising standards of living wherever it occurs.

• (1855)

What else are Americans saying? What does Mark Suwyn, chairman and CEO of Louisiana-Pacific, one of the largest forest products companies in the U.S. and a former key member of the U.S. industry coalition, say? Mr. Suwyn has noted that U.S. producers find it difficult to compete with Canada because "...Canadian mills have modernized at a faster rate than producers in the United States".

He further says "mills in the U.S. can't compete in today's market no matter what the stumpage fees in Canada are".

What does Auburn University in Alabama say about Canadian forest practices? The university study reported that:

—Canadian lumber producing provinces rank at the top of a list of provinces and lumber producing states protecting their lands from commercial development. States in the U.S. south fall at the bottom of this ranking.

The American Coalition for Affordable Homes notes that affordable housing continues to be a cornerstone of the American dream, yet limiting trade substantially increases the cost of producing new housing or remodeling existing housing and excludes many Americans from home ownership. There are a million more jobs in the U.S. that depend on availability of reasonably priced lumber than there are jobs in domestic lumber production.

Current restrictions on domestic timber harvests means that the U.S. cannot increase lumber inputs significantly. The number of jobs in lumber production, about 200,000 for logging and lumber mines combined, will continue to decline.

In refuting U.S. industry claims and preliminary U.S. department of commerce findings, the U.S. congressional research service reported that "the evidence to demonstrate this possible disparity between U.S. and Canadian stumpage fees is widespread, but inconclusive". It also noted:

—other factors also affect stumpage fees. For example, the management responsibilities imposed on the timber purchasers differ. In Canada, licensees are generally responsible for reforestation and for some forest protection. In U.S. federal forests, timber purchasers generally make deposits to pay for agency reforestation efforts and some of those deposits are typically reported as part of the stumpage fees.

Finally, it noted:

Economic theory suggests that U.S. restrictions on imports of Canadian lumber have probably raised U.S. lumber prices above what they would have been with no restrictions.

The Consumers for World Trade have said:

Just jacking up the price of lumber hasn't solved this problem in the past and it won't solve it in the future.

While I could go on to quote a number of other industry organizations and individuals, I think the above quotes have epitomized what the real problem seems to be. Let us look at what the leading U.S. media have reported.

In a lengthy article, entitled "Logjam—U.S. should drop lumber threats against Canada", the *Dallas Morning News* reported:

Americans need affordable shelter. That's why they (the U.S. Department of Commerce) should resist U.S. lumber producers' heavy-handed attempts to reduce imports of cheaper Canadian softwood lumber.

The article goes on to say:

The department should avoid a bitter, protracted and probably fruitless battle. Canada's real sin (if sin it be) is to have a different system.

I think this is the key. When we look at the WTO and we go there, just because it is different does not make it wrong. That is what the Americans need to learn and I think that is what the paper was saying.

I am pleased that both countries sat down to discuss the root problem of our differences and I hope a reasonable conclusion can be achieved. If not, history will prove us right again and for the fourth time in 20 years the U.S. industry's allegations will not be sustained.



S. O. 52

● (1900)

**Mr. Alex Shepherd (Parliamentary Secretary to the President of the Treasury Board, Lib.):** Mr. Speaker, it gives me great pleasure to enter the debate on softwood lumber and to be sharing my time with the eloquent member for Parkdale—High Park.

People are probably wondering why a member from Durham, a riding with not much forest industry but a lot of agriculture, would be interested in the debate but, of course, Liberal members can actually visualize this country from sea to sea to sea.

I was very fortunate to travel to British Columbia back in 1994. I actually sat down in Cranbrook with representatives from Crestbrook Forest Industries, which is now called Tembec, one of those few unfortunate companies that has been hit not only with a countervail duty but with additional duties due to trade restrictions.

I was able to go back to B.C. in 1998 and once again get involved in the issue of trade disputes. At that time it was the harvesting of the old growth forest in the lower mainland of British Columbia. Once again our lumber exports were being restricted not only in the United States but also in Europe, and inappropriately so. As we got involved in that debate we discovered that in fact it was not based on logic. It was based on a lot of emotion and so forth.

The debate today has been going on for well over 20 years. I will elaborate on some of the background history.

Forty per cent of Canada is covered by forests and 10% of the world's forests are in Canada. Softwood lumber accounts for 3.1% of our gross domestic product. Canada exports \$23 billion or 15% of its softwood lumber products. The forestry industry accounts for 311,000 direct jobs and 446,000 indirect jobs.

When the opposition members say that the government does not care about those jobs, they are totally wrong. We certainly feel for the people out in British Columbia and in other parts of our country who have lost their jobs, especially with Christmas coming and so forth. Our hearts go out to them tonight. We are trying to resolve this problem. Unfortunately, the opposition has used this as a matter of confrontation when what we should all be doing is getting behind this and trying to solve the problem.

Seventy per cent of our softwood lumber is exported and 75% of that is to the United States. Softwood lumber accounts for half the manufacturing in British Columbia and in New Brunswick.

In Canada 80% of our forests are owned by provincial governments. This is the problem. Only 11% is owned by the federal government. In the United States it is totally the reversed: 70% is owned by private industry and only 20% by the federal government.

Here is where the problem starts to come in. In 1952, Canada exported to the United States three billion board feet or 7% of the U.S. market share. By 1998 it was 18 billion board feet or 33% of the total U.S. market share. I think what we are starting to see is that Canadian companies are able to go down and compete effectively with their American counterparts in the United States and as a consequence have taken a market share.

What is the historical problem? What we are trying to do is stop Canadians from importing lumber from the United States. That is the first desire of those people who have a vested interest in the forestry sector in the United States.

The first allegation is that we are unfairly subsidizing our forestry industry with the use of stumpage fees. We have been through this whole issue a number of times, as I say, over 20 years. It has never been proven that the cost of stumpage fees is an undue subsidy or even a subsidy in fact to the forestry industry. This is pretty much a bogus thing. Once again we have to go back to the World Trade Organization.

Why is it that we have to go through this process? In some ways the process is successful for the Americans for one particular reason: it embargoes trade for a brief period of time, maybe two or three years, before this all gets resolved, people get back to duties and so forth, but the reality is that it has been hurt.

● (1905)

The reality is that Canadians were not been able to access that market during that period of time. In reality, embargoing our trade, while perhaps not legal, is very successful and very profitable for these companies in the United States.

The second issue is export restrictions. This is the concept where the province of British Columbia, for instance, does not allow the export of raw logs from provincially owned lands. Many other provinces have the same legislation. On federal government lands in the United States, it does the same thing. Why is that? Essentially, it wants to create jobs in Canada. In other words, obviously exporting raw logs does not particularly create a lot of jobs in Canada. There is nothing inherently wrong with that. Clearly, Canadians do not want to be hewers of wood and carriers of water. They want to have good, solid jobs to live in their area. As I said, half of the economy of British Columbia is dependent on the forestry sector.

It has been mused that somehow these export restrictions cause an undue subsidy by governments, that in some way, by creating these export restrictions, if the logs were sold directly they would cost more money or something. Once again there has been no economic theorist or any other person who has been able to substantiate that the export restriction in fact creates a subsidy.

We should actually start looking at the pure economics of it. Why is that there has been this great market growth in the United States and why is that Canadians have been so able to capture that market? I think we should look at some of the other basics.

From 1952 until now, the Canadian dollar has shrunk in half. Would someone not think that would be more of a competitive issue? The Canadian dollar dropped in half and all of a sudden Canadian imports into the United States are significantly cheaper. I do not know why we are sitting here talking about subsidies and so forth because just the change in the Canadian dollar alone would tell us that Canadian softwood lumber is going to be cheaper freight on board the United States than it was back in 1952.

My colleague who spoke before me mentioned that American mills have not kept up with capital improvements and have not kept their operations efficient. This is actually symptomatic of the United States.

*S. O. 52*

We are having the same problem in steel. We all know that Bethlehem Steel went into receivership recently, mainly because it had not kept up with capital improvements. It ran its company on the basis that it was going to fail. When I say running a company on the basis it is going to fail, I mean that a company does not keep adding to its capital stock and making the company inefficient. If that is done over a long period of time, competitors become more efficient, are able to price their product more efficiently and, as a consequence, the company cannot compete.

In the United States it is cheaper to hire lobbyists to stop or impede trade than it is to put new capital equipment in plants. In reality, this is a perverse situation of which the Americans, quite frankly, should be ashamed. The great purporters of free trade and capitalism create a situation where it has inefficient industries and now it is dealing with legislation to impede efficient industries in Canada.

By the way, Weyerhaeuser bought out MacMillan Bloedel. Twenty per cent of the Canadian forestry industry is owned by Americans. Some people might ask whether they are trying to cripple our industry so they can buy more of it. I am not alluding to that as a conspiratorial theory but it certainly is plausible.

As I conclude my remarks, this issue really needs to be seen in an American perspective. We seem to be on the receiving end of this constantly. I think it is time the Americans woke up and realized what their own government is doing to them.

• (1910)

[*Translation*]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I would like to point out that I will be sharing my time with my colleague from Churchill.

I am pleased to take part this evening in the debate on lumber. Since the opening of this session of parliament, lumber has become the culmination of the work of this House, because of its importance.

Since the beginning of 2001, the threat of blackmail has hung over Canadian lumber exports. The dispute over the export of softwood lumber to the United States threatens to weaken and disrupt our greatest source of jobs. In fact, lumber has been the greatest single item of trade between Canada and the United States.

Ever since the agreement on softwood lumber between Canada and the United States expired in March, the American government has decided to impose an import duty of 19.3% on softwood lumber. Now the lumber industry is facing anti-dumping duties of 12.58%, which were introduced in October. I must also point out that these two customs duties were applied separately, one after the other.

Under the previous agreement, the American government guaranteed Canadian exporters access to their market for a five year period, thus permitting the duty free importation of \$14.7 billion worth of lumber. Unfortunately, this agreement expired, and we are now facing a national crisis. The federal government, having failed to get these duties eliminated, we have had to turn to the World Trade Organization to rule on our dispute.

How long will this take? Every day the Canadian industry sees businesses in this sector fall behind and accumulate a financial

burden. All the employees of this sector are wondering if they will be next to have to go home and apply for employment insurance or find a new job, while the market remains fragile.

[*English*]

The current crisis in the lumber trade is simply the latest in a seemingly continual round of protectionist action by the U.S. The ability of the American lumber coalition to repeatedly harass Canadian exporters and hold to ransom our companies, workers, governments and communities indicates one of the major weaknesses of the North American Free Trade Agreement.

[*Translation*]

The lumber industry is central to the economic and social development of several regions in our country. In this era of market globalization, it has invested thousands of dollars to implement new technologies.

These investments have been very important in enabling businesses to increase their production capacity and to improve their competitiveness on international markets with quality products at competitive prices. How will our forest industry be able to perform on these international markets with these duties?

In my riding, the forestry and forest services sector created 7,550 jobs in 1996. It is one of the most important primary industries in New Brunswick and in my riding.

In 1996, Nova Scotia and New Brunswick accounted for 5% of Canada's softwood lumber production. Over the last five years, their production skyrocketed, increasing by 62%, which represents softwood lumber sales totalling \$1.2 billion.

In New Brunswick alone, 90% of the softwood lumber production is exported to the United States. Not being party to the 1996 agreement that expired last spring and being supported by crown lands and by private companies, the Atlantic provinces thought that anti-dumping duties would never be applied to softwood lumber. It was a surprise when they learned that all Canadian softwood lumber producers would be subject to these duties.

As I indicated this afternoon in my question, we are talking about free trade rules, we are talking about fair trade rules, but all we have in fact are the American rules.

•(1915)

[English]

During consultations with the forestry industry some representatives told me the United States had done a study on lumber exports from six big lumber companies. Not one was from the Atlantic region. Following the study the U.S. decided to impose an anti-dumping tax on all lumber exported from Canada.

Atlantic companies have had an anti-dumping duty of 12.5% imposed on them. These companies have never been consulted by the United States but must now pay this outrageous tax. How can the United States base its research on six Canadian companies when the forestry industry is composed of hundreds of companies?

[Translation]

What has come over our government to give us such a slap in the face? Have all the fine words and great gestures of the Liberal government during the 2000 election campaign vanished just like that? Or has our government already lost its memory as far as commitments are concerned? This would not be the first time, moreover, for that to be the case.

In recent months, we had a kind of premonition that the federal government would be giving in to such affronts. Just yesterday, the federal government indicated that it had no plan of action for arranging a meeting with the U.S. in order to explore other avenues besides the 32% that is being forced upon the forest industry.

This situation is all the more difficult for workers in this industry, because close to 373,000 people depend on it. Thousands of jobs have been lost because of the anti-dumping tax. The province of B.C. alone has lost 15,000. This is terrible. Unfortunately, we will be seeing even more layoffs if the situation is not settled soon.

The forest industry is in disarray. Those in the industry affected by this tax, the workers and the communities, have great expectations.

The New Democratic Party has, moreover, called upon the federal government to ensure that the trade of manufactured wood products is carried out under equitable and fair trade rules.

What we are now experiencing is exactly what the NDP has always feared about free trade: one way trade that benefits only one country, at the expense of other countries and their industries.

No restrictions should be allowed, as the Prime Minister mentioned yesterday in the House.

The NDP has always fully supported Canadian forestry workers' unions and their employers in this fight to obtain fair access to the U.S. market, and we will continue to support them in the current context. Not at this price however.

The government must work toward levelling the playing field for workers and businesses on both sides of the border. An export plan that offers fair and unrestricted access would not harm lumber producers in any region of Canada.

The NDP supports the idea that the results of the ongoing discussions must lead to unrestricted access to the U.S. market for producers from all provinces and regions of Canada. In addition, we

S. O. 52

must protect our rights when it comes to managing our forests, especially crown forests.

In closing, the U.S. wanted free trade, but what we have today cannot be described as free trade. This is affecting Canadians. We are therefore asking the federal government to put its foot down and resolve the issue of softwood lumber once and for all. It is high time, because families are suffering.

•(1920)

[English]

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I rise once again on behalf of the New Democratic Party and Canadians everywhere who have a stake and an interest in our forestry industry. I call on the Liberal government to start standing up to the bullying U.S. tariffs that are devastating companies, communities and families that depend on the forest industry.

It gives me a slight feeling of déjà vu to be taking part in yet another emergency debate on the issue in the House of Commons. It was exactly one month and two days ago that we last had an emergency debate in the form of an opposition day motion on the issue. It is disappointing that in the month since the Liberal government has continued to do what it has done all along: sit on its hands and do nothing.

So little has changed that I could take a copy of the *Hansard* from last month's debate, read back my comments word for word, and they would still be relevant and timely. What an indictment of members of the Liberal government. Despite this they continue to insist they are working hard on the file, as though if they repeat it enough people will start to believe it.

We in the New Democratic Party are not fooled by the Liberal government's empty talk. Neither are Canadians who work in the forestry industry and have to deal with the fallout of the government's inaction.

While the Liberal government has been sitting on its hands the U.S. government has been very busy. Last week it slapped yet another massive tariff on Canadian softwood lumber, bringing the total tariff on our forest products to over 30%.

It is outrageous when we think about it. Canadian softwood products entering the U.S. are slapped with this huge tax and then supposed to compete on the shelves next to U.S. products. Obviously that is almost impossible. That is why many Canadian forestry companies are facing huge losses and we are seeing thousands of layoffs in the sector. It is something our economy can ill afford as we slide into a recession.

## S. O. 52

The Liberal government's passive laissez-faire attitude is stunningly irresponsible. Days before the U.S. slapped on the new tariff last week we had reports that it would happen. We knew it was coming. The day before it was announced by the U.S. government I asked the Parliamentary Secretary to the Minister for International Trade in question period if the government would put an income support plan in place to help people whose jobs would be affected. The parliamentary secretary dismissed my question as hypothetical. The next day of course the hammer dropped.

What are we supposed to take from that? Was the government so clueless that it did not see this coming? Did the parliamentary secretary think I was asking a hypothetical question, or did he see it coming and not want to deal with the issue of assistance for the people losing their jobs? Either way it is of little comfort to the people wondering how they will pay their mortgages because the Liberal government is not standing up for them.

The government says it is pursuing a two track approach to the dispute with the United States. First, its lawyers are challenging the U.S. tariffs in a World Trade Organization tribunal. Second, it says it and the provinces are negotiating with the United States.

This is something but it is clearly not enough. The provincial governments which the Minister for International Trade claims are his negotiating partners are expressing a distinct lack of confidence in the federal government's handling of the issue.

The government of British Columbia has so little confidence in the federal Liberal government that it is exploring the possibility of making a side deal with the United States. This is something none of us want to see. It is crucial that the federal and provincial governments stand together and show a united front to the U.S.

I asked the Minister for International Trade about this last week in question period. He agreed about the need for a united front. What the minister apparently does not understand is that for the federal government to maintain a united front it must inspire confidence in the provincial governments. The provincial governments must be convinced the federal government is handling the crisis competently or they will be tempted to go off and cut deals.

The cracks that are starting to show in the federal-provincial coalition are a clear signal that the federal Liberal government is dropping the ball. Its provincial negotiating partners are not confident in its ability to reach an appropriate solution. The federal government is thus having big trouble holding the coalition together.

The people and companies affected by the dispute do not have confidence in the Liberal government's handling of the crisis either. People with families to feed and mortgages to pay who find themselves out of work are the real losers in this regard.

● (1925)

I would like to read from a letter that was sent to one of our national newspapers by Val George of Terrace, B.C. because it speaks volume about how the people affected by this view the Liberal government's response so far. The letter mentions one of our colleagues in the House of Commons by name so where it does that I will just substitute the member's title. The letter in the November 5 *National Post* states:

[The Parliamentary Secretary to the Minister for International Trade's] calling some B.C. lumber executives "nervous nellys" for being concerned about the softwood lumber issue is despicable. Would he like to come out to British Columbia and tell the more than 10,000 laid-off workers in the forest products industry that those who are defending their interests are being overly concerned? If he were to come out here, he would discover that it is attitudes like his toward western Canada's issues that are the reason for this government being held in contempt in the region of the country that generates a large proportion of the country's wealth.

Instead of making such insensitive comments, [the parliamentary secretary] should be urging his bosses, the Prime Minister and the Minister of Trade, to give this matter the priority it deserves. Come to think of it, perhaps he should tell them that they should have been giving the softwood lumber issue some priority four or five years ago, in which case we might not now be faced with this devastating situation.

That pretty much says it all because that is exactly what has been coming out for the last while. The Liberal government has left this so long, instead of dealing with the issue ahead of time. Now we are in a situation of absolute crisis within the industry.

I would like to talk about solutions in my last couple of minutes. I talked about the need for long term solutions in the last emergency debate so I will not use up my time repeating them. The New Democratic Party is on the record about this but one of the things the letter mentioned was the number of laid off workers in B.C. alone.

For months my fellow New Democrat MPs and I have been calling on the Liberal government to provide some assistance to those people who have lost their jobs through no fault of their own. The government has slashed EI so much in the past few years that people who get laid off cannot rely on it to get them through the hard times anymore. That is the case not just in the forestry industry, but in all industries. We have brought this up time and time again over the last number of years with little results from the government. It would much rather use the dollars going into the EI fund as a general revenue slush fund for the finance minister to make it look like there is a huge surplus when in reality there is a huge social deficit within Canada to laid off and unemployed workers.

The Liberal government should take some responsibility for the fact that it was its failure to deal effectively with the U.S. that resulted in these layoffs. Instead it just says that people should be patient. It is hard for them to be patient when they do not know how they will pay their bills next month.

If the government would provide some temporary income support to these people until the dispute is resolved at least it would look like it cared. That is what Canadians need from the government right now, they need it to care. They do not need the patronizing comments on how they just need to plug on through, how they need to be patient and how they are overly concerned. No one needs that.

We need some absolute effort from the government to support the industry. There are a number of ways of doing that. I will not mention the amount of business we have in exports to the U.S. However now is an absolute crucial time for the government to come forward with a national housing strategy to support our industry. We could pour more dollars than we have into housing. Just over \$1 billion per year for ten years would address the total housing concerns in our country nationwide, in our aboriginal communities and in our urban communities. This is the time for the government to do that and show that it is supporting the industry as well as supporting Canadians.

[*Translation*]

**Mr. Mark Assad (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I wish to inform the Chair that I will split my time with the hon. member for Vancouver Quadra.

This evening's debate is of course extremely important for members of the softwood lumber industry. There is no doubt in my mind that the Government of Canada, the provincial governments and the Canadian industry are determined to protect their rights in justice to settle disputes to their advantage.

In recent weeks, and even months—time goes by so quickly—I had the opportunity to meet people from the softwood lumber industry in my region. These are major entrepreneurs who export in huge volumes. In doing so, they created many jobs in the region. It goes without saying that the industry was doing very well.

I also had the opportunity to meet business people from British Columbia's softwood lumber industry. I travelled there on business. I met these people and I was very interested in getting their views, in order to compare them with those in Quebec. I was rather impressed by how they wanted to settle the issue. Needless to say I listened to them with interest.

I would like to share with my colleagues a view that is not often heard, but which is from people who work in that industry. These people are very well informed, and I think this is a golden opportunity to present their view on this issue to the whole country. Of course I trust their judgment, because they have years of experience, they know the industry very well. Some have been working in it for over 25 years. So, these people know what they are talking about.

● (1930)

[*English*]

Over the last two decades Canada has been subjected to at least three unwarranted oppressive actions by the United States in the softwood lumber arena. People of goodwill might be willing to characterize one action as merely that of ill-informed. Subjected to a second episode these same people, given common sense, might characterize such an action as unscrupulous. A third action based on the same strain and proven false logic as the first two will cause anyone to say enough is enough.

There should be at least no other consequence, namely we should ask ourselves why the United States continues to persist in such activity knowing the difficulty it creates in our industry, and after all we are supposed to be living under a free trade agreement.

*S. O. 52*

From the perspective of American industry, the most important consequence is on companies in the affected industry within the country targeted for trade action; in this case the Canadian softwood industry. As intended, each time a foreign industry, like ours in Canada, is subjected to unwarranted punitive trade measures its member companies are significantly weakened. Collateral impacts within these countries, like our own: the workers who are directly employed are affected; companies and workers whose sales, jobs and incomes are affected directly and indirectly; and, of course, government revenues and the capacity of governments to sustain social programs are also affected.

During the trade action, United States competitors sell larger volumes at higher prices with the same cost base for an extended period and capture business that normally goes to Canadian suppliers, reap a share in punitive duties and build their financial strength.

Oppressed Canadian companies have restrained or limited revenues and in some cases no revenues because of the complete shutdown, while having to cope with ongoing overheads and cuts.

Immediately after the trade action, American competitors work hard to keep the new customers, cushioned by windfall profits accumulated during the period of unwarranted trade tension.

In the case of softwood lumber, once regular Canadian production and transborder shipments resume, prices invariably drop significantly as Canadian suppliers compete aggressively in a desperate effort to regain market share and rebuild their cash position.

The impact on the competitiveness of companies within the targeted foreign industry, namely our own, should not be underestimated. I refer only to the capacity of these foreign companies to compete for sales but is important to their capacity to compete and retain capital, supplier credit and confidence, customer confidence, top management talent and, among other items, motivated and trained personnel.

Being subjected repeatedly to the likelihood of being placed in a weakened state, drives those affected, in this case our Canadian softwood lumber companies, to act more intensively and at times perhaps selfishly than they would otherwise do because of the threat they are facing. Strong, vibrant companies grow and acquire other companies. A company needs many things to go right over an extended period to achieve and maintain a position of market strength. That takes years of work to build.

Companies incapable of achieving a position of strength and vibrancy over time, no matter what their natural potential is, are relegated to a position of also-rans, incapable except under unusual circumstances of being an acquirer, at least a weak company acquiring weaker operations. Most of them for the same reason are in difficulty. They become prime material for acquisition. One case in point is the Canadian company of MacMillan Bloedel.

*S. O. 52*

If any major Canadian solid wood forest companies have been sufficiently strong over the past two decades to sustain significant international expansion and investment in research and development, the United States is structurally unable to submit international trade disputes on a timely basis for resolution to impartial review panels and abide by rulings from such panels until there is compelling evidence that the underlying circumstances have changed. The U.S. industry exploits this fully.

In the case of softwood lumber, even if the Canadian position is upheld in the long run, Canadian industry loses both in the short and long runs. Within the United States, the current softwood dispute is a sly manoeuvre for greater market share and dominance masquerading as a free trade issue. It is politically sanctioned commercial oppression that is permitted. It causes tremendous damage to the softwood industry in the country.

Canada must now stand firm on this issue and it must stand collectively. To win the battle we have to make sure the government takes all measures necessary to protect our softwood industry.

There were some rather radical steps recommended. For instance, it was recommended that Canada should declare an economic state of emergency whereby the government would have the power to stop all exports to the United States and force the U.S. to deal with an export fairness panel in Canada to make sure that we were not victims of unfair trade practices.

In conclusion, I am convinced that the government will not blink. Along with the provincial governments, it will do everything in its power to address this problem once and for all.

• (1935)

**Mr. Stephen Owen (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I am pleased to speak tonight on this topic which is critically important for all Canadians and of particular concern for the people of British Columbia.

This is a major crisis. We cannot pretend that it is anything but that. In British Columbia thousands of people are out of work, we hope temporarily. Thousands more are at risk. Communities whose major source of economic strength is in the lumber industry are at risk and are worrying through this terrible time. The whole economy and revenues of British Columbia and the revenues and the economic security of our country are at risk in this situation.

In the short time, less than a year, that I have been in parliament I have not seen another issue that has been given this prolonged and serious consideration. We have to examine what has been done.

At every week's meeting of the B.C. caucus this issue has been at the top of the list. We have regular meetings with the Minister for International Trade. This issue is brought up regularly in national caucus with the utmost urgency.

Support has been given by the B.C. caucus for the position of the international trade minister and the government, particularly for unity across the country. Different regions should not be treated differently, in particular regions like Quebec, Ontario, Alberta, and Manitoba, with British Columbia leading all making up almost half of our exports to the United States.

The important thing is all of the concentrated effort. This has been difficult. The issue is complex and obviously is not being solved quickly, but it must be solved fairly and finally. There has been a concentration of effort and constant communication, the Prime Minister with the U.S. president, the trade minister with the American commerce secretary, the U.S. trade representative and now with Governor Marc Racicot, the U.S. emissary appointed by President Bush.

Let us look at the history for a moment to see how we can bring this together at this time. These arguments across the border have been going on for 100 years but increasingly, and we have heard many people speak of it over the last 20 years, Canada has faced charges of subsidy in particular. Canada has taken the issue to various dispute resolution tribunals and courts and has always won. This is not an issue of subsidy. Let us put that to rest.

We have a public land management system in British Columbia and in many other parts of Canada. That is pointed to by some U.S. producers who favour protectionism and protecting their own perhaps inefficient practices.

I can speak of British Columbia with knowledge. We have high standards of sustainable logging practices. These have costs. It is not a matter of low stumpage. It is a matter of sustainable logging. It is a matter of sustaining employment in the communities. It is a matter of managing forest practices for biodiversity. It is a matter of ensuring that roads are built carefully and decommissioned. It is a matter of making sure there is protection for streams and if damage has been done in the past to restore them. It is a matter of ensuring that reforestation takes place in the most varied, healthy and realistic way for the continuation of the wealth and health of the forests.

This is not a matter of subsidy. It is a matter of protectionism in the United States. What action can we take? Let us look at two of the major Canadian and American forest products companies, Weyerhaeuser, the largest forest products company in the world, and Louisiana-Pacific.

Weyerhaeuser and Louisiana-Pacific operate on both sides of the border. Their corporate message to all of us is that there is no appreciable difference in economic returns between logging in British Columbia or anywhere else in Canada and on the U.S. side. These simply are not subsidies and the courts keep telling us that. What do we do?

Leading up to the expiry of the softwood lumber agreement at the end of last March, the unified Canadian position led by the Canadian government with the agreement of Canadian industry and the Canadian provinces was that we wanted free trade. We did not want an extension of that agreement of managed trade and quotas on exports. We wanted free trade. That is our right. That is what we bargained for and that is what we want to get. That was the position of all of us.

S. O. 52

● (1940)

What happened after the expiry? It is punitive action that is discriminatory, biased and unrelated to the true facts of the situation and it is patently unreasonable. That is the problem we are facing.

How do we go ahead? We stay unified. That unity must be preserved. We also have to litigate. The Canadian government is litigating now before the World Trade Organization.

We saw today in the *Globe and Mail* a report on business written by David Emerson, the president of Canfor, the largest Canadian forest products company. He announced that he and his company are taking the U.S. government to the NAFTA tribunal before an impartial panel under chapter 11 to sue the U.S. government for \$250 million in damages for the dumping penalties that it has introduced. This is an important act. This is the rule of law. This is the free trade we agreed to. It is good to see Mr. Emerson and other corporate leaders in Canada standing up for their rights in the same way. Canada is doing the same at the WTO.

Talking about sustainable logging practices and the beauty of British Columbia old growth forests, it was interesting to see the painting that Mr. Emerson was standing in front of in that major newspaper article. It is a painting of a magnificent old growth forest on the Queen Charlotte Islands. It is by one of Canada's greatest modern artists, John Koerner, a constituent of Vancouver—Quadra. I am very pleased to say he is also my father-in-law. That painting and Mr. Emerson's actions in front of it, if anything, can represent the beauty, the wealth and the health, but the health at high cost to our forest companies, of the sound logging practices in British Columbia.

We litigate but we also engage. We must remember the engagement from last fall. Whom were we to engage with other than to say we were going to insist on free trade when the softwood lumber agreement expired? There was a change in administration and there was some confusion about who was president. The U.S. trade representative was not even appointed and confirmed until March. In any event, we were unified in terms of going for free trade.

Let us engage. We have had a series of discussions now. The provinces, the states, our national governments have gotten together, advised by industry on all sides. The understanding is growing. Let us think. President Bush has appointed his close confidant Governor Racicot to act as his emissary. He is engaged with our trade minister. He has said that he wants this issue settled in four to five weeks. Increasingly Canada has allies in the United States and I am speaking of the American people who are going to pay higher prices.

Let us turn finally not from subsidies, not to the Canadian situation, but to what do the Americans want? Do they want fewer imports? Do they want higher prices? The American public is made up of home builders and suppliers and consumers. What do they want? The answer is clear and it is going to come together quickly, we hope. We will support industry and the people who are affected directly as much as possible, but we are going to solve this once and for all with free trade on a just basis.

● (1945)

**Mr. Jay Hill (Prince George—Peace River, PC/DR):** Mr. Speaker, I will be splitting my time with the hon. member for Fraser Valley.

I am privileged to have the opportunity this evening to lend my voice to the members who have spoken previously on the need for immediate government action and intervention to protect the jobs, and more important, the way of life for Canadians who earn a living in the softwood lumber industry. I consider this opportunity to speak a privilege in that not only am I the elected member of parliament for Prince George—Peace River, but it is also the riding I am pleased to have called home for my entire life.

For me the debate is not about the North American Free Trade Agreement or the World Trade Organization. It is about helping the families and towns that are being devastated by outrageous and punitive trade sanctions levied against the Canadian softwood lumber industry. My only regret this evening is that the debate is not being heard and participated in by all 301 members of this Chamber.

I am reading my speech tonight because this issue is so upsetting that if I were to ad lib I would become so emotional and angry about it I would miss some of the points I want to place on the record. The crisis that is crippling our softwood lumber industry is not a partisan issue nor is it a regional issue. It is a Canadian issue, a matter of national sovereignty and one that should supplant our previous political affiliations.

There is a harsh reality before the House this evening. It is the affirmation that as a result of government inaction on this file, Canadian families are losing their homes. Towns are losing their only employer. The only fault of those affected is that they believed the government when it said it was working on a solution, that they would have to be patient because it would take time. These families do not have the luxury of time. Rarely does the bank heed a request to be patient before it forecloses on a house or repossesses a car. Patience does not pay university tuition. It is difficult to feed a family on patience. While the government continues on its path of negotiation, discussion and raising the issue, Canadian families are going bankrupt.

The members opposite are often quoted as defending their vision of Canada. I find it hard to believe that their vision includes impoverished Canadian families losing all of their worldly possessions just weeks before Christmas.

In my riding of Prince George—Peace River the feelings of anguish and despair over government inaction have given way to feelings of anger and frustration. The residents of Prince George—Peace River are angry that their government has allowed this situation to deteriorate to a point where innocent Canadians are being punished for the failure of their government to resolve the dispute over softwood lumber.

The frustration has inspired many of my constituents to take the time to share their comments with me. I would like to read just a few of these letters so that members present can get a feel for the anger that these people are experiencing.

Steven Shier, in a letter to the Minister for International Trade and copied to my office, wrote:

*S. O. 52*

How can you let this happen? It is shameful. When will you or (the) Prime Minister stand up to the Americans and say "You go too far". I realize that you are pursuing judicial means against the U.S., but really, in the short term you must be more reactive. We are being set up for a slaughter and still you seek only judicial changes. Don't be so naive. This is economic warfare and we are being badly beaten.

Trevor Chan of Fort Nelson, up in the northern reaches of my riding, in a letter to the Prime Minister and copied to my office, wrote:

Please show leadership and ensure that this dispute gets resolved as quickly as possible. The WTO rulings will take too long and by then any wood cut in western Canada will have to be sent to the northwestern states because the majority of Canadian mills will have been mothballed. Frankly, someone has got to show some guts and finally stand up to this economic bullying, why not this government and why not now?

● (1950)

Finally, Cassandra Muir of Prince George, B.C., wrote to me and to the Prime Minister as follows:

Please keep Canfor running. Without Canfor Prince George will go downhill. Canfor is one of the biggest mills. There will be many families without jobs, and without paycheques. So many people depend on the paycheque they get from Canfor... for example, my Dad.

I am not sure how old Cassandra is but she is old enough to appreciate the severity of the impact that the punitive American sanctions will have on her family, her town and her country. This is only a sampling of the letters that my office received and their concerns are valid. They are probably representative of letters that have been sent to all members from all parties. That is why I say this not a partisan issue.

It is not as though this crisis snuck up on the government when it was not paying attention. The previous agreement, after all, had an expiry date. Now in the face of 32% protectionist penalties the inaction continues with weak assurances from the Minister for International Trade that he will give the Americans an earful at the earliest opportunity. It is unfortunate the government is not as strong on action as it is on words.

Strong action would require the Prime Minister to acknowledge that the Minister for International Trade made no progress in the six months since the previous agreement expired. Strong action would be for the Prime Minister to use his personal relationship with the president of the United States to influence his intervention in the dispute and to overturn the sanctions levied by the U.S. department of commerce.

Unfortunately strong action is not a trademark of the government. Nor does the Prime Minister have a strong personal relationship with the president of the United States. Would Canada find itself in this predicament if our Prime Minister had spent a sufficient amount of time cultivating a worthwhile relationship with the leader of our most important trading partner?

Earlier this evening we learned that the Prime Minister raised the issue of softwood lumber with the president but that lately he was spending less time on the issue. This is hardly the time to be giving up the fight.

The residents of northern B.C. will attest that government inaction on softwood lumber is not only limited to economic disasters. The government failed to take action on an equally severe environmental disaster that our province faces. The interior of British Columbia is

under attack from a relentless predator, the mountain pine beetle. At last count 5.7 million hectares of working forest, an area twice the size of Vancouver Island, had been infested.

The lumber industry presented a very comprehensive plan to combat the infestation that would require government action and funding to make the plan workable. Despite assurances from the government that it was taking infestation seriously there has been no action to assist the industry with this equally damaging crisis.

There are still some optimistic northerners in my riding working hard to make the best of a bad situation even in the darkest hours for the softwood lumber industry. One example is the value added wood incubator initiative that was launched by community futures in Prince George in partnership with the College of New Caledonia, the city of Prince George, other governmental agencies and the private sector. Community futures is intent on having this business incubator running at full steam as soon as possible.

What needs to happen? The Prime Minister needs to become engaged in the negotiations. He needs to make softwood lumber his number one priority. The Parliamentary Secretary to the Minister of Justice referred to these terms: let us get engaged. On an issue as important as this to Canadians, it is not good enough to have a two minute conversation as a friendly aside while standing around at a photo opportunity at the APEC conference in Shanghai.

The Prime Minister should go immediately to Washington and remain there until this issue is satisfactorily resolved. The Prime Minister is famous for his so-called team Canada trade missions to China, Italy and Cuba. If there ever was a need for a high priority trade mission, it is now and the destination should be the White House.

● (1955)

**Mr. Chuck Strahl (Fraser Valley, PC/DR):** Mr. Speaker, I add my voice to the voices of concern we are hearing from all sides of the House tonight on the future of the lumber industry in Canada.

I grew up in this industry. I was a member of a fairly successful small to medium size business with my two brothers. I made my livelihood in the lumber industry as did my father before me and as do tens of thousands of people in British Columbia who look to the logging industry for their bread and butter.

Lumber exports as well as the jobs that come with them are still the most valuable export product in the entire country. It is the number one industry. The reaction from the government in the last few days that it is doing all it can and that we must be patient is just not cutting it.

It is an industry that has been on the ropes for a number of reasons such as loss of habitat, loss of working forests in different areas, loss of access because of aboriginal land claims, and on it goes. However this is the cruellest blow of all.



On the British Columbia coast alone 21 of 35 mills have shut down with a loss of 12,500 jobs. That is just on the coast. It is being said that 30,000 more jobs are at risk. The Independent Canadian Lumber Remanufacturers warned on the weekend:

The duties are up to a level we've not seen before. Most of my members called me and they're not sure how they'll survive the next 45 or so days.

John Allan, president of the B.C. Lumber Trade Council, said in the Vancouver *Sun* of November 1:

Thousands of jobs have been lost and thousands more will be lost unless our nations find a way to resolve this dispute once and for all.

On October 15 West Fraser Timber Co. Ltd. said it would temporarily shut down all its Canadian mills for two weeks. This would include six operations in British Columbia and two in Alberta. The move will affect about 1,400 workers.

Carrier Lumber Ltd. said it would cut back production at its Prince George sawmills by reducing the number of shifts from two to one. Thousands of forestry workers have been laid off already in British Columbia.

On September 25 Weyerhaeuser Canada Ltd. announced the closure of three of its B.C. mills affecting nearly 1,000 workers in Port Alberni, Vancouver and Nanaimo.

These are good, well paying jobs. They are the kinds of jobs on which one can raise a family. When we say 20,000, 30,000, 40,000, or 50,000 jobs, we are not talking about part time jobs, jobs for pin money or jobs for money to buy some extra Christmas presents. These jobs put bread and butter on the table of 50,000 families, the majority of which are in British Columbia.

The response we get from the Liberal government in the House is that there is a special envoy. A special envoy is not the answer and will not help. When we ask about the possibility of a stakeholders meeting the Liberals say it will not work. When we ask if the Prime Minister will get on a plane and go to Washington they say it will not work.

We asked about the possibility of a meeting of the first ministers or the forestry ministers from across the country. We could get them all together to talk about a Canadian position. The Liberals say that will not work. According to the Liberals, nothing will work. They say that we will hope for the best. We will go to the WTO dispute settlement mechanism and hope for the best. That will not take place until next spring and then it is a two year process.

Every time we come forward with an idea, a plan or a suggestion, the Liberals tell us not to worry because we cannot do any of those things and all we can do is hope.

The Prime Minister said today in the House that when he was in Shanghai he turned to the president during a photo op and said to him that this was a real concern. The president answered "Yes, I heard that. Let us smile for the camera". That is not good enough. That is not a good enough response for the number one export industry in Canada.

● (2000)

If this were just a one off deal we could say that the government was ignoring it. It does not understand the industry or it does not want to listen to the industry and its leaders. It does not want to listen

*S. O. 52*

to the forest minister from British Columbia who was here today and with whom I had a meeting. It just does not want to listen because it is obstinate or something.

It is part of a trend by the government that it does not have a plan on hardly any issues. The House has shut down four times in the last two weeks because there was no legislation in front of this place. It does not have enough legislation to keep the doors open around here. It does not have a plan on hardly anything.

It does not have a plan on perimeter security. When it does not have a plan it is doomed to be ruled by those who have a plan. That is why we begged last week to talk about perimeter security. The government says that it is just too big a job, that it cannot deal with it or come up with a plan. It is dooming us to react to the American plan again.

When the special envoy comes up here on softwood lumber, guess what? He comes up with a plan, an American plan looking after the American interests, the American industry and the American border states. The government's response is to sit here and claim that it does not know. It asks the Americans to tell us what they think and then reacts to it.

Last week we came up with a plan on dealing with perimeter security. We said that it was not good enough to sit back and hope for the best. We need to come forward with a plan and put it before the Americans. It worked on free trade when we put one forward. That was not an American plan; it was a Canadian plan. It worked on the International Joint Commission. It was a Canadian plan sold to the Americans. It worked on the acid rain treaty. It was made in Canada and sold to the Americans.

It will work again but we need a plan. The plan that says that it will sit back here, wait for the envoy to come and hope for the best is not a plan. That is capitulation. That is a recipe for disaster. It is a recipe for a two year waiting list of 50,000 families who will not have anything to put on the table let alone underneath the Christmas tree. That is not good enough from the government and it is not good enough for Canadians. What is with the government?

Let us pick our favourite issue or the least favourite one. In this case it is the softwood lumber agreement, but whatever issue we pick in each case it is reactive. In each case it is playing catch up. Whether it is reacting to the September 11 crisis, whether it is a failure to develop a perimeter security issue, whether it is a failure to deal with the border crisis evolving around our just in time industries and many other industries that say they cannot get proper and timely access to the Americans, or whether it is the lumber issue we are dealing with tonight, in each case we are told not to worry, to be happy, to go home and hope for the best.

*S. O. 52*

That is not good enough. It is not good enough for my province. It is not good enough for the industry that I came from where people have put their economic lives on the line. They have put an entire province on the line, a province that is just hanging in the balance when it comes to its economic viability.

Instead we are told by the government not to worry, to let it go to the WTO, to take our chances, and a couple or three years from now we will know what are the results. In the meantime we can have 80% unemployment in the industry. We can have no income to look after health care or education needs, the basic needs for which a province like ours and other provinces across the country rely on taxable income from the lumber industry.

It is our number one industry. It should seize the government like the September 11 issue should seize the government. It should be on par with it. It is about economic security. It is about job security. It is about the future of an industry that does not see much of a future right now. It is about a quality of life and a standard of living that Canadians have a right to expect. They have a right to expect the government to get off its hind legs, get into this game, get down to Washington State, sit there, pound on a desk and give our case aggressively until Canadian interests are looked after.

It is time the government got at it. It has not done it. I am urging and begging it on behalf of British Columbians to get at it and get into the game.

• (2005)

**Mr. Charles Hubbard (Miramichi, Lib.):** Mr. Speaker, I will share my time tonight with the member for Etobicoke North who is in the Chamber with us. I have listened with significant interest to the debate in the last few hours. I will change the tone of the debate and look at a bit of the history and background of the lumber industry, both in Canada and in my riding of Miramichi in New Brunswick.

In the 1780s the first Hubbard, George Hubbard, came to the Miramichi. He came to be involved in the masting industry. At the time they were providing masts and lumber for the British navy which was involved in a war in Europe with France.

For a number of years the Miramichi was famous for its pine masts. We were also involved later with selling lumber to the American states. The point is that in the 1780s my family came from the New England states and moved to the Miramichi to be involved in the lumber industry.

In the 19th century people from the Miramichi travelled all across North America and worked as lumberjacks in Michigan, Wisconsin, Minnesota and, later in the 20th century, in the woods of northern Ontario in places like Thunder Bay, the old Port Arthur and Fort William.

In moving across North America the names of the Miramichi can be found. I am not sure if they were involved with the famous lumberjack Paul Bunyan and his great blue ox Babe, but they certainly were involved in opening up the American west.

My people in the Miramichi have been historically involved in the lumber industry. In the 1870s my great-grandfather died in a lumber camp in northern Michigan, so we have a long history.

If we go back in that history we find that our connection with our American neighbours has involved sharing not only a common continent but a common industry. The industries of Canada included the fur trade which opened our nation to white settlers, farming and lumbering. Primary industries have always been very important to our country.

I was doing a bit of research today. I was reading a book by a former professor of mine, Stewart MacNutt, which reviews one of the famous treaties written in the 1850s, the reciprocity treaty of 1854.

In the context of that treaty it took about three or four years for the British colonial office and our local so-called colonies in North America to negotiate trade with the Americans in lumber, fish and other products.

It is interesting to note the similarity to the problems we have today with our American friends who are trying to make us pay heavy duties. In 1853-54 two states held up the treaty for a significant period of time. The treaty dealt with coal from Nova Scotia, something the states of Maryland and Pennsylvania felt should not enter into the United States duty free.

There is a long history of our relationships with Americans. Of course we are concerned today. I hear members from British Columbia being critical of what our government is doing.

The forests today, as members know, are shared by federal and provincial trade regulation. When Americans look at our forestry practices they spend a lot of time looking at the forestry practices of British Columbia which apparently supplies about 60% of the lumber that goes to the American states.

Last summer in a place called Blue River, British Columbia, I met with an American group of senators and members of the house of representatives. We discussed the issue of lumber and what they call forestry practices and stumpage.

They were from lowland states where lumber is cut by people who walk on level land. As we looked up into the hills of British Columbia I asked them what stumpage would be worth in British Columbia if they had to go up the side of a hill with a power saw or a machine to bring the lumber out. They then realized that the stumpage business was different in different areas.

• (2010)

British Columbia has a definite responsibility to look at the stumpage practices the previous provincial government placed on the industry. It was concerned about jobs and was able to modify its stumpage to make sure the jobs continued.

Tonight we are talking about tariffs and trade but the real people we need to talk about are those who work in the forests and sawmills. There has been a tremendous change in our forestry practices.

*S. O. 52*

About a year ago the Senate wrote a report on forestry. For that study the senators not only visited Canadian forest centres but went to the United States and travelled throughout Europe. One senator said to me recently that in the forest industry, and the Canadian forestry industry in particular, the tremendous mechanization which has occurred has meant that one forestry worker today does the same amount of production that 20 to 25 people did 20 years ago.

Although we want to mention the importance of jobs, sometimes in the House we fail to recognize these tremendous changes and the displacement of workers that has occurred in the forest industry in the last generation.

There are machines today which can cut 100 cords of wood in an eight hour period. They have put a great number of people out of work in my province, in Ontario and across the country. Mechanization has changed the whole principle of how our mills operate. With new techniques such as the use of laser beams to make cuts, the production of lumber is being done with an ever smaller workforce. As a country we must somehow make up for the loss of jobs in the industry.

All of us are perplexed with the way the Americans have treated us in terms of trade. What is most perplexing to me is that the Americans seem to want to centre on a specific product. Last year as chairman of the Standing Committee on Agriculture and Agri-Food I was perplexed by the attitude the Americans had toward people in Prince Edward Island and their potatoes.

We hear that mussels today in Prince Edward Island are being looked at. We hear about the tomatoes that are produced in the greenhouses of the country. As a House and as a government we must deal more effectively with Americans and get better attitudes from them in terms of trade practices.

I was in Kennebunkport, Maine, in 1992 when the then president of the United States was there visiting. It is unfortunate that the current president perhaps does not have such a good attitude toward us in this part of the northern hemisphere. His study and his stay in Texas probably mean that he does not pay enough attention to his northern neighbours.

I hope that in our relationship on the governmental level our Prime Minister can impress on the president and the American people that it is they who are suffering as a result of these trade embargoes and duties, and that as householders and builders it is they who are paying the extra costs.

I know the people using our lumber want Canadian lumber products. They are some of the best in North America. I hope they will get them.

● (2015)

**Mr. Roy Cullen (Etobicoke North, Lib.):** Mr. Speaker, I am pleased to enter the debate on the softwood lumber dispute with the United States. The border harassment actions by the Americans have nothing to do with alleged subsidies and everything to do with market share. Whenever Canada's share of the U.S. softwood lumber market climbs over 30% the Americans launch another countervailing duty.

This year they launched an anti-dumping action at the same time. Each time they lose, and they have lost every softwood lumber action, they ignore the rulings by independent tribunals and change their trade rules to suit their own purpose.

The U.S. administration speaks of an integrated North American market. From a business perspective the energy and softwood lumber markets are integrated North American commodity markets. The main difference is that for softwood lumber the U.S. administration gives only lip service to the integrated North American market concept. If it were truly integrated the U.S. would use different approaches to the resolution of trade disputes. I will give three alternative approaches.

First, we could resolve Canada-U.S. softwood lumber trade disputes by looking at them through the prism of competition policy. This would mean the Americans would have to show that actions in Canada were anti-competitive in nature. Allegations of subsidies and dumping would be gone. If the Americans like competition why do they not look at trade disputes through the prism of competition policy?

Second, we could look at net subsidies. The U.S. countervail process does not allow Canada to attack U.S. subsidies to its own lumber producers. These subsidies are well entrenched, particularly at the state and local government levels. They include cheap industrial land, sales tax abatements, property tax holidays, cogeneration agreements and many more.

There is clear evidence that many U.S. forest service timber sales to loggers do not cover the agency's costs. Is Canada allowed to look at the U.S. system? No, it is not. We must defend our system by their trade rules. The net subsidy methodology would require the U.S. administration and agencies to show that subsidies in Canada were greater than those in the U.S.A., something they could not prove as things stand now.

Third, if we wanted to be creative we could use the concept of serious prejudice. However the net subsidy and competition policy approaches seem to offer the most potential. What we need is goodwill south of the border.

Another myth being generated in the United States is that forest management practices in Canada lag behind those of the U.S.A. This is not the case. While forest management practices in both Canada and the United States are evolving and in a state of continuous improvement, as they should be, Canada is an acknowledged world leader in forest stewardship. Our industry is second to none in silviculture, harvesting and reforestation practices.

American producers argue that Canadian producers pay too low a price in Canada. That is of course in relation to the price they pay. Maybe they are paying too much. That is a fair question. Has it ever been asked?

There is a lot of evidence to suggest the price U.S. producers pay is in many cases not economic. Lands taken out of active forestry production because of environmental pressures, particularly in U.S. states like Washington and Oregon, have resulted in an imbalance in supply and demand for timber. In other words there are too many loggers chasing too little timber.

*S. O. 52*

Auction prices have been driven sky high and out of line with economic realities. When futures contracts mature loggers are often faced with prices for timber that could leave them devastated. The White House has intervened on a number of occasions to let logging companies off the hook. They say this is how the market works and that it is a market based auction system. I am sorry, but when we let people off the hook for auction prices we do not have an auction system.

Auction prices in the United States are in many cases uneconomic, particularly if we look at the state of some of their sawmills. They have not modernized their mills as we have in Canada. While I have a lot of respect for the power of the markets they are not in every case the proxy for economic value. All we need to do is look at the behaviour of Nasdaq in the last few years to see that the market sometimes gets it wrong.

When it comes to the pricing of timber the United States has it wrong. It should be looking at trying to improve its own system rather than coming across the border to Canada to look for a scapegoat.

● (2020)

What is at stake here is a matter of sovereignty; it is our ability to set our own forest policy, nationally and provincially.

The Americans basically argue that because their timber is on private lands and ours is principally on crown lands their system is right and ours is wrong. That is hogwash. It shows an amazing arrogance, if I may say so.

Let us look briefly at the economics of the forest products industry in Canada. If it is so subsidized, it must be doing very well. Sorry, but historically the returns on investment for the forest products industry in Canada have been in the range of 3% to 5%. Does that sound like a heavily subsidized industry, particularly when we acknowledge and understand that this is a very innovative and productive industry?

For the year 2002, the following Canadian forest products companies are projected to be in loss positions, and this is before the dumping duty: Canfor, Abitibi, Doman, Interfor, Nexfor, Tembec, Slocan and Riverside. These are some of the world's leading forest products companies. Does this sound like a heavily subsidized industry? They are all world leaders and they are all losing money, and that is before the dumping duties. They are losing a lot of money.

A forest industry analyst recently reported that Canfor Corporation, Canada's largest lumber producer, spends about \$260 U.S. to produce one thousand board feet of lumber. That is against a benchmark price for western Canadian 2x4s of about \$220 U.S. per thousand board feet. It is no surprise that they are losing money. That is \$40 U.S. a board foot. That is on cash only, and forget depreciation and other non-cash items. Does this sound like a subsidized company? Canfor has some of the best mills in the world.

Let us take the discussion of the forest industry economics a step further. What do forest products companies in Canada pay for the right to cut down trees? It is called stumpage, or royalties in some cases. As I understand it, stumpage is currently in the range of about \$50 to \$70 per thousand board feet. That represents, as a per cent of

selling price, about 14% to 21% of the benchmark selling price for 2x4s. That represents solely the right to extract the timber. It does not include logging costs, transportation costs, milling costs, processing costs, packaging, transportation, marketing, selling, and distribution. By any rule of thumb, that is not an unreasonable amount.

Who benefits and who loses? The lawyers win. The U.S. lumber producers benefit. The Canadian lumber producers and workers lose. At a combined rate of 32%, many mills have and will shut down and many workers are and will be unemployed. U.S. consumers lose. It costs an additional \$1,000 U.S. per home by keeping out Canadian softwood lumber. The U.S. contracting community prefers Canadian softwood because it has less warp and wane and it nails better. Contractors like to use it. They prefer it to southern yellow pine.

Is it not ironic that in a country that says the market should decide everything the consumers and the home builders cannot even buy the products they want?

What do we do next? I think we must fight with tenacity against these duties at the WTO, which will take some time. In the meantime our industry will be really hard hit and the workforce will be hard hit. Perhaps we will have to help them, I do not know, but the Americans have lost every countervailing duty case that they have brought on softwood lumber and we will show once again that these charges are trumped up and this will be demonstrated by an impartial, objective panel.

The forest industry and governments at all levels need to stay united and work together. I must say that our trade minister and the Prime Minister have done a great job of keeping everyone together and united.

We need to fight this very hard. We need to never forget that the forest industry is so important for Canada. Communities across Canada depend on the forest industry. We need to fight for those people and their families.

● (2025)

**Mr. Rick Casson (Lethbridge, Canadian Alliance):** Mr. Speaker, I will be sharing my time with my colleague from Kamloops, Thompson and Highland Valleys.

Our country is suffering. If the fear that washed over the continent nearly two months ago was not enough bad news for Canadians, waking up to find they have lost their jobs could very well be the last straw for some.

There are huge problems being faced by our constituents from coast to coast to coast. While my constituency in southern Alberta is struggling through a terrible drought, our cousins over the Rocky Mountains in British Columbia and, indeed, Canadians right across the country are facing a bleak Christmas because of the softwood lumber dispute.

*S. O. 52*

The numbers are staggering. Thousands of people do not have jobs today because of this ongoing, dragged out, unfair dispute. Canadians are looking for something more than a stern talking to from the international trade minister to his American counterpart. They want the minister to give him more than an earful. We must have a concrete plan to deal with this problem. We must get answers, fairness and guarantees from our largest trading partner.

The situation is totally unacceptable. The softwood lumber agreement expired on March 31 and the softwood lumber dispute started the next day. That was seven months ago. Canada has gone for over 200 days without a trade agreement, without guidelines for one of our largest and most lucrative exports. This is not responsible management. It is like being a real estate agent and having no deeds to the houses being sold.

We are in a mess today because the Liberal government in all its wisdom did not think it was an issue important enough to raise or to address before it turned around and bit our citizens in their pocketbooks. Even now when we have so many suffering from these unfair tariffs and duties some felt it was prudent to call these people nervous nellys. I would like to get someone to stand in front of a logger who cannot support his family because he is laid off and call him a nervous nelly. I would like to see the response then.

The minister is finally meeting with former governor Racicot of Montana, but we need more than talk. There have been no dates set and no deadlines given. What are we to tell families when they call our offices and ask what their government is doing to help them now that their job is gone and their family is under severe stress? What do we say as members of parliament? Do we tell them that the government is talking about it? That does not buy groceries. It is just more rhetoric and emptiness. We need action. With so many Canadians suffering, this should be at the top of the list of this government's priorities.

The Prime Minister said that he chatted with the U.S. president about this issue while he was in China. He has stated that if the United States wants our oil and power, it had better take our wood too. However this is just more talk, not concrete action.

The industry is facing revenue losses of more than \$1 billion and that is just to date. There is no deadline given to end this hemorrhaging. Even though I will talk just about British Columbia, this is really a countrywide problem. On the British Columbia coast alone, 21 of 35 mills have shut down as a result of the first duty, with the loss of some 12,500 jobs. This latest tariff has put 30,000 more jobs at risk. These are not just jobs. These are people and families. This is an entire industry.

Rip the heart out of a province like B.C., and let us not kid ourselves, softwood lumber is the heart of British Columbia, we will not have a healthy, functioning province. We will have another have not province through no mismanagement or fault of its own. Like I said, this problem is not confined to British Columbia alone. When 40,000 well paying jobs are knocked out of the workforce we can forget the ripple effect: it causes a tidal wave of economic woe flooding over the people and businesses surrounding them.

Let us put this into context and really look at who this is affecting and how it impacts a community. With no market for softwood

lumber, it leaves the fallers in the woods with their saws silent. They are now laid off and at home. Camps are empty. Many of these people have young families to support. Truck drivers do not have a product to ship. They too are out of work and will not be buying anything other than the bare essentials. Again, the whole community suffers as a result.

Gas station owners have no trucks to fill or drivers to sell coffee or lunches to. Employees are being laid off. Many of these workers are students and young people who are trying hard to make ends meet. It also has impacts on the heavy duty mechanics and shop owners. The vast majority of the rigs they work on are logging trucks. The bays are now empty and the pits are silent. It has impacts on the parts suppliers for those rigs. With no work being done in the woods there is no need for maintenance.

It also has impacts on the general business owners. When people are out of work they are not likely to purchase anything but the essentials of life, never mind a washing machine, a bed or a television set. When those sales are not made by the business owners, then their employees get laid off and they go into zero spending mode too. It has impacts on the mill workers who do not have a log to cut and on the work experience student without a floor to sweep.

● (2030)

The list goes on and on. We cannot have the cornerstone of the foundation of a country's economy crumble and expect everything to be fine. The government and the Prime Minister need to deal with the problem at a rapid pace because this is an emergency and it could not have hit at a worse time. A recession is already in full force, a gloomy scenario at best.

Let us look at the U.S. lumber lobby's case. U.S. producers have alleged that they have been injured by unfair Canadian competition. They argue that the Canadian provinces set stumpage fees at less than market value and that the system where the provinces own 94% of Canadian timberlands, meaning crown lands, contrasts sharply with the United States where only 42% of the timberlands is publicly owned and where both private and government timber generally is sold competitively at auction.

The U.S. industry does not even produce the quality or quantity that Canadian producers can provide. Home builders and other lumber user groups in the states agree with us. They support the free trade of softwood lumber. The consumer groups in the states support our position.

*S. O. 52*

U.S. producers argue that they have been injured by imports of Canadian softwood lumber. They point to the steady growth in Canadian exports and market share, from less than three billion board feet and 7% of U.S. lumber consumption in 1952 to more than 18 billion board feet annually since 1998 and a market share of more than 33% since 1995. The fact is that the U.S. industry has been unable to satisfy the growth in its own domestic demand. U.S. home builders and other lumber users point out that Canadian lumber is needed to satisfy U.S. demands. The quality of the product speaks for itself.

This is totally unjustified action by the U.S. lumber lobby and those lobbying know it. We have been cleared of any wrongdoing time and again, as has been mentioned many times this evening. The Canadian industry has been challenged three times. No subsidies were found in 1983. In 1986 preliminary subsidy findings led to a memorandum of understanding with a 15% Canadian tax on lumber exported to the United States and 6.5% countervailing duty in 1992. In 1992 the countervailing duty was challenged under the U.S.-Canada free trade agreement and it was terminated in 1994.

A U.S.-Canada softwood lumber agreement was reached in 1996 and we all know who was in power in 1996. It is this government that created this softwood lumber agreement, which expired, as we have said, on March 31.

Will we be found to have played by the rules and will all penalties be lifted and reimbursed? Certainly, but these proceedings take an excruciating amount of time and money and frankly we cannot wait that long. If we do not have action in the meantime, more mills will have long since been shut down before the agreement is finalized.

We empathize with the people and their families who are suffering as a result of these ludicrous duties and tariffs. I hope the minister hears them too and takes them seriously. We owe it to the men and women of the country who are all affected by a major blow to the economy such as this to hammer out a fair, strong, long term solution: a free trade agreement on softwood lumber and nothing else.

I would like to close with a couple of personal comments. Members from all sides of the House went as a group to Washington, D.C. in July and lobbied elected senators on the issue. We met with many of them. Some did not know much about it but some had been told that we were heavily subsidizing the industry. We tried to give them the facts. We met with consumer groups that support our position 100%. These tariffs are driving up the price of a home in the United States by as much as \$3,500, some say, so there are consumer groups that support what we are doing in Canada in looking for free trade in softwood lumber.

Mr. Racicot, former governor of Montana, is on the file now and working with the trade minister, which gives us some hope, but we should be looking to our government to end this dispute very quickly. The families and people depending upon the industry need it done.

•(2035)

**Mrs. Betty Hinton (Kamloops, Thompson and Highland Valleys, Canadian Alliance):** Mr. Speaker, the United States lumber lobby has influenced the United States federal department of commerce to make a political statement that will hurt not only

Canadians and the Canadian lumber industry but also its consumers. Thousands of jobs have been lost in Canada and thousands more will be lost unless our two nations find a resolution. It is especially detrimental to my province of British Columbia.

The Liberal government was given five years' notice that the U.S. lumber lobby was planning to take action against our lumber industry. Our federal government did nothing or next to nothing. During last year's federal election, the Liberals still had no position on the issue. When the first tariff was levied against Canada in August, the Liberals feigned utter surprise. Politically, only the Canadian Alliance has been working tirelessly to raise awareness.

Forestry is the foundation of the economy in many British Columbia communities. The lumber, pulp, plywood, poles and other wood products sold from the interior of B.C. represent more than \$2 billion in annual revenues. In my riding of Kamloops, Thompson and Highland Valleys, there are literally dozens of operations dealing with timber in various forms. Their payrolls include logging contractors, sawmill workers, truck drivers, cleaners, fallers, mechanics and engineers.

More than 30,000 people in my riding are being adversely affected by the cavalier attitude of the government toward this extremely important sector of our economy. Add to this the number of businesses that will feel the effects and the number doubles. My constituents expect the federal government to make this very big industry a very big priority.

Two weeks ago I conducted public meetings in my riding to discuss local economic conditions. The job losses in the forestry sector were the number one concern. My constituents sent a very clear message; the federal government is not doing enough to defend this industry. Their frustration was evident. They asked how they could help me to make their voices heard in Ottawa. In response I developed what I call the tree card. The message to the minister on the tree card is very simple. It states: "Do your job. Protect my job. Keep Canadian forestry alive". At last count 2,200 cards had been printed. It is my sincere hope that they are littering the top of the minister's desk. Hopefully he will get the message.

On October 17 two sawmills in my constituency announced that they would be cutting lumber production. That will impact over 250 employees. The community of Louis Creek is anticipating a two week Christmas shut down. In the town of Clearwater 500 people have had their work hours cut.

*S. O. 52*

In Chase the Adams Lake mill has laid off 150 workers for at least two weeks. Adams Lake lumber is one of the most efficient mills in North America. Jill Atkinson, a small business owner in the community said the layoff sent a chill through the town. The local grocery store has already noticed customers cutting back on their purchases. Why? The owners said these mill workers "hear there will be extensive layoffs unless we get a decent agreement".

In Kamloops, a city of 85,000, more than 750 people have well paying jobs at Weyerhaeuser. According to Weyerhaeuser, the United States depends on Canada for about one-third of the softwood lumber used in their housing construction and remodelling needs.

That is what free trade is all about. We cannot allow special interest lobby groups to squeeze more than a fair deal out of Canadians. We should use NAFTA and the WTO to resolve the situation. Only then will Canada's lumber industry be permanently protected.

Jan Lingford of the Kamloops Chamber of Commerce recently wrote an editorial. She believes that Canada needs to stand up to the U.S. lumber interests. She said:

This is not about the U.S. lumber producer's claim that government subsidizes the Canadian industry. This is about the U.S. producers needing the economic protection only their government can provide. This is about U.S. companies that cannot compete on a level playing field, as they have not reinvested in modernizing their mills as Canadians have. This is about Washington, D.C. being run by lobbyists working to prop up their industry at our expense.

● (2040)

She concluded by saying:

With 50 percent of all Canadian lumber originating in B.C. this is a crisis for our province. Our federal government must make a resolution of this issue its highest economic priority.

Jan is right. We are in agreement.

The U.S. claims there are unfair subsidies given to Canada's lumber industry. This is categorically wrong. On three different occasions binational committees have found unanimously that there was no evidence that Canada subsidizes its lumber industry. Even American economists support our position. Canadian lumber prices do not vary significantly from U.S. prices and in some cases ours are actually higher.

Agreeing to a tariff is an admission of guilt and we are not guilty of anything. Imagine how people who work in Canadian forestry feel when they see the U.S. government offering protection to U.S. wood producers, while our side wavers back and forth, neither protecting our forest sector nor taking a stand for fair and just trade.

When the Minister for International Trade sits down with his U.S. counterparts to talk about softwood lumber, I want him to remember the depth of despair being felt in the communities of Chase, Clearwater, Barrière and Kamloops.

The people who work in forestry have worked long and hard to keep up with emerging technologies and environmental concerns. They have worked hard to upgrade the mills and change harvest methods. Canadian operations are efficient, well maintained and competitive. The minister has to stop being an apologist and start fighting for this industry.

**Mrs. Karen Redman (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, I will be sharing my time with the member for Yukon.

I am pleased to have the opportunity to participate in tonight's debate on softwood lumber. Ensuring an equitable resolution to the softwood lumber dispute is a top priority for the Government of Canada. That resolution must ensure continued access to the U.S. market for Canadian softwood lumber exports, following the expiration of the softwood lumber agreement on March 31.

My constituency of Kitchener Centre does not have an abundant forest industry, but Kitchener does engage in a good deal of business with our southern neighbours. Through a vibrant and innovative technology sector, Kitchener contributes to technology exports, the fastest growing sector of our nation's overall exports. Certainly the high tech sector of Kitchener-Waterloo enriches our community and presents a greater range of opportunities for employment and economic growth.

In addition to providing better jobs and more opportunities for Canadians, trade finances the social system that Canadians cherish, reflecting our values of fairness, inclusion and equality.

Clearly all Canadians in all regions have a stake in our continued trade success. The far-reaching implications of the softwood lumber trade action have an impact on our Canadian economy and our local communities. The decision of the United States department of commerce to impose this additional 12.58% duty on our softwood lumber is punitive and unfair. It has a negative impact on Canadian jobs and on our competitiveness.

Just like the countervailing duties of last August, this decision to impose anti-dumping duties is unfounded. Moreover, the U.S. action is based on protectionism and politics. Canada's more efficient and more modern sawmills are a source of pride to our nation. Accusations of subsidies and dumping are an erroneous attempt to poke holes in Canada's vibrant softwood lumber industry. Just like countervailing duties of last August, this decision to impose anti-dumping duties is simply unfounded.

The Liberal government will continue to challenge U.S. laws and policies at the World Trade Organization. We will also pursue our discussions with the U.S. administration to find a durable, long term solution to this trade dispute. The rights of Canada's softwood lumber industry will be defended. Canada will continue to coordinate discussions with the industry and greatly appreciates the collaboration of provinces which are responsible for the management of natural resources.

Given Canada's strength in this industry with 21% of the international forestry market and 34% of the U.S. market, there is consensus among Canadian industry and governments that the move toward free trade is indeed a positive one.

*S. O. 52*

I am confident that the rules based system of international trade will once again dismiss the U.S. claims and grant Canadian lumber industry its rightful access to the U.S. market. The Canadian-U.S. trade relationship has been mutually beneficial. Canada and the United States are each other's largest trading partners, moving about \$1.8 billion worth of goods and services across the border each day.

In 2000 Canada exported \$360 billion in goods to the United States and imported \$268 billion in return. Service exports totalled \$33.3 billion during the same period with corresponding imports of \$39.4 billion. Fully 86.1% of Canadian merchandise exports are destined for the United States market.

Since the implementation of the free trade agreement in 1989, two-way trade has more than doubled. It is not surprising that a trade relationship of this magnitude has been plagued with challenges. The government is determined to continue to work with the United States to ensure the free movement of goods, services and persons across the Canada-U.S. border.

• (2045)

Canada is a trading nation. Clearly, without trade, without the opportunities it brings, without the demand it generates and the jobs it creates, our economy and our economic position would not be as strong as it is today.

We are committed to free trade and to fair trade. If we are to continue to generate the high standard of living, if we are able to continue to provide good jobs and bright futures for Canadians, we will need to work hard to promote the benefits of trade and ensure that Canada remains one of the greatest trading nations in the world.

For our part, the Government of Canada will continue to negotiate trade agreements, seek access to the most dynamic markets of the globe and ensure that our companies are treated fairly.

This is an issue where we have looked to the provinces to partner with us. We have responded and there are issues and structures in place that will allow us to take this to a higher court, which is the World Trade Organization. I would contend that we have taken a measured, balanced approach to this. We have in the past taken issue with some of the United States protectionism and we have won every case. I have every confidence that we will be victorious on this issue and we are taking the right approach.

I have appreciated this opportunity to address an issue that impacts on all Canadians.

**Mr. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, members from all sides of the House have been speaking tonight about this serious issue in our economy. I appreciate that we have all been working on this for the better part of this year. We need to because this is a major impediment in the Canadian economy.

Last spring I was a member of the parliamentary association that spoke with congressmen and senators. As on every occasion when we can talk about trade disputes, we raise the issue of softwood lumber. All members of parliament have been working hard on this. We need to raise it time and time again so that those people in the United States who are taking these unfair remedies realize our point of view and the facts of the situation.

I will speak, as I did the last time we had a special debate on softwood lumber, to any American friends who may be watching. I would remind them that because a few lobbyists have put this in place in the United States it increases housing prices, and, in this fragile time in the U.S. economy, this is the last thing to help the economy.

I urge Americans to speak to their congressmen and make sure that these trade remedies are removed and we can get back to free trade in lumber.

In my riding of Yukon, in the far north, this action by the U.S. hurts my constituents. We have a very small margin of profit in the north. We have some significant forest resources in the Liard basin and we have some very unique forest resources in lodgepole pine and white spruce. White spruce is a specialty market because it takes so long to grow. It is very fine grained and fine furniture can be made from it. However it takes a long time to mature, is expensive to harvest in the north and does not replenish itself quickly.

How can this be a threat to anyone when one thinks of the extra heating costs for production facilities, the wages for employees and the transportation costs in the Yukon? Most of our lumber is hundreds of miles from tidewater. With these costs of producing it is hard to imagine how anyone could think that we could hurt them or compete with them, but in this round, although it was not in the last round, Yukon lumber has also been attached to these duties.

We have to keep on fighting, as we have tonight and as we have all year, to ensure that a fair remedy is won through the World Trade Organization. We also have to educate the people in the United States so they realize what is happening and how important trade is between our two countries and how unfair this situation is.

Canada and the U.S. have the biggest trade in the world and free trade is important for both of our economies at a time like this, especially our fragile lumber economy in Yukon.

We will continue to fight and make sure that in the end a fair remedy is found.

• (2050)

**Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance):** Mr. Speaker, I am thankful for the opportunity to raise this critical issue in the House tonight and to enter into the debate along with my hon. colleague who has just spoken.

The softwood lumber crisis has really influenced my riding. We have thousands of mill workers down in my riding who are very concerned. They are concerned about when or if they will get back to work, if they will have a job to go back to, if they will have a livelihood and if they can pay their mortgage. This is a serious issue affecting thousands of lives in my riding.



*S. O. 52*

The job losses in British Columbia are mounting. On the coast we have between 12,000 and 15,000 Canadians out of work. We have 21 of 35 mills that are closed and another 5 may be closed in the next two weeks.

The latest employment numbers are now out. British Columbia has been hard hit with joblessness growing half a per cent in just one month to 8.3% in October.

Growth for the province, once projected to be close to 4% for the next year, is now predicted to be less than half that number by most bank economists.

Lumber companies have been hit hard. Virtually every company in the sector will lose money next year according to analysts at National Bank Financial.

The total hit companies are going to take will be in the range of \$362 million.

The direct losses in the lumber industry are compounded by job losses in the support industries. As Brian Zak, spokesman for the B. C. Coast Forest and Lumber Association, said:

It's easy to see [the effect] if you go to Vancouver Island...you've got all the equipment suppliers shut down, you've got all the fuel carriers shut down, you've got all the power-saw shops and truck dealers shut down.

Mr. Zak is right. In my riding of Nanaimo—Alberni, thousands of workers and their families have been directly affected by this problem.

I want to mention a couple of those workers to help put a personal face on this problem.

In my riding there is a gentleman who lives just a few miles from my home. He is a constituent who manufactures a specialty heat exchanger unit. The technology was honed on the logging and forestry industry over the past 10 years. His equipment is used in hydraulics and refrigeration, fluids, pulp mills, logging trucks and yarders.

Last year his business grew at a rate of 65%. Since the softwood lumber dispute, his business is down 98%. He had seven employees. He is now down to none.

He has an opportunity to supply heat exchangers for the latest U. S. military order for between 7,000 and 12,000 light trucks. He needs a patent to protect the type of heat exchanger that he would use in this order should it come through next year.

Should he last until next year, he would be able to hire 10 people on a full time basis, provide profitable sales for his company and retain the manufacturing rights for an invention which other engineers say is the best improvement in the industry in the last 10 years.

A second constituent, another gentleman in my riding, is a planer man at Coulson Specialty Mill. The Coulson sawmill has been down since the softwood lumber duty came into existence and accounted for 105 jobs.

The Coulson planing mill is now down and Darcy is one of an additional 75 people thrown out of pay. He has a mortgage he will not be able to pay. He has tried to run a B&B as a sideline but there

will be no income from that until next summer. He has some EI benefits that he will collect but they will not meet his monthly bills.

I would also like to relate some of what the mayor of Port Alberni, Mr. Ken McRae, has been sharing with me. As the mayor of a town at the centre of the coastal lumber industry, he knows the situation all too well.

Mayor McRae says that 40% of the community is in the 30 to 40 age group and out of work and they are devastated. In the past, shutdowns were known to be for a certain period but this one is indeterminate. He also claims that there has to be leadership on the federal level but the appearance at this point is that there is none. He said that smaller companies who support the community will collapse. He says that we must stop the export of logs from private lands, a federal jurisdiction.

As well, the mayor said that western red cedar should be exempted from this duty. He says that it is not a trade irritant and is unfairly included in the products the duty applies to, simply for the purposes of increasing pressure on Canada to capitulate.

• (2055)

Mill workers in my riding are getting desperate. Many, including the mayor of Port Alberni, are calling for a ban on the export of raw logs to the United States. They are joined by several other municipalities, including Courtney, Duncan, Ladysmith and Tofino.

Jack McLeman, president of the IWA local, says "No more raw log exports". In a two week period, October 9 to 23, there were 177,000 cubic metres of raw logs exported to the U.S. Jack has been doing his homework. That is enough to keep a sawmill with 400 employees busy for one full year. The problem is that sawmill is not in Canada. It is in the United States. Extrapolated, it will be one million cubic metres by year end. This is a substantial increase over what we have been exporting in the past. Normally there are three million cubic metres a year.

At a time when our mills are shut down, it is highly inappropriate and offensive to people to see U.S. mills gearing up to mill the logs with which our workers should be working.

The workers, the unions and the mayors hope to place pressure on U.S. mills to help reach a solution to this dispute. They believe our government needs to take a harder line.

A raw log ban is something that may have to be considered but there are three things the Government of Canada could do immediately before committing to such a move: get behind our industry with a guarantee for bonds, have the Prime Minister get personally involved and convene a national meeting of softwood stakeholders. We have been calling for that for some time. People at our end of the country do not understand why the government has been slow to move to this call.

I would like to focus on the third point for a moment. Last week we had a parliamentary secretary refer to some softwood producers as nervous Nellies. He claims to have apologized for that remark but in fact he did not. He then went on to say "We are calling on people not to play the east versus west divide game. That is what the United States is hoping we will do". I could not agree with him more.

*S. O. 52*

With the second remark of the parliamentary secretary, we do want to present a united front to the Americans. If they are able to play off Canadian interests one against the other or Canadian provinces against each other we will surely lose. However, if the government really believes in presenting a united front, why not call a national stakeholders meeting that we have been demanding for many months now?

Unfortunately, the government will not do that. It tells us to trust it because it has the matter under control. The fact remains that we have had over five years to resolve this problem and we are no closer to free trade in lumber than we were the last time that the government caved in to American demands.

David Emerson, president of Camfor, which has just launched a \$250 million lawsuit against the U.S. over the issue, has called on the Prime Minister to get personally involved. We have had some fine rhetoric from the Prime Minister but no action for five years.

The last hike in the countervailing duty smacks of desperation on the part of the Americans. They know we will beat them at the WTO just as we have beaten them at tribunals three times before. They know the commerce department will settle on a much lower permanent duty than the present countervail. However, to sustain our industry, we need the government's help.

We need a guarantee on bonding for our smaller producers. We need a national stakeholders meeting. We need strong leadership from the trade minister and from the Prime Minister.

Canadians, I am afraid, are losing faith in this government to do what needs to be done to protect Canadian jobs, Canadian families and Canadian interests. Perhaps they are right. Perhaps the government has been in power too long. Perhaps the nervous Nellies are actually those sitting on the government side of the House unwilling to lift a finger in case they may rock the boat.

I remember when the first countervailing duty was introduced and the Prime Minister said that he had telephoned President Bush, had talked tough with the president and had told him what our feelings were in Canada about free trade in softwood lumber. The president said to him, "Tell them you gave me hell".

I heard the trade minister say just yesterday in the House that he was going to talk tough to the U.S. trade representative.

We need more than posturing. We need real action. Canadians are looking to the government to provide leadership on this issue. The government must bring us some resolution so that our mill workers can have a future and our families can have a Christmas to look forward to.

• (2100)

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance):** Mr. Speaker, it is with disappointment that I rise once again for an emergency debate on softwood lumber. The news that an additional 12.6% has been added to the already existing tax of 19.3% imposed in August of this year is bad news to the people in my riding of Renfrew—Nipissing—Pembroke. Canadian softwood lumber producers find a total of 31.9% slapped on in punitive duties.

What does this mean for the people of my riding and for many other people across rural Ontario? First, jobs are hard to come by in

rural Ontario and the jobs we have are becoming increasingly harder to keep. It is not like my colleagues in big cities such as Toronto, Hamilton, Kitchener, Guelph and so on whose constituents have options and cash to tide them over. When my constituents do not work, the impact is manifold. When we draw those dollars out of a small community there is less to go around for everyone.

It is a case of the job multiplier in reverse. For every two jobs the federal government eliminates in eastern Ontario in the forestry industry, an additional job is lost for the people who supply and service the forestry business.

People in rural Ontario are frugal, proud and self-sufficient. Members from urban ridings are surprised to learn that people from rural ridings like Renfrew—Nipissing—Pembroke supplement their winter diet with game meat. They can see why we hate the Liberal gun law so much. The Liberal government is literally taking food out of the mouths of rural Canadians.

Renfrew county is the only county in Ontario that allows Sunday hunting in a majority of its small rural communities. This was done at the urging of the big lumber mill owners. In days gone by the wages paid by the mill owners barely allowed a man who worked in a mill the money to feed his family.

The man worked long and hard six days a week. The Sabbath which was supposed to be a day of rest was the only day available for the breadwinner of the family to go out and hunt game to put food on the family table. The tradition of being able to hunt on Sunday continues to this day, except the Liberal government has taken the job away in the forest and the ability to put meat on the table.

Ontario's softwood lumber producers, already furious over the existing 19.3% duty imposed by the U.S. department of commerce, are further angered by the additional U.S. duty of 12.6%. The U.S. commerce department has specifically targeted six companies, four based in British Columbia and two based in Quebec, alleging that they are dumping products into the U.S. market at below cost prices.

Those companies that have been identified will be required to post bonds of between 6% and 19.2%, while all other Canadian softwood lumber exporters, including Ontario producers that have not been targeted in this dumping of products, will be subject to a standard of those six charges which will average to about 12.6%. The Ontario softwood lumber producer will pay about 31.9% in duties with these new charges.

We have followed this route before in 1982, 1991 and 1996. A trade action was brought forward in 1982 and there was full adjudication. Canadian provinces were found not to be subsidizing. Ontario does not subsidize the lumber industry.

*S. O. 52*

Through the sound forestry management practices introduced by Frank Cochrane, who was a provincial Conservative cabinet minister from eastern Ontario, and continued by the current provincial government, we have maintained government ownership of the majority of Ontario's forests and have made sure that the highest environmental standards are respected, harvested yield is sustainable and our forests are usable for the enjoyment of all citizens.

When I last spoke to this issue the first round of layoffs had just occurred among the lumber producers in my riding. This new duty will have the effect of catching those employers that may not have been initially affected but will now be affected as a consequence of additional duties or being in a spinoff industry or service trade.

• (2105)

For example I have Temple Pembroke MDF in my riding. This plant produces high quality softwood and medium density fibre-board. This product is used in furniture, mouldings and millwork. It can be used in kitchen cabinet doors, decorative baseboards and trim, and MDF laminated flooring because the panels can be machined into shapes.

What is significant about this plant is that it brings an environmentally attractive solution for local softwood lumber mills. The MDF product is made with pine sawdust, shavings and chips. This mill waste was landfilled or burned in the past. This plant when fully operational consumes 480 tonnes of these raw materials every day and it uses 1,300 tonnes of bark residue daily as fuel to produce energy for board production and building heat.

With a current workforce of 119 employees and a local payroll of about \$8.5 million, Temple Pembroke MDF is a significant local employer. Through local spinoffs it injects more than \$50 million annually into the local economy. Access to product is paramount to keeping this plant running and keeping people employed.

The employees at this plant are already feeling the effect of the coming recession because there has been a cut in the number of running days at the plant. No product, and this plant shuts down which impacts on the jobs in the plant. There is also an impact on the small mills and the truckers who bring the product to the plant. We can see why the people in my riding of Renfrew—Nipissing—Pembroke are so concerned whenever softwood lumber is mentioned.

When we see the state of the art operation of this plant and the money Canadian mill owners have put into their operations, we see why the Americans are afraid to compete.

One of the side effects of the softwood tariff that was put into place in 1996 was the effort by our mill owners to modernize their equipment to low their costs and remain competitive. At the same time American producers, protected behind a tariff wall, had no need to increase their productivity, further widening the gap between our efficient softwood lumber producers and their inefficient American counterparts. This is a common occurrence when industry uses politics to shore up shortcomings in its business practices rather than in the marketplace.

We have heard the daily denials from the Prime Minister and his junior ministers that there is no relationship between Canada's response to the war on terrorism and the fact that the trade dispute

regarding softwood lumber grows worse. The Liberal government would have Canadians believe it is a mere coincidence that a similar lumber dispute with Indonesia was quickly settled once that country firmly established where it stood in the war against terrorism.

Noted military historian Gwynne Dyer said recently in a speech in Pembroke that the price of free trade has been a loss of Canadian sovereignty.

The government has consistently taken the trading relationship we have with our largest trading partner for granted since 1993. If we were talking about cars or steel, the government would have settled long ago.

The Prime Minister is being entirely unhelpful to the cause when he suggests that somehow we have leverage in the sale of our other natural resources and that we could withhold things Americans need to get our way with the softwood lumber dispute.

I say to the Prime Minister that he should not make threats unless he is prepared to carry them out and he should not wish for something too much because he just might get what he wished for.

It has been the practice of the government to take our entire lumber industry for granted as part of its neglect rural Canada policy. Nowhere is that more evident than in the shortsighted decision to shut down the Petawawa National Forestry Institution, PNFI.

Since its establishment in 1918 the institute made substantial and recognized contributions to forestry research and development until its closure in 1997. The research forest at Petawawa had a variety of projects that included forest ecology, growth and yield, silviculture, forest genetics, remote sensing and forest fire ecology. There were over 1,000 annual visits by students, dignitaries and forestry colleagues from all over Canada, North America and the world who came to witness firsthand the work being done at PNFI.

Why did the Liberal government close PNFI? Was it because PNFI could not find enough high powered friends in government like the former president of Canada Steamship Lines, now the finance minister? Was it the same neglect of our softwood lumber industry at work in 1997 that created the crisis today?

This is a trade disaster that could have been avoided. Anyone who was paying the slightest attention to the softwood lumber trade relationship with the United States knew that when the current agreement was set to expire the American industry would push for countervailing duties. However the crisis and the lack of leadership rest with the government.

S. O. 52

• (2110)

**Mr. Andy Savoy (Tobique—Mactaquac, Lib.):** Mr. Speaker, a 12.6% duty was levied on October 31 on all Canadian softwood lumber producers including those in Atlantic Canada. Aside from Atlantic Canada the total duty imposed across the rest of Canada was upward of 30%. Based on an all others clause, six companies were investigated. An average was determined for those six companies and applied across Canada. It was very appropriate that this decision came down on Halloween. Certainly the U.S. is masking the real situation of the softwood lumber industry in Canada.

Canadian firms have adopted technology more readily than our friends to the south. They have been more innovative, productive and price competitive in the industry in North America.

I had the pleasure of working at Juniper Lumber, now Nexfor, in Juniper, New Brunswick, during a \$7 million refurbishment program. In that program we looked at laser technology, computer technology, effective utilization of the entire log and efficiency. This process was carried out across Canada.

How important is softwood lumber to my riding of Tobique—Mactaquac? Exports have slipped recently from a high of 2.7 billion board feet in 1996 to 1.9 billion board feet in 2000. Canada exports \$10 billion of softwood lumber and one in sixteen jobs are dependent on softwood lumber. In New Brunswick there are 29,000 jobs or one in eleven people who rely on softwood for their employment. In my riding of Tobique—Mactaquac that figure is one in six jobs.

Several communities are very dependent on softwood lumber. The small community of Plaster Rock is one example. The Nexfor sawmill employs approximately 400 people directly and indirectly. That represents about two-thirds of employment in this small town. The softwood lumber situation is critical. If the mill shuts down it would devastate the community.

Mills are struggling in my riding. Prices have recently fallen drastically and profit margins are very slim. Softwood lumber producers in my riding estimate a drop in profits from 5% to 7%. That percentage does not allow for a 12.6% duty to be imposed. If we look at 5% to 7% margins with a 12.6% duty being imposed, the long term viability of those mills is certainly in question. Ultimately we are concerned that mills will be shutting down.

New Brunswick has an historical free trade agreement with Maine dating back to the Webster-Ashburton treaty signed in 1842. This treaty guaranteed free trade in lumber along the New Brunswick-Maine border specifically where the Saint John River separates New Brunswick and Maine. This action breaks the spirit of that 159 year old agreement and is certainly a sad day for the citizens of New Brunswick including the constituents of my riding.

Let us look at the U.S. situation for a moment. The American department of commerce has caved into the interests of southern U.S. producers. The main reason the U.S. has been lobbying for this is that it cannot produce at the same cost Canada does. In the industry there is a saying that one innovates or one stagnates. I suggest that the profits in the southern U.S. have gone into the pockets of the lumber mills whereas the profits in Canada have gone into reinvestment in technology.

It is very ironic that in many instances there is no direct competition between U.S. southern pine and much of the softwood lumber produced in Canada, specifically eastern Canada. Atlantic Canada softwood is structural in nature due to its density whereas the southern pine is not strong enough and does not have the integrity to be used for structural purposes. Home Depot recently said that it could not stock its shelves with Canadian softwood and would have to go elsewhere. It mentioned Europe specifically.

There is a case for optimism. We are faced with a situation and we have an ally that we have never had before. It is the American coalition for affordable housing. In a recent visit to the U.S. with some of my colleagues we spoke to the American coalition for affordable housing for three hours.

• (2115)

It explained that it represented 15 or 16 organizations, such as the Canadian Manufactured Housing Association, the Consumer Products Safety Commission and Home Depot. It is involved in a campaign to educate the American consumer on the exact impact that these duties will have on the U.S. consumer.

For instance, the coalition estimated that the price of a new home could rise as much as \$3,000. It said that hundreds of thousands of people would not qualify for first mortgages because of the increased prices. To the American economy, this represents a serious threat when housing starts to go down by that amount.

We have been through it three times. It is like the bully on the beach kicking sand in our face. In each situation we have come back and embarrassed them in front of their friends on the beach, which we see as the rest of the world. In this situation we will again come back and embarrass them in front of their friends, the world community.

The government is taking action in this area on two fronts. First, we are looking at the legal opportunities to pursue this with the World Trade Organization via NAFTA. Second, we have had discussions with the industry, industry associations, the provinces and, recently, with the U.S. in Vancouver. We have had discussions in Montreal, in Ottawa today, and we will be in Washington, D.C. on November 12. We are making strides in that effort.

In closing, this issue is my top priority. It is a top priority for Minister for International Trade and for our government. We are united in our condemnation of this unfair trade action. We are united in our position. We are united in our resolve to find a solution for all Canadian softwood lumber producers.

• (2120)

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, I sought and obtained the permission of the Chair for this emergency debate on softwood lumber—and I take this opportunity to thank the Chair—because I had been struck by the very difficult situation and the judgment and firmness required of the federal government in dealing with the current offensive by the U.S. government.

As the House knows, March 31, 2001 marked the end of a five-year agreement, the ultimate purpose of which was to manage the softwood lumber trade, despite a free trade agreement which should have covered this sector. People realized that the agreement had particularly penalized Quebec with respect to the quantity of softwood lumber it was allowed to export. This is also true for other provinces of Canada. It must also be recalled that the maritime provinces were not affected by this agreement. The result was therefore an increase in exports in New Brunswick, particularly in ridings bordering on my own, which was due solely to the punitive aspect of the agreement for Quebec and for the other provinces concerned.

We therefore decided collectively that a return to free trade was necessary, that we had to develop a common collective stand in order to be sure to have a strong position against the Americans. We had foreseen the present situation, which is a very difficult one, particularly for regions like the one I represent, including the RCM of Témiscouata, where the lumber industry is the main industry.

There are many plants whose future is now very uncertain because of the 12.58% anti-dumping duties imposed by the Americans in addition to the countervailing duties of 19.3%, which had already been imposed. So we are talking about almost 32% in duties which have been added on top of the regular price. Companies are being asked to make a profit, pay their employees and run their operations cost-effectively all the same. If this were allowed to go on, it would be completely impossible for them to succeed.

There is light at the end of the tunnel. As regards the decisions the tribunals and quasi tribunals will have to make in this dispute, we have had considerable success in the past and we may well win on the essence of the issues. However, we are facing a difficult period now. The Americans are putting on maximum pressure with the means at their disposal. I heard Mr. Racicot, the representative of the American president, say he expected a solution by Christmas.

A solution by Christmas is probably what everyone wants. However, we want no unacceptable compromise. I think there are three options to determine who our allies might be.

The behaviour of the Americans is really very difficult to understand. First, it seems to be more of a lobby of businesses than of consumers. It is to the advantage of American consumers—and they are aware of it—to have Canadian and Quebec lumber available on the American market. It means, for example, that houses can be built for less, which allows for a better return on their investment in their house or construction of other sort.

However, the business lobby is very strong and very much present. We have seen it in the past. It is our opponent. We must present arguments to consumer associations, use support like we got from the owners of Home Depot, who, as major intermediaries in the sale of lumber, know that the entire American market benefits from having Canadian and Quebec lumber available.

The American position is even harder to understand given that the American economy needs a boost. At the moment, things are not exactly rosy in economic terms. Adding the anti-dumping and countervailing duties raises the price of Quebec and Canadian wood

*S. O. 52*

on the American market and, consequently, it costs more to build houses at a time when a hand is needed to get the economy back on its feet. This too is hard to understand.

This also means that there is a necessity to play on the American stage. If there is one thing that the Canadian government has not done enough of, it is intervening more aggressively with the president of the United States, via the Prime Minister, repeating what he has already said, but adding all other arguments required.

The consumers must also be approached, and as I have said, the American stakeholders, so that they will be even more convinced that they will not be successful in the end, and would be better off working at finding something acceptable. As far as acceptable things are concerned, I have drawn up three hypotheses about what can happen.

● (2125)

The first one is an agreement to restore what died on March 31, 2001, something that would, in my opinion, not be very beneficial to either Quebec or Canada. It would even be absurd for us to revisit that solution, after the pitched battle that we were involved in to win our case, and now to beat a retreat and again accept an export tax, either a permanent one or one that would be for five or ten years, as was the case previously, but without a return to free trade in the end. That, to my mind, is unacceptable.

The second hypothesis is that we must have a position that is firm enough to take us to the decision stage with a tribunal or quasi-tribunal, where we have a good chance of winning. At that point, we would revert to free trade.

The third hypothesis to be looked at is not necessarily the outcome of negotiation, but may have been nourished by the discussions over recent weeks and those yet to come in subsequent weeks, and that is a return in the long term to free trade.

If we could negotiate an agreement whereby, over the next five years, in a gradual manner, we could end up with free trade, and the U.S. would acknowledge the fact that, indeed, in the end, we would end up with free trade, we would have won a major victory for the softwood lumber producers of Quebec and Canada. We would also be able to guarantee jobs for the people back home.

I will end my presentation on that. Right now, it is the workers in the mills and the people in the forests back home who are paying the heaviest price in this fight for a free softwood lumber market between Canada and the U.S., and Quebec too, and it is these workers who are being asked to make a considerable effort of solidarity.

I think we should be able to expect the federal government to come up with support measures that do not contravene free trade when it comes to softwood lumber, but that would allow, for example, through the employment insurance plan, to qualify with a minimum of hours.

The Bloc Québécois proposed setting the minimum at 420 hours, as is the case right now for all of the regions with high unemployment, while ending the discrimination against youth, those who are coming into the labour market for the first time.

*S. O. 52*

We also asked that the maximum benefit period be extended by five weeks. The minister once told me that about one unemployed person in five uses the maximum benefit period to which they are entitled. Currently, because of the economic slowdown triggered by the September 11 events, in the regions affected by the softwood lumber crisis, there are many more than one unemployed person in five who will use the maximum benefit period. There could be two or three in certain regions.

Allowing these people to get five additional weeks of benefits and perhaps make it to the next production period should alleviate the reform's negative impact.

It is also important that the government use some of the money stashed in manpower training programs. A little over \$250 million are available but are currently not accessible by the provinces under the manpower training agreements.

The federal government should make this money available to allow more people who have lost their jobs because of the softwood lumber crisis to get training in a different area.

In conclusion, the situation we are facing is not an easy one. We feel it is important for parliamentarians to be able to express their views, to be able to represent what their constituents want. I did the rounds in my riding on this issue. I asked plant workers if they agreed with the position we had taken to get the Americans to agree to free trade. We had fairly widespread support on this.

Now we must deliver the goods and ensure that workers, those who are losing their jobs, those who are penalized by the situation, have the necessary tools.

What I want is for the Government of Canada to continue to take a firm stand with the U.S. government for a return to free trade for softwood lumber, and to take into account as much as possible the particular situations in each province. In Quebec, we obviously showed, five years ago, that there were no unwarranted subsidies in this area.

I hope that the final solution will give the softwood lumber industry of Quebec and of Canada free access to the American market. I think this is what we deserve with our production and with all the efforts that have been made on this issue by all stakeholders.

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, it is now my turn to take part in this debate on the American measures that are penalizing our forestry workers and those who earn a living working in sawmills in particular and in other components of the softwood lumber industry.

I will quote some figures tonight, not a lot of figures, but enough to make members understand what is at stake here. I will talk about Quebec since I am more familiar with the situation there.

There are 40,000 jobs linked to the softwood lumber industry in Quebec. The sawmill industry accounts for 20,000 jobs and the forestry industry, for 10,000. There are 250 municipalities in Quebec whose development hinges on forestry, including 135 towns and villages where all of the jobs are related to this industry. So it has a major impact. It is extremely important.

As a matter of fact, last weekend, I was in Taschereau, in my riding, where a company called Tembec is located. It is one of the companies targeted by the U.S. government in its decision to impose penalties for alleged dumping on the market. People were obviously concerned. To give you an idea of the situation, Taschereau is a small village, but over 400 people showed up to meet with the company president. Of course, there were other themes for discussion, but it showed that not only were people interested in their development, but they were also concerned about the softwood lumber issue and its impact on jobs in their community.

The company president was reassuring. That business can afford to absorb these measures over a certain period, but not in the long term. We must find a solution, and I will conclude with that later.

There is just one solution for us and it is a return to or the establishment of true free trade for softwood lumber.

A coalition was established across Canada and Quebec. A number of businesses gathered around an association, the free trade lumber association, to promote the establishment of real free trade for lumber. Regionally and throughout Quebec, businesses like Abitibi Consolidated, les Produits forestiers Alliance, the Landrienne mill, the Gallichan mill, Tembec, Kruger and many others are involved in this issue. At home, these are names well known by the public, since they create many jobs in our villages, and many people work in forestry.

In the current context of economic downturn, there was no need for this on top of the rest to further fuel the uncertainty that consumers must be feeling at the moment. The economy needs people's confidence. At the same time, it is hard to encourage them with a speech on confidence when they see the threats made by the U.S. government, which is being protectionist in this matter.

I recall the advent of free trade between the States and Canada. I am one of those who believes in the virtues of free trade. We promoted it and said to people "It is a good thing. We must support it". The public, particularly in Quebec, followed. In the federal election it was the main issue. The party advocating it won the most seats in Quebec. At the time, some people opposed it. Today, I hear people saying "We told you. With the Americans, you can have free trade when it suits them".

*S. O. 52*

I must say that we sometimes run out of arguments because, where we wanted free trade everywhere, we ended up in a situation in which a few American producers felt disadvantaged compared to competitors in Quebec or Canada. They put pressure on their government, which decided to establish protectionist measures, such as charging duties of 19% and adding another of 12 %, claiming that dumping is going on. All this increases the cost of our products sold on the U.S. market by 30%.

Needless to say, this makes some people skeptical and leads to grassroots feelings that are not very favourable toward the U.S. government. People who lose their jobs and feel threatened by this decision are saying "Hold on, now".

These same Americans are asking us to liberalize the energy field, for example, because they have a major energy problem. They turn toward Canada, Alberta and Quebec in particular, and say "Oh, you folks have a lot of energy, and we would be interested in greater access to it". This is being discussed. The government does not always tell us when discussions are being held, but it is clear that there seem to be some in this area. So, in parallel, they would like to have access to our energy. They want to be humoured in that, but then when it comes to softwood lumber, they do not want to buy our products, or not in the context of free trade.

• (2130)

At some point, there has to be consistency. The government must be very firm with the Americans, and tell them "Now, people cannot talk out of both sides of their mouths at the same time. If you are in favour of free trade, then that is what we will have. Period". That is what will be done for softwood lumber, and no other direction will be taken. The negotiations must not address anything other than the implementation of true free trade, so that this debate will not have to be started over again every five, six, ten or whatever number of years.

This is nothing new. Five years ago, we went through nearly the same thing. The rates may have changed a little, but it is the same American strategy, of imposing taxes on our imports, putting pressure on our industry, and putting us in a position where they can say "Accept a compromise or go all the way through a legal process, and all the time that there is uncertainty will be costly". So here they are with their threats and attempts to intimidate us, so that we will accept on a more permanent basis to either reduce our exports or impose a rate on ourselves, saying "Yes, that's true. We will set our own export tax".

We must not head down this path, because that is what we did five years ago. Four provinces were affected by a quota system. Exports from Quebec, Ontario, Alberta and British Columbia to the U.S. were limited. In this respect, the system can often be arbitrary.

When quotas have to be divided among businesses, it is difficult to come up with a process that satisfies everyone. Many members who live in forestry regions know people who would have liked to have export quotas for softwood lumber, but never received any. They had to export while paying the tax. It was a difficult situation. They were not on a level playing field with businesses that were given a quota to sell to the United States tax free. The other provinces were not affected, in the meantime.

So the market is hardly fair. There are frequently highly arbitrary factors, influenced by politics, that define how quota systems are generated. We accepted this, and five years later, we are starting the process all over again. The U.S. is using the same threats: a tax, countervailing duties, and accusations of dumping. They are pressuring us by saying, now we will negotiate. After clobbering us with taxes, they want us to sit down and negotiate.

We need to show them that it is not going to work. Yes, we will carry through to the end on the legal front. It must be understood that we are not just talking about five years. The United States has been complaining about our systems for twenty years, because they claim that we are indirectly subsidizing the market with deflated stumpage fees. That is essentially their argument in court. They have private forests, we have many public forests. This represents our different approaches and our different perspectives. They claim that their system is better and that ours provides direct subsidies to business.

However, whenever they have gone before legal bodies, they have always lost these disputes. So, we must go to the end of the process. When we negotiate about free trade, there is also a dispute settlement mechanism. When we are part of organizations such as the World Trade Organization, there is also a process to settle disputes, but we have to use it. These mechanisms are designed to protect the little ones from the big ones. We must use them. We must go to the end of the process. We must tell the Americans "We will not give up unless you immediately agree to go back to free trade". Then we will stop. Otherwise, we will go to the very end of the legal process. We will settle this once and for all, we will not go through this every five years. This is what we must do.

I hope that in the discussions that are taking place right now with U.S. government officials, who came to Ottawa, or in the talks between the Prime Minister and the U.S. president, the government is very clear. I hope it is firm and clear. Yes, the government did raise its voice. We noticed it in the past few days. But we have seen this problem coming for a long time. I hope this is not the first time that the government raises its voice and that it has done so in private for quite some time with the U.S. government. We must say "Listen, this is not going to work. It cannot work like this". We must be very firm. We are not negotiating. We are saying "We want to achieve free trade, nothing else". We must be very clear and firm, because there is only one solution.

Many jobs are at stake. Forestry workers are watching us and they are concerned. Their jobs are at stake. This affects local economies. These economies are already fragile and they need all the help they can get to make it through the current crisis.

*S. O. 52*

So much the better if the softwood lumber dispute is settled quickly and the U.S. government buys our arguments. Otherwise, the government must go all the way. With all the leeway it has, with its EI fund and so on, this government must come to the aid of the workers affected by the length of this dispute, which might take some months yet to sort out. If it does, the government must put measures in place to help those in the industry, go all the way, and not resume this debate every five or ten years.

• (2135)

That is what the Bloc Québécois wants. I hope that it is what the government wants as well and that it is what it is going to do. Finally, I hope it is what we will ultimately obtain.

• (2140)

[English]

**Mr. Andy Burton (Skeena, Canadian Alliance):** Mr. Speaker, I will be sharing my time tonight with my colleague from Delta—South Richmond.

I am pleased to take part in yet another emergency debate on the state of Canada's softwood lumber industry. It seems that this is becoming a habit and one I might add which we would all do well to kick. While we are all here still talking about the state of our industry, there are thousands of workers back in my riding of Skeena in northern B.C. and all over Canada who are waiting for the Liberal government to put an end to the talking and start taking some action.

Last week we received the news that the U.S. was imposing yet another duty on Canadian softwood lumber being shipped into the U.S. This now takes the amount of duty on Canadian softwood lumber to over 30%, 31.5% to be exact. The U.S. government is saying that this duty is being imposed because Canadians are dumping lumber into the U.S. market at cut-rate prices.

The head of Canada's largest lumber producer, Mr. David Emerson, has been quoted in several papers over the past week saying how bitterly disappointed he is at Ottawa's foot dragging. Imagine that, foot dragging. He is wondering why this has not been placed on the Liberal government's priority list when it is a situation that affects so many people and communities across Canada. Of course we all understand that after the attacks of September 11, both Canada and the U.S. have been focusing on national security. However it seems curious that the U.S. has put its lumber lobby back in motion and our government is unable to look at more than one problem at a time.

Mr. Emerson went on to wonder what if this were a problem that was facing the auto industry, the aerospace industry or perhaps even Bombardier or a split run magazine. Then would the government be on flights back and forth between the two countries getting the matter cleared up quickly? It is very likely. This is something I brought up in my very first take note debate which took place at the end of March. We in the official opposition were begging the Minister for International Trade and the Prime Minister to do something to protect Canadian interests before the agreement expired at the end of March. Yet here we are once again.

This is getting to be like a bad dream. It is sad to think that everyone else seems to see the urgency of this matter, everyone that is but the government. It seems willing to jump through hoops to

help Bombardier win contracts to the point that it is given guaranteed loans and now has put us in trouble with the WTO.

Will the government help out with the lumber industry? All one has to do to see how much the federal Liberals are willing to help is look at comments made in the House of Commons. The latest slap in the face to British Columbians is when the member for London—Fanshawe stood up and had the audacity to call the British Columbia lumber industry nervous Nellies. It is really nice to have government on one's side although it is obvious that British Columbia will have to wait for that day to come and it will probably take a change in the members on the other side of the House.

I suggest that the government should take a look at its exports and see how much income lumber really does generate for the Canadian economy. Surely the government will fight these duties at the WTO and that is great, except that the World Trade Organization will take years before it will reach a ruling on this. We do not have that kind of time. While the WTO lumbers around taking a kick at the can, Canadians go jobless.

We understand that we have to go through channels, that any help that is given has to be done very carefully so that the U.S. does not misconstrue it as a government subsidy. God knows, we do not need further action to be taken against us but it would be nice to know if the Liberals here in Ottawa have any plan to help the workers that are depending on them now. Is there a plan to do anything to help them out when their mills get shut down?

It sometimes makes me wonder about trade laws. At the U.S. government website for the Department of Commerce there is a link that shows the cases the U.S. is charging with countervailing duties and anti-dumping. The cases are listed by country. In fact there are 29 of these cases against Canada alone. If that is not protectionism, then I do not know what is. There are 17 countries listed on that site and on the WTO site there are many more. Countries have made complaints to the WTO about this unfair protectionist law the U.S. has. We cannot go on like this any longer.

We are supposed to have free trade. We signed the agreement with the U.S. and are in talks to expand it to the hemisphere. What can we expect to come as new protectionist laws when the area is expanded? What will be the next target? Will the newly signed partners take a page from U.S. trade law? Not to be a fearmonger but it is very disconcerting when we think of what could or may happen.

• (2145)

This issue should have been dealt with from the beginning when NAFTA was signed. This is a point that cannot be made enough. Since we do not yet have the technology to go back in time, we will be unable to fix the situation that way.

The government should fix the mistakes made by the government of that day. The duties facing Canadian producers are crushing and they need help. We need a government that will stand up and help.



*S. O. 52*

In British Columbia we are facing these duties, the shutdown of mills and the layoff of workers. To top it off, British Columbia lumber is threatened by an infestation of bugs. For those members who not know what these are, let me inform the House.

Over the past year the mountain pine beetle outbreak in the west central plateau of British Columbia has increased fourfold affecting just under 300,000 hectares of forest in that area. This tiny black insect, native to North America, burrows into lodge pole pine and transmits a blue stain fungi that can destroy the connective tissues within a tree and lower the grade of lumber. This in turn reduces the market value. All we have to do to see the vast destruction is to fly over the province. Where we see green below, those are healthy trees; where we see a red tinge, that is the work of the mountain pine beetle.

With the knowledge of the destruction these beetles cause, one would think the federal government would take some action, but in a recent report published by the Department of Natural Resources this topic only got a tiny mention, just one small paragraph, in fact 13 lines. When we thumb through the rest of the report called "The State of Canada's Forests", we will find that the tall bugbane gets as much mention and the night snake gets a longer write-up than the mountain pine beetle.

This shows where the Liberal government places the forest industry on its priority list. Chalk this up as yet one more item the Liberals here in Ottawa are not putting any brainpower behind, but I digress.

I would be very interested to know what action our government is taking to help the four B.C. lumber companies and two Quebec companies that have been the target of these new duties and the industry as a whole.

From the time that the first duty was levied against us, which by the way excluded the Atlantic region, we have lost 18,000 jobs in the lumber industry in B.C. It is expected that with this new duty there will be an additional 12,000 layoffs before Christmas. Will that not make for a merry Christmas for families who work in forestry.

I think I speak for the majority of loggers, mill workers and owners and all those who are fighting this ridiculous situation that the Liberal government has allowed our forest industry to fall into when I say enough is enough, it is time to take some action. It is time for these two governments to sit down and get this worked out. How many people have to go jobless? How many mills need to be shut down? How many more times do we have to sit in this place and listen to the Prime Minister say he will talk to the president about this? How many more times are we the opposition going to have to stand and beg the federal government to help our citizens and our industry? How much more money do we need to give the U.S. lumber interests before our government, our protector, will start working to help Canadian citizens and our forest resource based economy?

This situation must be resolved. No more waffling. Our forest industry workers need an early Christmas present. The Prime Minister and the U.S. president need to get together and resolve this issue on a free trade basis now.

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Mr. Speaker, it is unfortunate that we are having this debate this evening. It is unfortunate that our American neighbours are treating us so shabbily again. We recall that they have unjustifiably interfered with the free flow of trade in hothouse tomatoes in British Columbia, with mussels and potatoes in P.E.I., and again for the last few months with softwood lumber.

Many in the House have worn a pin with both the Canadian and American flags on it to show our solidarity with our American cousins over the events of the last few months. It is upsetting, to say the least, that in return for our generosity and support we would be treated by the American government in this way.

Having said that, it is unfortunate that the government has ignored this critical trade issue until it has become a crisis.

Recently, Gordon Gibson, a noted British Columbian, wrote an article. I will quote his comments because they are worth repeating. He said:

If scientists detected a small asteroid headed toward us with a high probability of taking out a continent-sized chunk of Planet Earth five years hence, chances are something would be done about it. No matter how hopeless the case, rockets would be launched and so on. It might or might not work, but by God, the world would try.

Unless of course the space rock was pointed only at Canada, in which case nothing would be done, if the current lumber export crisis is any example.

Our governments have seen the softwood lumber attack launched by the U.S. forest industry and its senatorial supporters coming at us for five years, and hey — surprise — here it is! Communities and companies are already forecast to lose 14,000 jobs in British Columbia alone. Double that for Canada, escalate for the longer term. If there is no solution, expect a further decline in the Canadian dollar, important loss of government revenue and an eventual humiliating capitulation to the Americans.

There are, in fact, no surprises here. All of the actors are playing their assigned roles as predicted. The trade asteroid that might have been diverted five years out is here now, and the only option is damage control. The politicians we pay to look after these things should be tarred and feathered sometime in the future, but for now we all have a problem.

Mr. Gibson notes a further decline in the Canadian dollar. It is interesting to speculate on why that is.

The B.C. Lumber Trade Council points out the significance of forestry to the British Columbia economy. It claims that it represents 17% of all output and about 14% of all direct and indirect jobs in the province. Tax revenues from B.C. forestry help fund vital services that B.C. and Canadian residents value, such as education and health care.

B.C. exports roughly half of all the country's softwood lumber to the United States, almost \$4 billion Canadian in 1999. Used mainly in home building and renovation, softwood lumber products, spruce, pine and fir, represent Canada's single largest export to the United States. That is why this issue is so important not only to British Columbia, but to Canada.

## S. O. 52

Last March when the expiry deadline of the previous agreement was forthcoming, Diane Francis notes in a column that Jimmy Carter, the former U.S. president, had written an article on it, an op-ed piece, which she claims, and I think quite rightly so, is totally off base and smears Canada as an unfair trader. She notes that the comments of former President Carter are a combination of propaganda and mistruths. She suggests that the anti-Canadian campaign which has been waged for years is simply a thinly disguised attempt by American forest industry interests to subsidize their lumber business.

She points out the real facts of the matter, that Canadian lumber exports are not subsidized in the way that Mr. Carter suggests. She notes that the trees which are harvested are publicly owned trees, but that they must be replaced by law.

• (2150)

She notes that log prices, for example, and the taxes on them are on landed costs. The taxes may be lower in British Columbia due to the long distance the logs have to be taken to get them to market. They have to be hauled across and through challenging terrain.

She also notes that if taxes are taken into consideration, Canada is hardly a low tax regime. Corporate taxes and income, sales, royalty and other government compliance taxes or costs are routinely higher in Canada.

In closing, she notes that U.S. lumber interests, not Canadian ones, are often directly subsidized by their governments. It is not unusual for local or state governments to offer tax breaks to forest industries and she says that in the U.S. the companies ship on roads which are owned and built by the government, not privately.

How did we end up in this mess? I think the facts are quite clear. There is no free trade in lumber such as some would suggest. When the North American Free Trade Agreement was signed, lumber was not included, as we know. What we are facing is really just a clever form of anti-competition practice.

If we look at the history of the issue we notice that since 1982 Canada and the U.S. have been involved in three lumber countervailing duty cases. The softwood lumber agreement avoided a fourth one.

However, those agreements were not wins for British Columbia or for Canada. In fact they were not victories at all. The B.C. Lumber Trade Council makes that point very clearly and I would like to quote from a document it has printed because I think the comments are valid and worth noting. It stated: "Some have also argued that since Canada has previously won softwood lumber disputes with the U.S. at international trade tribunals we should pursue that strategy again. That reasoning demonstrates a fundamental lack of understanding of the dispute which has hit industry with the highest duties in history and has already resulted in the loss of 16,000 mill and logging jobs across B.C.".

The council continued, stating that: "The previous wins were hardly victories for Canada and, in particular, for British Columbia. The cost of successfully defending against three earlier trade cases came after some two decades of constant litigation and restrictions on the free trade of B.C. lumber across the border. It cost industry over \$100 million in legal, research and other costs. Finally, those

so-called wins have handed us the largest duty in history at a whopping 32%. If that is victory one shudders at the notion of defeat".

In conclusion, the council stated that: "Further, at the urging of the U.S. industry lobby, the United States has changed its trade laws this time around. They are more complicated and onerous than ever and the U.S. lumber industry has stated outright that if it loses this round at the World Trade Organization it will lobby again to have the U.S. rewrite its trade legislation to suit its own purposes. The U.S. industry believes it is not bound by international trade law but by domestic law. Its actions to date bear this out".

The lumber trade council goes on to say that it is why it believes the only responsible approach for Canada is to negotiate a constructive long term resolution that will provide us with stable, free and unfettered access to the U.S. market, or in short, free trade.

It is interesting to look at some of the comments made in the United States on this issue. What are Americans saying about this dispute?

Federal reserve chairman Alan Greenspan suggests that anti-dumping suits and countervailing duties have often been imposed under the label of promoting free trade but oftentimes are just simply guises for inhibiting competition. Protectionist trade barriers could become "a great tragedy" for the country.

Other concerns are expressed by Americans as well which suggest that all is not well in the states, that not all Americans support this action by their government. The problem is that there is a powerful lobby in the United States and the issue was ignored by our government for the previous five years. It has done nothing to solve the dispute in time.

• (2155)

[Translation]

**Mr. Odina Desrochers (Lotbinière—L'Érable, BQ):** Mr. Speaker, I am very pleased to rise tonight to take part in this emergency debate, which was requested by my party and deals with the economic crisis affecting Quebec and my region because of the softwood lumber issue.

First, I would like to thank my colleague from Joliette for all the efforts he made over the last few months to try to prevent this crisis, as well as my colleague from Laurentides, who travelled to Washington twice to try to resolve this issue.

Personally, I made representations at the Canada-United States parliamentary association, particularly at the annual meeting that was held last May in Blue Rivers, British Columbia, and just recently, on Monday morning, in the presence of a representative from the U.S. congress.

*S. O. 52*

Once again, despite all the diplomatic and political efforts, Quebec and Canada are facing economic turbulence. Once again, Quebec is facing a problem that was created by the U.S. government.

The Americans are increasingly protectionist, and I would even say increasingly selfish. They ignore the free trade agreement and impose economic measures that slow down softwood lumber production considerably.

In recent years, the U.S. government has become the killjoy of bilateral and multilateral agreements by not complying with trade rules.

I would like to address the Americans' attitude as far as agreements in the agricultural area are concerned. The U.S. has not even respected the GATT agreements by maintaining the heavy export subsidies and grants to sustain their domestic trade, which results in a market distortion. Most countries that do business with them are forced to constantly appeal to the WTO tribunals to get their rights respected.

While Canada is battling before the courts to win its case, thousands of jobs are being lost in Quebec.

As the member for Lotbinière—L'Érable, I have risen in the House on numerous occasions in defence of the economic interests of my region. Today, the decisions of the U.S. government on softwood lumber are jeopardizing hundreds of jobs in my riding.

When they were already reeling under the 19% countervailing duties, the U.S. government last week delivered the final blow to companies directly or indirectly connected to softwood lumber, by adding anti-dumping duties of 12.5%.

In our riding of Lotbinière, a number of companies were already severely affected by the U.S. countervailing duties. In Daveluyville, Doucet Machineries has experienced a considerable drop in purchases and orders. Since the countervailing duties have been introduced, the company has been operating on a job-sharing basis.

In Plessisville, countervailing duties have had an impact on the For-Min group, which includes Carbotec and Vibrotec, which is also slowing down production. Forano U.S.N.R is also suffering as a result of the U.S. government's decision.

The Government of Canada must demonstrate much stronger leadership when dealing with the Bush government, which is not at all shy about interfering with all kinds of economic measures to slow our economy. The Prime Minister needs to tell President Bush clearly that he is wrong on the softwood lumber issue.

It is American consumers who are directly affected by their government's attitude. In fact, as we know, our softwood lumber is of better quality, and costs less to produce than the lumber from U.S. mills. American families who want to build a house are being penalized because they are being denied access to our 2x4 lumber.

On behalf of the thousands of employees whose jobs are threatened, I urge the Government of Canada to demand that the Bush government return to free trade for softwood lumber, and that the U.S. respect its signature.

Softwood lumber producers cannot afford to wait for 10, 20 or 40 days. The U.S. government must immediately suspend the countervailing duties that are choking our provincial and regional economies.

The Bush administration knows that it is wrong. I am asking the Minister of International Trade to settle the issue quickly and efficiently, not through negotiations that will drag on interminably. Time is of the essence. Quebec's economy, the Canadian economy, and regional economies are already suffering in the wake of the attacks of September 11. Quebec, and Lotbinière—L'Érable cannot afford to wait. The United States has the power and the responsibility to act immediately. And it must.

The softwood lumber crisis has become cyclical. We need to come up with a permanent solution for this issue.

● (2200)

The Minister for International Trade should not be going it alone here. He should immediately call all stakeholders to a meeting in order to hear what they want and to work out a common strategy with them in order to resolve this issue for once and for all.

In the last few minutes, I have been critical of the U.S. government in this issue. I would now like to address the Minister of Human Resources Development, who seems unaware of the softwood lumber crisis in our regions. She too must do her job.

In fact, the minister has the authority to relax the EI rules by removing the waiting period, and increasing the number of eligible weeks and the amount of benefits. This would show her solidarity with workers affected by the softwood lumber crisis.

Every time a crisis hits the regions of Quebec, the Minister of Human Resources Development drones on about Bill C-2, which made only small improvements to the EI system, which is leaving our regions poorer every year.

Again this afternoon, the auditor general pointed a finger at the current EI system, which is building up a surplus year after year. The minister therefore has the financial leeway to take action now.

A treasury board document shows clearly that, since 1998, the surplus in the EI fund has grown at the rate of \$7 billion a year. So, over the past three years, this surplus has grown to \$21 billion. Despite this huge amount, the minister is still waiting.

Perhaps we should ask the person who decides everything in her department, the Minister of Finance, why the government is doing nothing.

Again, I call on the Canadian government to find a speedy and permanent solution to the softwood lumber issue. Quebec, the second largest producer of softwood lumber in Canada, with over 25% of Canadian production, must receive massive and tangible support from the Canadian government in order to end what I would describe as these unjust and unfair actions by the U.S. government, which are now paralyzing a vital sector of our economy.

S. O. 52

● (2205)

**Mr. Jean-Yves Roy (Matapédia—Matane, BQ):** Mr. Speaker, the current dispute between Canada and the United States about softwood lumber is nothing new. Whenever an agreement expires, the U.S. industry tries by every possible means to slow down, if not to destroy, the Quebec and Canadian industries.

Yet, we have a free trade agreement with the United States. As their neighbour, we have had a most conciliatory attitude toward them. In Quebec particularly, our industry and government have done everything to eliminate any subsidy. It can be stated that, in Quebec, our industry is not subsidized and is not in any way competing unfairly with the U.S. industry.

The free trade agreement that we signed with the United States must be respected, and the government must act vigorously, and much more so than it has done since the beginning of the dispute, to ensure that this agreement is truly respected. All that the minister will say publicly is that discussions are taking place and are progressing well.

The time for discussions will have to end soon. It will have to stop soon. The time for action must come. Thousands of jobs are at stake at home, in our regions.

In the lower St. Lawrence region, where I come from, the softwood lumber industry includes some 38 companies that employ about 2,052 plant workers, and over 1,810 forestry workers. This illustrates how important that industry is in our region. The attitude of the U.S. is jeopardizing the whole economy of that region. In the Gaspé Peninsula, which is another region that I cover, there are some 17 sawmills that employ 716 plant workers and 1,120 forestry workers. For a region of a little over 100,000 people that was hit hard by the moratorium on groundfish and was also hit very hard by the employment insurance cuts, any new loss of jobs is a real tragedy.

Moreover, people from both the Matapédia and Gaspé regions do not trust the current government at all to help them in a crisis situation. If the past is any indication of what the future holds, it is obvious that we cannot trust the current government.

As we know, Quebec is the second largest producer of softwood lumber in Canada, with 25.5% of the total production. In Quebec, some 40,000 jobs are related to this industry. The softwood lumber industry injects over \$4 billion a year into the Quebec economy. This shows the importance of that industry in our province.

Add the fact that 250 municipalities in Quebec depend for their livelihood on the lumber processing industry, which provides all the manufacturing jobs in 135 towns or villages in Quebec. These towns and villages are at risk because of the attitude of the Americans. I point out that we have a free trade agreement with the United States, which was signed under the Mulroney government and must be honoured.

We in the Bloc Québécois have defended this from the outset. We demand the full return of free trade. We want the Americans to honour their signature and to stop harassing us and our industry, our towns and our cities. We want this government to stop its palaver and two bit statements and get on with it.

On October 31, the 12.5% anti-dumping duties were added to the countervailing duties of 19.3% imposed last spring. Something vigorous must be done quickly. We also think it is time for a meeting of all stakeholders to examine Canada's strategy in the matter.

● (2210)

We are not satisfied and we are not alone. We also want the government to implement measures to come to the assistance of the considerable number of workers who have lost or will lose their jobs. By way of example, we propose the implementation of the unanimous recommendations of the Standing Committee on Human Resources Development on employment insurance.

We also ask that the Prime Minister intervene vigorously with the American president to get the anti-dumping and countervailing duties suspended until such time as the WTO has reached a decision in the matter Canada brought before it.

We want the Government of Canada to undertake a vigorous advertising campaign in the States so Americans will understand the consequences of their government's protectionist attitude, especially the fact that American consumers are bearing the brunt of the dispute.

[English]

**Mr. Grant McNally (Dewdney—Alouette, PC/DR):** Mr. Speaker, I want to begin my intervention tonight by asking the government 10 questions on softwood lumber.

First, why has the Prime Minister and the Minister for International Trade allowed the softwood lumber trade crisis with the United States to drag on so long without taking serious steps to bring a resolution to this problem quickly?

Second, 345 people have lost their jobs in my riding. In British Columbia 1,600 people have lost their jobs. A total of 30,000 Canadians have lost their jobs due to the softwood lumber crisis. Does the Prime Minister not realize this is a local, regional and national issue which demands immediate action?

Third, the Prime Minister says he talks to President Bush every two or three weeks and perhaps speaks to him at occasional photo ops at international meetings. Does he not realize this is not working and he is not getting the job done?

Fourth, why does the Prime Minister refuse every solution offered by the coalition and opposition members, such as stakeholder meetings, appointment of a special envoy or immediate high level meetings on the softwood lumber trade dispute with the United States?

Fifth, the government acted quickly on a Brazilian ban on Canadian beef, on split-run magazines and on Bombardier aircraft conflicts, yet has still not solved the softwood lumber trade dispute with the United States after six months. Why does the Prime Minister not simply get on board his Challenger jet and get this issue solved with President Bush now?

S. O. 52

Sixth, the Prime Minister has raised the spectre of linkage, of providing energy to the United States with the ongoing softwood lumber trade dispute, on two separate occasions and most recently in this place a few days ago. Why does the Prime Minister talk tough here and potentially threaten our energy industry, while accomplishing absolutely nothing on obtaining a settlement with the softwood lumber trade dispute?

Seventh, the Prime Minister and trade minister knew the softwood lumber deal would expire during the five year life of the deal, yet have demonstrated an inability to prepare any contingency plan to solve the problem the day after the deal expired at the end of March. Why was the Liberal government so woefully ill-prepared to anticipate this potential outcome on softwood lumber?

Eighth, the Minister for International Trade and Prime Minister have failed in their responsibility to save Canadian jobs in the softwood lumber trade dispute with the United States. Why should Canadians trust the government to solve any major problem adequately on any issue, given its disastrous handling of the softwood lumber trade dispute?

Ninth, given the fact that the softwood lumber dispute has affected so many jobs across the country, does the Prime Minister or the Minister of Finance have a contingency plan for dealing with the devastating consequences of secondary industry loss and related business losses and the economic impact these losses will have on local economies and the entire national economy?

Tenth, the lumber industry is the number one industry in Canada, accounting for billions of dollars in exports and thousands of jobs for Canadians. How can the Prime Minister possibly defend the "don't worry, everything will be fine" approach to the softwood lumber crisis, while Canadian families move to the ranks of the unemployed and will now be unable to provide for the basic needs of their families?

Those are very important questions. I am waiting for some answers from the government on those important questions.

I would now like to turn my attention to the local impact that this trade crisis is having on people within my own community.

Last Friday two mills were closed down in the major city of Maple Ridge, the biggest town in my riding of Dewdney—Alouette. That has put 345 people out of jobs. This will have a devastating effect, not only for the families and individuals who were employed in those mills, but for the entire local economy.

● (2215)

These job losses occurred because of the economic need of International Forest Products to close these mills because of the devastating impact of the over 30% countervail duty on their products.

The Albion cedar mill and the Hammond cedar mill employed many people with high paying jobs. The Hammond cedar mill was Maple Ridge's largest private employer. It operated under the first countervail of 19.3% levied back in August, but the new 12.6% levy was the final nail in the coffin, so to speak.

Its vice-president, Mr. Jack Draper, said "We cannot do business. It is impossible". One of the employees, a Mr. Bill Westmacott, said:

For some it's going to be very difficult because their skill set is as a mill worker. This mill has worked throughout thick and thin. It's been tough through everything. Most guys have been lulled into the feeling that it would be here forever. People are still hopeful it won't be that long. But as far as I'm concerned, the federal government is sleeping at the wheel. It's typical. The west is suffering because of the indifference of Ottawa.

These local mills add \$500,000 to the local tax base in municipal taxes, which has a spinoff effect in the local economy of Maple Ridge, Pitt Meadows and surrounding areas.

The IWA local union president has also expressed his concern that the Americans are simply waiting to pick off our raw log exports and mill them in the United States. We hope that is not the case. Unless the government gets on its feet to solve the problem there will be a devastating impact not only on the union president, the jobs and the individuals he represents but on many other people in my riding.

If one travels along the Lougheed highway which runs parallel to the Fraser River, one sees many mills throughout the communities of Maple Ridge, Pitt Meadows, Albion, Whonock, Ruskin and many others. This very important issue must be dealt with and the government is simply not responding in an appropriate way to solve the problem immediately.

I want to read into the record some of the previous interventions I have made on behalf of my constituents on this issue. On at least four or five occasions I have asked questions on this issue in the House previous to this date.

I have written to the Minister for International Trade on behalf of my constituents. I am afraid that it has become a bit prophetic. I wish that had not been in the case. In my letter dated August 16 I wrote:

The recent ruling by the U.S. Commerce Department to impose a 19.3% countervailing duty on Canadian softwood exports will have a devastating effect on local companies operating in my riding of Dewdney—Alouette.

The forest industry accounts for hundreds of jobs and millions of dollars in our local economy. It is predicted that the countervailing duty will cause almost immediate mill closures and layoffs in this sector. Needless to say, my constituents who may be out of work as a result of this countervailing duty need to see decisive action from the Government of Canada, and they need to see it now.

I have read media reports that indicate the Government of Canada is continuing to argue Canada's case, and intends to appeal the decision of the U.S. Commerce Department in the U.S. courts. While these are necessary actions, they could take months or even years before they are successful. In the meantime, thousands of jobs could be lost, and hundreds of mills shut down. This could cost Canadian producers billions of dollars.

The people in the forest industry need an immediate solution and they need to see their government fighting for their interests in an unprecedented way. It is my belief that the resolution of this trade dispute must become the Government of Canada's number one priority.

I look forward to receiving a response at your earliest convenience.

I am waiting for an answer. People in my riding certainly are waiting for an answer from the government on this very important issue so that they might have a solution to a problem that is affecting them to such a huge degree. I want to talk a bit about what is happening in the United States.

● (2220)

These countervailing duties do not just happen on softwood lumber. They also happen in other areas of commerce. However, these duties are now affecting our softwood lumber.

*S. O. 52*

What happens is that the U.S. industry lobbies the U.S. commerce department to impose a duty on Canadian products. In the case of softwood lumber, the U.S. commerce department has complied with the request. Basically, it is what we might call back door protectionism.

Canada has a very important free trade agreement with the United States that allows it free access to American markets in this industry. However, with the Americans' approach to the U.S. commerce department's countervailing plan, it works at cross purposes. It not only hurts Canadian jobs and the Canadian industry, it also hurts American consumers who have to pay a higher price for their product, even if it is from Canadian producers who are able to withstand the burden of the high tariffs and still get their product to market in the United States while receiving this blow to the head duty on their product.

It would make sense to get this issue solved quickly for the survival of our forest industry which is so vitally important in British Columbia and across the country, as other members from other regions have said. It also has a huge impact in other areas.

The softwood lumber issue cuts to the heart of many. Some of us have been in this place for years now while the softwood lumber agreement was in place. We talked to the government about having a contingency plan for when the softwood lumber agreement expired. The response was inappropriate. It responded by saying that we would have free trade. We would have hoped for that but to not have a contingency plan in its hip pocket, when it had already been through similar trade disputes in the past where the Americans slapped on countervailing duties, was woefully inappropriate and showed a lack of foresight and a lack of vision on the government's part not to have anticipated this dispute.

Because the government did not anticipate this dispute and did not have a plan in its hip pocket to deal with this countervailing issue, thousands of people are losing their jobs. What are we to say to them? Do we tell them not to worry because we will take care of them? How can we ask people to trust the group that put the deal in place and allowed it to go on for five years without having a plan to combat a countervail at the end of that plan to solve the problem? It is a bit like Lucy pulling the football away from Charlie Brown. The football is there, Charlie Brown goes to kick it, Lucy pulls it out and Charlie keeps coming back to kick the ball every time.

In many ways the government is like Lucy holding the ball and asking Canadians to come and kick the ball. Eventually they are going to stop believing the ball will be there to kick because they have seen the way in which this government has handled this issue and many others, which simply demonstrates how woefully unprepared it is to do so. There is absolutely no excuse for that.

It is very frustrating when members of the House come to this place with solutions about how to anticipate these problems and they are rejected out of hand.

• (2225)

They are not only rejected out of hand but no alternative solutions are being proposed by the government. We even heard the Parliamentary Secretary to the Minister for International Trade refer to those who are concerned about this issue as nervous Nellies. He has apologized somewhat for that comment, and I commend him for

that, but it sends the wrong message. It sends the message that the government is out of touch with the impact this trade dispute is having on real people, on their lives, on local economies and on our national economy at a time when we are already in a downturn due to the change in economic climate, as well as the events of September 11. By adding this trade dispute on top of everything else is a disastrous recipe and there is no concrete response coming from the government.

In the last few days my party and other parties have raised this issue in question period. At the most, we get 35 second non-answers or flippant responses. There was joking in the House today on the government members' side when this issue was brought forward rather than a concrete plan or set of concrete actions that could be put in place. We have asked the Prime Minister to initiate high level discussions, working with the president of the United States, to come to a resolution of this problem immediately. We are past the stage of simply waiting for an answer. There is too much at stake.

Speaking of local economies, some constituents from the travel agency business sector came to my riding office last week. They are facing the impact of the downturn in the economy, particularly the events of September 11. Their commissions have been cut because of their inability to sell tickets and they have had to lay people off. That is another sector of the economy that has been affected by the events of September 11 and the downturn in the economy. Close to 400 jobs have been lost.

I bet there will be very few people, after losing their jobs, who will be looking for a flight to visit a family member in some other part of the country or are able to afford to take a holiday with their families. It is affecting local business. It is affecting Ernie Day and his colleagues who run a travel agency in Maple Ridge. They have asked that the government be responsive to the issue, which is why I have mentioned it in this debate. The government does not have a response or a comprehensive set of ideas, solutions or suggestions on how to handle the impact of not only the events of September 11 but this particular issue of softwood lumber.

I wrote another letter to the Minister for International Trade on the issue of the shake and shingle industry which has also been lumped into the trade dispute when it should not be. I am awaiting a response from the minister on that issue too.

There is a proposal in the U.S. congress called the softwood lumber fair competition act that has been referred to the committee on ways and means. It is a way to include the shake and shingle producers in the same softwood lumber issue. It is having a potential effect on that sector of the lumber industry when it should not be. It is again another example of the Americans' protectionist stance when they claim to be free traders.

In closing I simply want to encourage the government one more time to take some concrete actions in this place today. I am urging the Prime Minister to go to Washington for some high level meetings with President Bush because this is the most important industry in terms of dollars that we have in Canada. If we do not show the people of our nation that we are willing to commit with our actions to the words we say we believe in, then our words are not worth much. We need to get this solved and we need to get it solved now.

• (2230)

**Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance):** Mr. Speaker, I will be splitting my time with the hon. member for Calgary Southeast. It is an honour to speak on behalf of the citizens of Nanaimo—Cowichan who are so deeply affected by the softwood lumber dispute. Unfortunately the very slow reaction of the government has caused and continues to cause many businesses and entire communities in my riding incredible harm.

It is another sad day in the country when we must describe in detail the glaring errors, the lack of intestinal fortitude, and the inability of the minister and the government to resolve the softwood lumber issue with the United States.

The government should not be surprised by the current softwood lumber debate. For over two years the official opposition has been telling it in very clear terms of the need to resolve this issue on a long term basis.

Since I was first elected in 1997 I have put out 11 press releases and asked many questions in the House regarding softwood lumber and the government's inaction on the file. I have heard from and spoken with countless employees in the timber industry, toured numerous logging sites, and met with union officials, mill management and owners and private landowners on numerous occasions.

This is certainly a diverse group of stakeholders by any definition. All the stakeholders would rarely agree on the issues and the potential solutions, but let me tell every member of the House that they all agreed the government had failed to resolve the issue surrounding softwood lumber. They agreed that solutions must be found and should have been found long ago.

The Minister for International Trade held meetings today with Marc Racicot from the United States. Yesterday he said that he would be giving Mr. Racicot an earful about how every decision made in Washington has been punitive and injurious to our industry. He said that would be loud and clear.

I am sure my colleagues would be very interested in knowing Mr. Racicot's reaction to this earful. Did he say that the minister was absolutely correct and that he would cease all these unfair trade practices immediately? Did he admit that the Americans lost all past attempts to show that Canada practises dumping with regard to softwood lumber? Did he qualify himself as acting largely on behalf of a powerful lumber industry from the American southeast?

Canadians and in particular British Columbians would be interested in hearing the minister's comments on the matter. If the minister followed through with his commitments of yesterday then I would be the first to applaud him. However it is unfortunate that to date he has not taken a strong stand in defending Canadian interests.

*S. O. 52*

He has known for many years that the softwood lumber agreement would be expiring.

If the minister wants to play in the big league with the Americans he had best be prepared to play hardball. Playing hardball means standing and putting the interests of Canadians first.

The Prime Minister mused recently about linking the energy sector to softwood lumber. The official opposition has been advocating this for a long time. I am pleased that the Prime Minister is finally following our lead on this matter.

Members will recall the shortage of electricity last summer in California and its rolling blackouts and the need for oil and gas to heat homes in Chicago last year. Now is the time to play hardball.

It is inconceivable that the government could leave so many Canadians unprotected, and yet here we are. The government is quick to offer support on many other issues but on this issue it has been slow, protracted and untenable. The lack of action is completely unacceptable, particularly for the people of British Columbia.

Many members of the House, and certainly the Minister for International Trade and the Prime Minister, do not have any concept of the devastation that the lack of a softwood lumber agreement is having in British Columbia. Yesterday the IWA told my office that there are at least 16,000 forestry workers on temporary or long term layoff across British Columbia.

Today I spoke with the vice-president of Norske Skog, a pulp and paper mill which is an important employer in my riding employing about 1,200 people. He told me that it will be shutting down four pulp and paper mills temporarily on Vancouver Island and the Sunshine Coast, laying off approximately 5,000 employees.

There are four mills temporarily closed in my riding alone, one of them permanently. The remaining four lumber mills are down to one shift. Now we hear about this pulp and paper mill that will be laying off another 1,200 workers, bringing the total to around 4,000 people in my riding who are directly affected by layoff and the problems with the softwood lumber agreement.

• (2235)

This is absolutely devastating in my riding of Nanaimo—Cowichan, all across British Columbia and in many areas across Canada. The ramifications of the government's inaction on this file are immense. As a stone thrown into a pool of water sends ripples in all directions, the economic and social effects of the government's failures are far reaching.

The obvious first impact is on employees. According to current numbers approximately 20,000 British Columbians are at least temporarily unemployed. Many have no hope of returning to work unless significant strides are made to ensure free trade for softwood lumber. Some 20,000 men and women are not bringing home a paycheque. Some 20,000 families cannot meet their mortgage payments or put food on the table. I wonder if the minister would like to send a message to those people explaining his inaction on this file.

*S. O. 52*

The mills and companies are obviously greatly affected by the closures. The companies involved range from single mill owners to large multinational corporations. Each has different resources to draw on, some small and some large. Either way they will have less profit and will be paying less in municipal, provincial and federal taxes. Norske Skog, for instance, supplies approximately 76% of the tax base to one municipality in my riding.

The next set of economic ripples extends to the communities. As the paycheques dry up so do the purchases. I have heard reports from my riding that there has been a major slowdown in everything from car sales to appliances and a general downturn in sales of virtually every other commodity.

The economic effects caused by the softwood lumber tariff are almost unimaginable. When a town is based singly or largely on one industry anything that upsets the industry has an immediate effect on the economic well-being of the town. One need only point to small towns such as Youbou or Gold River to see the repercussions. Both these towns are facing a rather grim future.

Perhaps the most deeply disturbing effect of these economic sanctions is their impact on families. As the financial strains literally hit home many families cannot endure the pressure. The inevitable end result is some form of breakdown within families. This simply is not acceptable.

There is an additional aspect to the issue that has not been spoken of in the House, at least not for a long time. American companies are buying our raw logs, shipping them south to their own mills and cutting the timber there. This amounts to nothing less than the export of jobs.

This has had a direct effect on my riding. I have spoken with forestry workers who have watched as truck after truck of raw logs has been driven past the mill they used to work at, a mill which is now closed, and has disappeared across the American border.

This is fundamentally wrong. To export raw logs at the expense of our timber industry is wrong. To export jobs to the United States is wrong.

On August 27 in the midst of this dispute with the United States I recommended we place a 19.3% tariff on the export of raw logs. If the Americans want to buy our timber let them pay a premium to do so. This is an issue we will have to deal with in the future but it is all part of the huge problem we are having now.

Yesterday during question period I invited the Minister for International Trade and his parliamentary secretary to join me in my riding to see firsthand the effect of the softwood lumber problem. I was and remain very serious about this. Yesterday afternoon I formally invited them to join me in Nanaimo—Cowichan. I trust I can look forward to a positive response from them and will be able to take them to see firsthand the devastating effects of the softwood lumber problem in my riding.

My time is drawing to a close, the hour is getting late and the Speaker wants to go home as much as I do. I will close quickly.

I strongly urge the government to make softwood lumber a high priority. The Prime Minister needs to be involved at the highest level, clearly and concisely expressing the will of the Canadian

people to the president of the United States. This must be done quickly and with finality.

• (2240)

**Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance):** Mr. Speaker, the U.S. department of commerce has been ruthlessly misled by a small and influential group of U.S. landowners who refuse to compete in a free marketplace. ILMA president Gary Crooks said it is like having a fist fight with the wind. It is a deliberate set up to protect special interests. It is pure and simple political manoeuvring that flies in the face of free trade agreements intended to provide benefits to consumers.

Let us remember it is home builders and buyers in the U.S. who will see their house prices skyrocket while our skilled and dedicated workers are forced to sit on their hands.

Every business in my constituency that uses wood in its product, whether or not it directly manufactures dimension lumber or boards, is being unfairly targeted. There is a large industrial manufacturer in Golden with 400 employees. Its product is not subject to CVD or anti-dumping duties but it trades logs with companies that are subject to the U.S. tariffs.

Our forests are not one uniform species or grade. The 400 workers in Golden trade fir, balsam and spruce and utilize specific grades of wood. The corresponding lumber mills use other species and grades. Each company must have an outlet for species and grades they cannot use. If the lumber operations are shut down where would the industrial wood fibre come from?

Companies in my constituency from Revelstoke to Wynnndel and Erickson to Galloway are all faced with the necessity of making irrational choices. If they lay off their skilled workers, will their employees stay in the business or look for employment outside the lumber industry? If they shut down, will it be for weeks, months or years? What happens if the tariffs are not retroactive? What happens if they are? What will their U.S. customers do? Will they wait or turn to lumber from former Soviet satellite countries?

This punitive and punishing penalty is not just an economic issue. It is an environmental tragedy looking for a place to happen.

British Columbia has an enviable environmental record. In the past 10 years we led the way. Our commercial forestry practices are models of sustainable development. Our commercial forests are growing. That is not a play on words. We are adding to the commercial forests by planting twice as many trees as we are harvesting.

What about the forests of the former East Bloc? First, they are boreal. Their basic wood source is from a fragile base. Second, their forest stripping practices are similar to irresponsible strip mining and are referred to as rape and run in the lumber business. Forcing U.S. home builders to access large volumes of lumber from the former east bloc is to explode an environmental bomb that will have future global implications.



*S. O. 52*

Let us look at what it means environmentally in Canada. Business after business in my constituency has responded to the challenge and opportunity by turning to trim ends, waste wood and low grade lumber. My constituency has proudly built remanufacturing, finger jointing and finishing businesses that not only employ more people with the same amount of logging but upgrade low value wood fibre.

British Columbia is growing nice new forest at twice the rate at which it is harvested. We use every part of the tree. With cogeneration we clean up after ourselves while substantially reducing consumption of non-renewable fuel sources. However the punishing penalties inflicted on Canadians by narrow private interests in the U.S. have all but stopped this responsible use of low grade or waste fibre.

Where punitive tariffs were assessed against the input costs of these remanufacturing operations they are now assessed against the finished product. Given the high labour costs and tight margins of the process a 30% mark up would price the finished product out of the market.

I am aware of the value that is added by prime coating and painting boards. Can members guess what? After businesses invested in buildings, equipment, production line and employee training they were forced to curtail their volumes due to the countervailing duties.

What about having to turn perfectly good wood into chips for pulp? If companies cannot sell utility or number three grade wood what else can they do with it? Let us remember they cannot upgrade the product, so what options do they have? Is permanent storage an option?

The major employer in my constituency is Tembec. Along with the other forest companies it accounts for 25% of the wealth created in Kootenay—Columbia. Here is how it is affected.

• (2245)

Tembec is one of six Canadian companies singled out by the U.S. It has to produce not thousands, but tens of thousands of invoices to the U.S. It is forced to reveal every detail of its business proving the average cost of every board that they sell. The U.S. then discards every invoice where the selling price exceeds the production cost. The invoices with the lower grade wood under the average production cost are retained and the anti-dumping levy is assessed on them.

Let me explain it this way. If the average cost of every car produced by General Motors was \$20,000, the \$70,000 Cadillac or the \$30,000 Buick invoices would be ignored. Under this zeroing principle the small compact cars would attract anti-dumping levies. The \$14,000 Sprint could not be produced or sold. Even that example is flawed. GM has a choice about whether it wants to produce a low cost vehicle.

To use a cow as another example, T-bone steaks are \$10.00 per pound and soup bones are worth \$1. If the average cost is \$3, forget brisket, soup bones and chuck steak. Under this bogus U.S. system we would have to take them to the dump.

Low grade wood comes in the package known as a tree and the company has to do something with it. What about responsible forest

practices? Loggers work to a prescription set by government professional foresters. How will they use a low grade wood that is part of the natural forest? Chips for pulp come from wood production where fibre cannot be recovered. That is good. However conversion of lumber to chips is an irresponsible use of fibre, yet what are the company's choices other than to chip low grade wood?

For Tembec it gets even more bizarre. The U.S. will not allow Tembec to sell any product in the American market under their Canadian selling price. However, because the U.S. has imposed their countervailing duty and anti-dumping tariff, the Canadian market has discounted the lumber sales to reflect the 30% penalty. In a low market like today Tembec could only dream of a 30% profit margin.

The U.S. constructs a cost by adding 18% to Tembec's actual average cost. The so-called dumping penalty is levied on the difference between the sale price in the U.S. and the fabricated constructed costs. Now as complicated as the U.S. has made this, the issue is simple.

Kootenay—Columbia residents are being held as economic hostages. They are highly skilled, industrious, dedicated and hard-working people. Narrow U.S. economic interests treat companies with solid business ethics and responsible environmental practices with disrespect.

U.S. home builders and buyers are paying a higher price for an inferior product from the eastern bloc. The world shudders at the environmental practices carried out in the eastern bloc. If only the Liberals had taken this issue seriously two years ago, they could have taken this message to the U.S. to get the U.S. consumer on side.

Over the last two year period specifically, we have been pushing for the trade minister and the Prime Minister to get to the U.S. consumer. It is only the U.S. consumer interest, understanding the perspective of that country, that would be able to stop this group of small anti-trade very closely held landowners from being able to inflict this kind of damage on my constituency, on our country and on the consumer of the U.S.

There is however one small light in the tunnel. President George W. Bush has assigned former Montana governor, Marc Racicot to work as his envoy in the softwood dispute. The governor has the attention of President Bush and is a personal friend of the president. It is an indication that Bush wants this issue resolved.

*S. O. 52*

I had a minor working relationship with Governor Racicot on the shared interest of Lake Kooconusa that backs into Kootenay—Columbia behind the Libby Dam in Montana. His office was communicative, co-operative and was run with intelligence. In the meetings I had with the governor, I judged him to be the source of his office's intelligence. I believe he understands the issues because he takes time to listen.

We must find a resolution to this never ending Canada-U.S. irritant. We can only hope that the Canadian government finally has the matter on the front burner. My constituents deserve nothing less than the full time attention of the Prime Minister to resolve this issue now.

• (2250)

[*Translation*]

**Mr. Stéphan Tremblay (Lac-Saint-Jean—Saguenay, BQ):** Mr. Speaker, I wish to dedicate this speech to all the workers in the lumber industry, in the Scierie Martel, the Scierie Tremblay, the Scierie Lac-Saint-Jean, the Scierie Lachance and many, many other companies. In short, my thoughts are with those who will be affected by the present litigation, because litigation is what it is.

It will be remembered that when the agreement expired early last April, the American industry filed complaints against the Canadian industry, accusing it of receiving subsidies and dumping—yes, dumping—its product on the U.S. market. The U.S. department of commerce handed down a preliminary ruling in early August. It concluded that the industry was receiving subsidies and accordingly imposed temporary duties of 19.31%.

The October 31 ruling and the preliminary anti-dumping ruling by the department of commerce imposed a duty of 12.58%.

Since I have dedicated this speech to the workers in my riding, it would perhaps be appropriate for me to explain to them and to the public, because it is now almost 11 p.m., what countervailing duties and anti-dumping duties are.

A countervailing duty is a special duty imposed by a country to protect its domestic industry from the negative impact of imports which have received subsidies. In this case, the American government is saying that the Canadian government subsidizes its softwood lumber industry.

It must be remembered that basically, economic rules require that companies engaged in international trade must not be subsidized. If one of the companies engaged in international trade is subsidized by its government, and another company in another country is not, it can say that trading with this company is unfair because it is subsidized.

This is where there is an imbalance with respect to international trade. It is in this connection—I remind the workers who are the victims in this dispute—that the Americans have said to Quebec producers “Your stumpage, the cost of development and many other factors make it extremely advantageous for the Canadian industry to export softwood lumber compared to the American softwood lumber industry”.

That, Mr. Speaker, is the softwood lumber issue in a nutshell. In fact, I address my remarks to the Chair but, at this hour, I feel much

more like I am speaking to the citizens affected by this dispute, to workers in the forestry industry.

This happened a few months ago. We will recall that, a few weeks ago now, another duty, an anti-dumping duty that is quite high, 12.5%, was imposed.

What is the anti-dumping duty? Dumping is selling goods on a foreign market at a price that is lower than the price asked for selling similar products on the domestic market or at a price that is lower than the cost of production.

The accusation made by the U.S. government is that, to enter the U.S. market, the Canadian softwood lumber industry is trying to reduce its prices to the maximum to be more competitive. To arrive at this anti-dumping duty, the U.S. government studied certain Canadian companies, including Abitibi Consol and Tembec. According to some assessment grids, it considered that it should impose a duty of 13.6% to 10.7% respectively and that by averaging these, it would arrive at 13%.

• (2255)

All this to say that, when a company, for example, from L'Ascension in my riding carries a two by four and sells it to the United States, if this product cost \$10, the company must leave \$3 at the U.S. border.

One will understand that after spending thousands or even millions of dollars this amount of money is extremely difficult to absorb for Canadian companies. I say extremely difficult because last weekend I called the forestry companies and sawmills in my riding to know what the impact was. The answer is, in the main, that the impact will be major and devastating. The profitability margin has become so small that companies have to lay people off, and this has a direct impact.

When a company lays off an employee who earns very good wages, it is the whole economy of my riding and, of course, of many regions throughout Canada that is affected. I believe this is why we must absolutely respond to this situation.

In view of this American position, the Bloc Québécois thinks the time has come to hold a meeting of all stakeholders to take stock of the Canadian strategy on this issue. It is time for a meeting of all lumber producers, for greater dialogue, and for the development of a strategy to be able not to negotiate, but to hold talks with the Americans and help them understand our position. Everybody will agree that the Americans are great free traders, but only when it suits them. In the present situation, it seems it does not suit them. They decide overnight to break all the rules of free trade. This is unacceptable.

*S. O. 52*

In the U.S. congress, some divisions are apparent. On one side, we have the American industry accusing Canada of subsidizing its industry and calling for a more stringent agreement. On the other, we have consumers and other American users of lumber, like Home Depot, which is well known here, suggesting that the Canadian industry is not subsidized and that free trade is in order.

The U.S. government should realize that, as a matter of fact, the Canadian lumber industry is not subsidized. In this context, we would like the international trade minister to discuss these issues with his American counterpart.

Of course, some things are harder to control, given that we do not exactly have any power over American policies. However, there are some policies that the Government of Canada can control, entirely. I am referring to measures that could be used with employment insurance.

Given that we are dealing with a crisis, many workers are going to be affected. In my opinion the Minister of Human Resources Development, who is sitting on a huge surplus from the employment insurance fund, should react quickly by relaxing the requirements for employment insurance so that workers who are affected by this thoughtless American act could be compensated with social security measures such as employment insurance.

• (2300)

The minister must make employment insurance more accessible to the forestry workers who are being so heavily hit. We are therefore asking her to broaden the eligibility requirements for employment insurance and extend its benefit period. The time has come to implement these measures.

Unfortunately that is all of the time that I have. I am going to have to ask my colleague from Verchères—Les-Patriotes to finish the speech for me. I sincerely hope that the Canadian government will be able to discuss this issue in a firm and unswerving manner with the U.S. government.

**Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ):** Mr. Speaker, I would like to say, as is my wont, that I am very pleased to take part in this debate. The pleasure is, however, lessened by the gravity of the situation facing us at this time.

I would like to say, for the benefit of our viewers, some of whom probably could not sleep and were channel surfing and happened to come upon us on the parliamentary channel, some of whom found nothing else of interest to watch at this late hour, and those who are such great fans of the dry debates that are held in the House of Commons that they have chosen to follow us at this late hour, that if, indeed they do find their MPs in session at such a late hour, it is because circumstances have forced it.

What we are taking part in at this time is what the Standing Orders call an emergency debate, one requested and allowed because of the gravity of the situation on the issue of softwood lumber, with the United States.

This guerrilla warfare, if I may call it that, which the Americans are waging on the Canadian softwood industry, is nothing new. It is, to all intents and purposes, one which saw the light of day in the

early 1980s, around 1982 to be exact. That was before the Canada-U.S. free trade agreement and NAFTA.

Since then, the United States has never stopped harassing Canadian softwood lumber producers by claiming, most of the time erroneously, that Canadian businesses were subsidized, and consequently they needed to impose countervailing duties, antidumping duties. At this time, we are experiencing the latest sortie in this guerrilla warfare that has been waged for some years.

It is surprising that the United States has decided, once again, to attack Canada, the Canadian softwood lumber industry, given the particular circumstances in which we find ourselves at the present time.

As a result of the tragic events of September 11, one might have expected a much more conciliatory attitude on the part of the Americans to the nations around the world that responded to their appeal to join in the fight against terrorism.

One might have expected that the U.S. would ensure its allies did not suffer an economic backlash in this situation, where we need a strong and solid economy behind us. One might have expected, given the economic indicators pointing, in both the States and Canada, to a major downturn in the economy necessitating—the American government announced investments on the order of \$100 billion—major work.

One might have expected, in this context, that they would not want to be without any resource Canada could offer in terms of lumber, knowing that south of the border major projects would be undertaken to offset the effects of the economic downturn.

And yet, the United States has decided to once again go after the Canadian lumber industry. The agreement Canada finally concluded with the Americans in 1996 was not very favourable to the Canadian lumber industry and especially to that of Quebec.

However, under the terms of this agreement, one would expect that we could return to total free trade in lumber. Yet the United States decided to impose countervailing duties of 19.3% in August.

• (2305)

We are now faced with new duties of 12.58 %, anti-dumping duties this time, in addition to the ones levied by the United States last August.

These are totally unacceptable decisions because, over many years, the Canadian industry adapted progressively, if I may say so, to deal with the complaints of the American producers. It may have been true a few years ago the Canadian industry could have been accused of receiving subsidies or of being indirectly subsidized by the government, but I think we can reasonably say now that the Canadian lumber industry and the Quebec lumber industry are not subsidized.

*S. O. 52*

Therefore, the American decision is totally unfounded. Particularly since a free trade agreement exists between the two countries. We then have to expect and demand that the Canadian government strongly intervene in this issue. This has to be done at the highest levels. The Prime Minister has to deal directly with the President of the United States.

As the hon. member for Lac-Saint-Jean—Saguenay mentioned earlier, we must also get all the producers and stakeholders involved. Already, for a number of months now, since the crisis resurfaced in April, producers have been kept in the dark. They are not informed of what is going on. They are asking to be consulted. They want to be allowed to make a contribution, to comment and to make suggestions so that we can solve this crisis.

The impact of the decisions made by the United States on the Canadian and Quebec softwood lumber industry should not be underestimated. Thousands and even tens of thousands of jobs are at stake. Our industries' profits are at stake. The U.S. government is hitting very hard, and unjustifiably so, one of its most loyal allies in the fight against terrorism. This is what makes this decision all the more unacceptable.

In Quebec, we are talking about 40,000 jobs. There are 40,000 jobs that are directly and indirectly related to the softwood lumber industry. In Canada, it is 130,000 jobs. The softwood lumber industry injects over \$4 billion a year into the Quebec economy.

So what is happening now must not be taken lightly. As I was saying earlier, we must demand that the Canadian government pursue this matter vigorously. In the meantime, until we can settle this issue with the United States once and for all, we must also ask the Government of Canada to be understanding, to show some compassion toward the workers who have already been affected by the U.S. decision or who will be affected by it in the next few days or the next few weeks.

In times of economic downturn, or should I say in times of economic growth such as we had over the last few years, the Canadian government was able to get away with changing the employment insurance plan and accumulating huge surpluses without having a decisive impact, although the impact was significant.

I should remind members that four out of ten unemployed workers who had paid premiums qualified for benefits. In times of economic growth where job creation is occurring, the adverse effects are somewhat lessened. But there is an economic downturn, it is important that the government realize that its EI reform has had and will have even more adverse effects that will penalize the unemployed.

• (2310)

We are therefore calling on the government to make a certain number of changes to the EI system, as recommended by the Standing Committee on Human Resources Development in its unanimous report.

In conclusion, I would urge the Canadian government to take action and if, as I hope, they are following the debate now taking place, I urge the American authorities to be more receptive to the

message from Canadian authorities. On that note, we can only hope for the best.

[*English*]

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):**  
Thank you, Mr. Speaker, and thanks to all those who are helping the House to function at this late hour.

Much has already been said in this emergency debate on the violence being done to the Canadian lumber industry by protectionist forces in the United States. Much has been said by members of parliament whose constituents are directly and powerfully affected by the countervailing duties so far imposed on the industry by the United States.

We have heard about the more than 15,000 jobs that have been lost in the industry already and the anticipated additional 15,000 jobs that are imperilled. We have heard about the economic devastation this has for many small communities, particularly in British Columbia. We have heard much about what the government has or has not done to protect this vital Canadian export industry.

I would like to focus my remarks on my extreme disappointment with the congress and the government of the United States in allowing these countervailing duties to proceed. Members would be hard pressed to find a member of this place who is more friendly toward the interests of the United States of America. I am an unvarnished fan of the American tradition of ordered liberty, of the American example of democracy given to the rest of the world, of the American system of free markets and the economic example to the rest of the world created by the free enterprise system in the United States.

In a country that is not always so friendly to such sentiments, in a country, Canada, whose political culture is sometimes formed not by a nascent anti-Americanism, sometimes taking such a position is not always easy, but it has never been more difficult than it is now.

I want to say to my colleagues in the American congress, many of whom are friends of mine, particularly members of the Republican congressional caucus in the house of representatives, that by allowing these countervailing duties to proceed they have betrayed what is best about the United States and have undermined some of the very virtues and values that make the United States the leader of the free world.

They have done violence to the principle of free trade, without which the entire system of free enterprise collapses. They have allowed themselves to do this, and I include in that a Republican administration that knows better, an administration that preaches the economic gospel of free markets, free enterprise and free trade. It has in this instance allowed the retrograde, economically destructive forces of protectionism to assault an ally, and not just an ally but the closest ally, friend, neighbour and partner of the United States for over a century.

S. O. 52

Not only have they assaulted the economic interests of Canada and the principle of free trade and free enterprise, have they assaulted even their own consumers. Of course this is the twisted logic of protectionism. A small, discrete number of people have an acute interest in promoting countervailing duties of this nature on this and other products, those who own large companies that compete with products produced by folks who send products into the United States, exporting countries such as Canada. Yet the cost of the protectionist measures imposed on behalf of and for the interests of a small number of corporations is borne by individual U.S. consumers.

• (2315)

As the American consumers for housing coalition has pointed out, the average American house, newly constructed, already costs \$1,000 more under the Canada-United States softwood lumber agreements of the past six years than it would if we had no such agreements and if we simply had free trade.

This is not just an attack on Canadian companies and Canadian lumber exporters. It is not just an attack on the 30,000 Canadians who are working hard to produce a valuable product needed in the United States. It is also an attack on hundreds of thousands of American consumers who essentially are forced to pay a form of taxation through the now expired softwood lumber agreements and who of course will also bear the brunt of inflated prices as a result of the cumulative 32% countervailing duties imposed since August.

I want to emphasize how disappointing it is for Canadian advocates of free enterprise, free exchange and free markets to see American politicians and policymakers who do know better taking this position.

When President Bush visited us here in Canada in Quebec City in August at the Organization of American States heads of state and heads of government meeting, he among others was a strong proponent of hemispheric trade. He spoke eloquent words then, as he has elsewhere, about expanding the circle of exchange and the circle of prosperity by opening up trade. He clearly articulated it as one of the foundational economic and foreign policy principles of his administration, the idea of opening markets, knocking down tariffs and allowing rules based trade systems to replace the small mindedness of tariffs and protectionism.

Yet while he was making that speech and subsequent remarks in rhetorical support of the principle of free trade, he knew full well that members of his administration and senior members of the congress were preparing to take these countervailing actions against Canada. He has allowed that to happen.

The United States government and President Bush I hope have the unqualified support of this country and this parliament in pursuing and leading the civilized and free world in its war on terrorism.

We have seen the United States government understand that at this time in particular, it is important for the United States to align its foreign and trade policy goals with that overarching objective of winning the war on terrorism. We have seen this through its changes in policy toward, for instance, Pakistan. Months ago it was considered a pariah state or pariah regime by the state department in Washington. Foreign aid had been cut off and trade sanctions had been imposed.

As an instance of this new reality, Pakistan is now an important ally of the United States. I am not cynical about these things; I understand the realities of realpolitik. I understand that the United States consequently has, for instance, eliminated virtually all of its economic sanctions on the Pakistani regime and legitimized the government of President Musharraf. It has increased foreign aid to that country and reduced the outstanding debt from Pakistan. That is one example of how American foreign policy and economic policy have aligned with the new reality.

That is why it is particularly troubling to see that the United States has not taken the same kind of approach to its strongest ally here in Canada, why it continues to pursue a policy which inflames Canadians against this American attack on our economy, which is frankly what it is.

• (2320)

I hope the government will do everything it can vigorously to represent our interests. I hope that we will not allow the Canadian government and the Canadian lumber industry to be taken hostage and taken to a negotiating table to come up with another sequel to the Canada-U.S. softwood lumber agreement. The last thing we need is another five or six years of de facto protectionist tariffs to which we agree. We must insist on the principle of free trade.

Canada can be a leader in the hemisphere by saying no to the special interests in the U.S. congress and by saying yes to the principle of free enterprise and free trade. We must hold firm. We must stand together. We must make this our top international trade priority, as we insist on free trade, so that Americans can benefit from the products we produce, and that circle of free exchange can gradually incorporate more and more people in this hemisphere.

**The Speaker:** Order, please. I am satisfied that the debate has now been concluded and I therefore declare the motion carried.

(Motion agreed to)

[Translation]

**The Speaker:** Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 11.24 p.m.)



# CONTENTS

Tuesday, November 6, 2001

## ROUTINE PROCEEDINGS

### Order in Council Appointments

Mr. Regan ..... 6971

### Government Response to Petitions

Mr. Regan ..... 6971

### Veterans Affairs

Mr. Duhamel ..... 6971

Mr. Bailey ..... 6972

Mr. Plamondon ..... 6972

Mr. Stoffer ..... 6973

Mrs. Wayne ..... 6973

### Committees of the House

#### Procedure and House Affairs

Mr. Adams ..... 6974

Motion for concurrence ..... 6974

(Motion agreed to) ..... 6974

Mr. Adams ..... 6974

Motion for concurrence ..... 6974

(Motion agreed to) ..... 6974

### Petitions

#### Remembrance Day

Mr. Kenney ..... 6974

#### Kidney Disease

Mr. Adams ..... 6974

#### Mail Couriers

Mr. Adams ..... 6974

### Questions on the Order Paper

Mr. Regan ..... 6974

## GOVERNMENT ORDERS

### Canada National Marine Conservation Areas Act

Bill C-10. Report Stage ..... 6974

#### Speaker's Ruling

The Speaker ..... 6974

#### Motions in Amendment

Mr. Comartin ..... 6975

Motions Nos. 1 and 2 ..... 6975

Mr. Burton ..... 6975

Motion No. 3 ..... 6975

Mr. Comartin ..... 6975

Motion No. 4 ..... 6975

Mr. Burton ..... 6976

Ms. Bulte ..... 6977

Ms. Gagnon (Québec) ..... 6978

Mr. McNally ..... 6979

Mr. Cuzner ..... 6981

Mr. Abbott ..... 6982

Ms. Girard-Bujold ..... 6983

Mr. Harb ..... 6984

Mr. Lincoln ..... 6985

Ms. Bulte ..... 6986

Mr. Burton ..... 6986

(Motion No. 3 withdrawn) ..... 6986

Motion No. 3 ..... 6986

Division on Motion No. 1 deferred ..... 6987

Division on Motion No. 2 deferred ..... 6987

Division on Motion No. 3 deferred ..... 6987

Division on Motion No. 4 deferred ..... 6987

Mr. Comartin ..... 6987

Motion No. 5 ..... 6987

Mr. Burton ..... 6987

Motion No. 6 ..... 6987

Mr. Comartin ..... 6987

Motion No. 7 ..... 6987

Mr. Comartin ..... 6987

Mr. Burton ..... 6989

Mr. Lanctôt ..... 6990

Mr. McNally ..... 6992

Ms. Bulte ..... 6992

Division on Motion No. 5 deferred ..... 6993

Division on Motion No. 6 deferred ..... 6993

Division on Motion No. 7 deferred ..... 6993

## PRIVATE MEMBERS' BUSINESS

### Canada Labour Code

Ms. Guay ..... 6994

Bill C-340. Second reading ..... 6994

Mr. Malhi ..... 6996

### Business of the House

Ms. Guay ..... 6996

Motion ..... 6996

(Motion agreed to) ..... 6996

### Canada Labour Code

Bill C-340. Second Reading ..... 6996

Mr. Malhi ..... 6996

Mr. Johnston ..... 6997

Mr. Martin (Winnipeg Centre) ..... 6998

Mr. Doyle ..... 6999

Mr. Dubé ..... 7000

Ms. Guay ..... 7001

## STATEMENTS BY MEMBERS

### Veterans Week

Mr. Peric ..... 7001

### Softwood Lumber

Mr. Merrifield ..... 7001

### Prayer for Peace

Mr. Graham ..... 7002

### Asbestos Region Hospital Centre

Mr. Binet ..... 7002

<b>Firefighters</b>	
Mrs. Kraft Sloan .....	7002
<b>Illicit Drugs</b>	
Mr. Mayfield .....	7002
<b>Centrinity Inc.</b>	
Mr. Wilfert .....	7002
<b>Airline Industry</b>	
Mr. Tremblay (Lac-Saint-Jean—Saguenay) .....	7003
<b>Sports</b>	
Ms. Phinney .....	7003
<b>Veterans Week</b>	
Mr. Benoit .....	7003
<b>National Defence</b>	
Mr. Pratt .....	7003
<b>Jean-François Breau</b>	
Mr. Godin .....	7003
<b>Financial Services</b>	
Mr. Ménard .....	7004
<b>Remembrance Day</b>	
Mrs. Ur .....	7004
<b>Down Syndrome</b>	
Mr. Bachand (Richmond—Arthabaska) .....	7004
<b>Teknion Corporation</b>	
Ms. Sgro .....	7004
<b>Supplementary Estimates</b>	
Mr. Williams .....	7005

### ORAL QUESTION PERIOD

<b>Softwood Lumber</b>	
Mr. Day .....	7005
Mr. Chrétien .....	7005
Mr. Day .....	7005
Mr. Chrétien .....	7005
Mr. Day .....	7005
Mr. Chrétien .....	7005
<b>National Security</b>	
Mr. Hill (Macleod) .....	7005
Mr. Chrétien .....	7005
Mr. Hill (Macleod) .....	7006
Mr. Manley .....	7006
<b>Softwood Lumber</b>	
Mr. Duceppe .....	7006
Mr. Pettigrew .....	7006
Mr. Duceppe .....	7006
Mr. Chrétien .....	7006
Mr. Paquette .....	7006
Mr. Pettigrew .....	7006
Mr. Paquette .....	7006
Mr. Pettigrew .....	7006
Ms. McDonough .....	7007
Mr. Chrétien .....	7007
Ms. McDonough .....	7007

Mr. Chrétien .....	7007
Mr. Clark .....	7007
Mr. Chrétien .....	7007
Mr. Strahl .....	7007
Mr. Pettigrew .....	7007
Mr. Duncan .....	7007
Mr. Pettigrew .....	7007
Mr. Duncan .....	7008
Mr. Chrétien .....	7008
<b>The Economy</b>	
Mr. Loubier .....	7008
Mr. Martin (LaSalle—Émard) .....	7008
Mr. Loubier .....	7008
Mr. Martin (LaSalle—Émard) .....	7008
<b>Anti-Terrorism Legislation</b>	
Mr. Toews .....	7008
Ms. McLellan .....	7008
Mr. Toews .....	7008
Ms. McLellan .....	7008
<b>Foreign Affairs</b>	
Ms. Lalonde .....	7008
Mr. Eggleton .....	7009
Ms. Lalonde .....	7009
Mr. Manley .....	7009
<b>Immigration</b>	
Mr. Forseth .....	7009
Ms. Caplan .....	7009
Mr. Forseth .....	7009
Ms. Caplan .....	7009
<b>Health</b>	
Mr. Mahoney .....	7009
Mr. Rock .....	7009
<b>Employment Insurance</b>	
Mrs. Desjarlais .....	7010
Mrs. Stewart .....	7010
<b>Softwood Lumber</b>	
Mr. Godin .....	7010
Mr. Pettigrew .....	7010
<b>Foreign Affairs</b>	
Mr. Casey .....	7010
Mr. Manley .....	7010
<b>National Defence</b>	
Mrs. Wayne .....	7010
Mr. Eggleton .....	7010
<b>Employment Insurance</b>	
Mr. Peschisolido .....	7010
Mrs. Stewart .....	7011
Mr. Peschisolido .....	7011
Mr. Martin (LaSalle—Émard) .....	7011
<b>Airline Industry</b>	
Mr. Laframboise .....	7011
Mr. Collenette .....	7011
Mr. Laframboise .....	7011



Mr. Collenette .....	7011	Mr. Duncan .....	7026
<b>Immigration</b>		Ms. McDonough .....	7028
Mr. Goldring .....	7011	Ms. Davies .....	7029
Ms. Caplan .....	7011	Mr. Clark .....	7030
Mr. Goldring .....	7011	Mr. Lunn .....	7031
Mr. Gagliano .....	7011	Mr. Comuzzi .....	7033
<b>Public Service of Canada</b>		Mr. Pettigrew .....	7034
Mr. Bellemare .....	7011	Mr. Reynolds .....	7035
Ms. Robillard .....	7011	Mr. Harb .....	7038
<b>Airport Security</b>		Mr. Volpe .....	7039
Mr. Moore .....	7012	Mr. Dubé .....	7040
Mr. Collenette .....	7012	Mr. Gagnon (Champlain) .....	7042
Mr. Moore .....	7012	<b>Message from the Senate</b>	
Mr. Collenette .....	7012	The Acting Speaker (Mr. Bélair) .....	7043
<b>Publishing Industry</b>		<b>Softwood Lumber</b>	
Ms. Gagnon (Québec) .....	7012	Mr. St. Denis .....	7043
Ms. Copps .....	7012	Mr. Mahoney .....	7044
<b>Industry Canada</b>		Mr. Harris .....	7045
Mr. Bélanger .....	7012	Mr. Stinson .....	7046
Mr. Tobin .....	7012	Ms. Bulte .....	7047
<b>Firearms Registry</b>		Mr. Shepherd .....	7049
Mr. Breikreuz .....	7012	Mr. Godin .....	7050
Ms. McLellan .....	7013	Mrs. Desjarlais .....	7051
<b>Softwood Lumber</b>		Mr. Assad .....	7053
Mr. Lunn .....	7013	Mr. Owen .....	7054
Mr. Pettigrew .....	7013	Mr. Hill (Prince George—Peace River) .....	7055
<b>Presence in Gallery</b>		Mr. Strahl .....	7056
The Speaker .....	7013	Mr. Hubbard .....	7058
<b>GOVERNMENT ORDERS</b>		Mr. Cullen .....	7059
<b>Canada National Marine Conservation Areas Act</b>		Mr. Casson .....	7060
Bill C-10. Report Stage .....	7013	Mrs. Hinton .....	7062
(Motion No. 1 negatived on division) .....	7014	Mrs. Redman .....	7063
Motions Nos. 2, 4, 5 and 7 negatived .....	7018	Mr. Bagnell .....	7064
Motion No. 3 agreed to .....	7019	Mr. Lunney .....	7064
Motion No. 6 negatived .....	7020	Mrs. Gallant .....	7066
Ms. Copps .....	7020	Mr. Savoy .....	7068
Motion for concurrence .....	7020	Mr. Crête .....	7068
Motion agreed to .....	7021	Mr. Brien .....	7070
<b>EMERGENCY DEBATE</b>		Mr. Burton .....	7072
<b>Softwood Lumber</b>		Mr. Cummins .....	7073
Mr. Crête .....	7021	Mr. Desrochers .....	7074
Motion .....	7021	Mr. Roy .....	7076
Mr. Paquette .....	7021	Mr. McNally .....	7076
Mrs. Tremblay (Rimouski-Neigette-et-la Mitis) .....	7023	Mr. Elley .....	7079
Mr. O'Brien (London—Fanshawe) .....	7024	Mr. Abbott .....	7080
		Mr. Tremblay (Lac-Saint-Jean—Saguenay) .....	7082
		Mr. Bergeron .....	7083
		Mr. Kenney .....	7084
		(Motion agreed to) .....	7085

**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**