



CANADA

House of Commons Debates

VOLUME 141 • NUMBER 091 • 1st SESSION • 39th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, December 5, 2006

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, December 5, 2006

The House met at 10 a.m.

Prayers

•(1005)

[*English*]

INTERPARLIAMENTARY DELEGATIONS

The Speaker: I have the honour to lay upon the table the report of a Canadian parliamentary delegation concerning its official visit to Mongolia from October 9-15.

ROUTINE PROCEEDINGS

[*English*]

CERTIFICATES OF NOMINATION

Hon. Carol Skelton (Minister of National Revenue and Minister of Western Economic Diversification, CPC): Mr. Speaker, it is my pleasure to table this nomination on behalf of the Prime Minister today. It is pursuant to Standing Order 111(1). It is a referral to the Standing Committee on Access to Information, Privacy and Ethics. It is a certificate of nomination for the Information Commissioner.

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SALES TAX AMENDMENTS ACT, 2006

Hon. Carol Skelton (for the Minister of Finance) moved for leave to introduce Bill C-40, An Act to amend the Excise Tax Act, the Excise Act, 2001 and the Air Travellers Security Charge Act and to make related amendments to other Acts.

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

* * *

COMMITTEES OF THE HOUSE

AGRICULTURE AND AGRI-FOOD

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, I have the honour this morning to present to the House, in both official languages, the report on the review of the Canada Grain Act and the Canadian Grain Commission conducted by COMPAS Incorporated, a tremendous body of work here that I am sure the Minister of Agriculture and Agri-Food will make reference to in his deliberations.

ELECTORAL BOUNDARIES READJUSTMENT ACT

Hon. Jack Layton (Toronto—Danforth, NDP) moved for leave to introduce Bill C-391, An Act to change the name of the electoral district of Toronto—Danforth.

He said: Mr. Speaker, the members may know some of the history of Toronto and the long-standing role that both East York and Riverdale played in the history, particularly in the 19th century and early 20th century, in Toronto but there is a vibrancy in these communities that continues.

Unfortunately, however, the borough of East York, one of the last remaining boroughs in Canada, was annihilated by a decision of the provincial government when the megacity was created, much to the chagrin and disappointment of the people of East York who had a strong and deep community spirit.

At the same time, the residents of Riverdale have experienced a resurgence in business, community spirit, historical awareness and community service. All of this now can be recognized by modifying the name of the riding. I have conducted a community consultation on this matter and this is the consensus achieved by that process.

I am very pleased to put the bill forward for the House's consideration.

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

* * *

[*Translation*]

PETITIONS

SUPPORTING COMMUNITIES PARTNERSHIP INITIATIVE

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, I would like to take this opportunity to present a petition from the Richmond—Arthabaska riding. It comes to us from an organization called Maison Raymond Roy, which provides shelter and counselling services to homeless people aged 18 to 30.

The petitioners expressed their concern about the fact that the supporting communities partnership initiative, or SCPI, has not yet been renewed. They added that they are going to lose some of their front-line workers in the very near future because they will have to go elsewhere if they do not receive some sort of assurance that the SCPI will be extended beyond March 31, 2007.

S. O. 52

[English]

AGE OF CONSENT

Mr. Tom Wappel (Scarborough Southwest, Lib.): Mr. Speaker, I have two petitions. The first one is primarily from people who live in my riding but also in the surrounding areas.

The petitioners pray that the government assembled in Parliament take all measures necessary to immediately raise the age of consent from 14 to 16 years.

MARRIAGE

Mr. Tom Wappel (Scarborough Southwest, Lib.): Mr. Speaker, the second petition contains hundreds of signatures from all over Canada, including my riding and other areas of Toronto.

The petitioners call upon Parliament to reopen the issue of marriage in order to repeal or amend the Marriage for Civil Purposes Act in order to promote and defend marriage as the lawful union of one man and one woman to the exclusion of all others.

SRI LANKA

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, I have a petition from residents of my riding concerning the unfolding situation of the war that has developed in Sri Lanka. The three week military offensive by the government forces has produced an all out war situation.

These petitioners, several hundred of them, call upon the Government of Canada to send a strong message to the government of Sri Lanka to cease the military offensives and to allow the international relief agencies to enter the Tamil areas to provide humanitarian aid to the affected civilian population, to stop the shelling and bombing of the civilian habitats, as well as to allow the international monitors to investigate the situation.

I know all of us in the House would want to encourage all of the governments, individuals and groups involved to work toward a ceasefire once again and to re-establish the peace negotiation process.

YOUTH VOLUNTEER PROGRAMS

Mr. Rick Casson (Lethbridge, CPC): Mr. Speaker, it is my pleasure today to table a petition comprised of 2,511 names from across Canada. This petition was put together by the Youth Volunteer Coalition.

The petitioners state that each year several tens of thousands of young Canadians express a desire to serve society as volunteers in Canada or abroad and that a great majority of them are denied this opportunity due to a lack of government funds provided to experienced and competent non-government organizations that offer volunteer programs.

They call on Parliament to enact legislation or take measures that will allow all young Canadians, who wish to do so, to serve in communities as volunteers at the national or international levels.

•(1010)

[Translation]

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, I would like to present a petition on behalf of all

youth in Quebec and Canada who wish to volunteer their services to others, either here or abroad.

Our youth are often unable do so, because of a shortage of funding. They are therefore calling on this Parliament to examine the problem and to ensure that the funds they need are made available to them, so they may continue their volunteer work.

[English]

AGE OF CONSENT

Ms. Dawn Black (New Westminster—Coquitlam, NDP): Mr. Speaker, I am pleased to present a petition in the House of Commons today that calls upon Parliament to protect our children from sexual predators. The petitioners talk about the ages of 14 to 15 being very vulnerable to sexual exploitation and ask the House of Commons to raise the age of consent from the age of 14 to the age of 16 years. It is signed by many people in British Columbia.

TAXATION

Ms. Dawn Black (New Westminster—Coquitlam, NDP): Mr. Speaker, the second petition asks Parliament to establish peace tax legislation and something that is called the conscientious objection act which recognizes the rights of conscientious objectors not to pay for the military portion of their taxes.

AFGHANISTAN

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, this petition has been submitted by individuals from across the country, particularly Quebec, with a concern about Canada's role in Afghanistan. In particular, they are calling upon the Government of Canada to withdraw Canadian soldiers from Afghanistan and the mission that is taking place there. I present this petition to members of the House.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

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REQUEST FOR EMERGENCY DEBATE

CANADIAN WHEAT BOARD

The Speaker: The Chair has received an application for an emergency debate, under Sanding Order 52, from the hon. member for Malpeque.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I have given notice with respect to a request for an emergency debate on the activities of the Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board with respect to the Canadian Wheat Board.

Government Orders

This is an urgent matter requiring immediate discussion based on the minister's efforts to fire the CEO of the Canadian Wheat Board without cause. The CEO is the chief salesman for the board abroad, has a sound international reputation and is responsible for the sale of \$6 billion worth of grains to some 70 countries.

Briefly, the issues that have occurred, which must be addressed on an emergency basis, are the following. The minister has compromised the reputation of the Canadian Wheat Board by his action of November 29 in issuing a preliminary letter on the firing of the CEO and president of the board. This has been done without cause and sends a signal internationally that the Government of Canada no longer has confidence in the board. However, members of the board of directors have sent a letter to the government saying that they do have confidence in that chief executive officer. In fact, he was recently reappointed to the position.

This matter must be addressed in the House by the government and it must explain itself fully in the course of debate. The action of the minister, coupled with previous actions in dismissing members of the board of directors, of utilizing, in an extraordinary manner, orders in council to prevent the Canadian Wheat Board from representing itself, the unprecedented interference by the minister in the process of the Wheat Board's election of directors and the growing opposition to these undemocratic processes, require the House to pronounce itself immediately.

Mr. Speaker, as I said a moment ago, members of the board of directors of the Canadian Wheat Board sent a letter to the government expressing their support for the CEO. Our international reputation is at stake, our farmers' livelihoods are at stake and in fact the very principles of a democratic country are at stake in terms of the minister's action with regard to this issue.

• (1015)

The Speaker: I note that the member made a request for an emergency debate in respect of the Canadian Wheat Board in October and I did refuse it at that time. I will take the hon. member's submissions into consideration and get back to the House in due course with a decision on this matter. I thank him for his submission today.

GOVERNMENT ORDERS

[English]

SOFTWOOD LUMBER PRODUCTS EXPORT CHARGE ACT, 2006

Hon. David Emerson (Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC) moved that Bill C-24, An Act to impose a charge on the export of certain softwood lumber products to the United States and a charge on refunds of certain duty deposits paid to the United States, to authorize certain payments, to amend the Export and Import Permits Act and to amend other Acts as a consequence, be read the third time and passed.

He said: Mr. Speaker, judging by last night's 12 votes on softwood lumber related matters, all members of this House are starting to suffer a little bit of softwood lumber fatigue. Hopefully,

they are beginning to understand the kind of fatigue that the softwood lumber industry is experiencing after the better part of two decades of protectionist attacks and trade disputes dealing with softwood lumber.

It is a great pleasure for me to rise in the House today to begin deliberations on third reading of Bill C-24, an act to implement Canada's commitments under the softwood lumber agreement. Once again, I ask that all members of the House support this bill.

To begin, I would like to thank all members of the House and particularly those members of the House Standing Committee on International Trade for their close study of the bill and their proposed amendments.

Much has happened since this bill was first introduced in the House on September 20. On October 12, the softwood lumber agreement officially came into force. Three weeks after that Export Development Canada commenced refunds of duties to sawmills and producers in many of the more than 300 communities in Canada that are dependent on the forest industry.

This has been a much needed infusion of cash for this sector at a time of very weak lumber markets. Thanks to the accelerated process we developed through Export Development Canada, over 93% of lumber companies participating in the accelerated refund mechanism have now received their refunds.

That is more than \$3 billion disbursed ahead of schedule and Export Development Canada will clean up the balance of those refunds in the next few weeks. Considering what this money represents for forestry workers and communities, this is a critical period because this industry is facing some very tough times. Lumber prices are in a cyclical low as a result of weaknesses in the U.S. housing market. Energy costs are up and the exchange rate advantage enjoyed a few years ago has now been erased by the strong Canadian dollar.

Cash provided by the agreement will help lumber producers reinvest in their enterprises, improving efficiency and helping to weather that downturn in lumber prices. What is more important, it will let them do so in a more stable, more predictable trade environment, an environment where the rules are clear and where for the first time in years we are not dragging the dead weight of litigation and the crippling attacks of U.S. protectionists.

We cannot overestimate the importance of a stable environment to our lumber industry and now Canadian companies are investing again. They are buying U.S. companies. They are investing in technology. They are assuming the mantle of global leadership in an industry where Canada has historically been a world leader.

Government Orders

What do I mean by stability and certainty? We are talking about seven to nine years, the life of this agreement, during which Canadian forest policies are going to be protected from further protectionist attacks by U.S. interests. If there is a moratorium on trade actions, it would give our industry a sustained period to begin to rebuild and to plan their future.

We have an agreement which provides mechanisms for improving and strengthening the trade framework. We will be improving it through improved operating rules. There is an opportunity to examine exit ramps for further regions in Canada to come out from under some of the remaining restrictions in the softwood lumber agreement.

We have a provision for an examination of the coastal industry in British Columbia which, as members will know, has been in decline for 10 to 15 years now. We will now work with the province of B.C., with the industry, and with our U.S. counterparts to ensure that the softwood lumber agreement evolves and provincial policy and Canadian policy evolves in such a way as to breathe new life into the coastal industry in British Columbia.

● (1020)

We will have an opportunity through this agreement to look at the value added sector and what we can do to improve conditions for the growth of the value added sector here in Canada.

We have a dispute resolution mechanism which is a non-NAFTA dispute resolution mechanism. It will provide for quick, clear, transparent and fairly immediate resolution of disputes arising from this agreement.

In weak markets, which occur regularly in the lumber business, as anyone familiar with this industry knows, we do have a framework which is flexible. We have opportunities for provinces to choose how they wish to manage and react to markets when prices are below certain threshold levels. We have retention of revenues. When we have an export tax in place, those moneys stay here in Canada and the largest portion will be returned to the provinces from where the tax was collected.

When we think about the agreement and members of the House make a decision on how to vote on the agreement, we should think long and hard about the alternative. Our lumber producers have spent the better part of the last two decades engaged in costly and drawn out legal battles with the United States. They know that winning the battle is not the same as winning the war. Our victories in a number of trade courts, both with the NAFTA and the World Trade Organization, were helpful in setting the stage for a negotiated settlement.

However, litigation was never intended to be an end game. The government has not seen it that way. The last government did not see it that way, and the vast majority in the industry never saw litigation as a route to the final solution in softwood lumber. It was always intended to give Canada a strong basis for negotiations. Taken to the limit, litigation has proven to be a sinkhole into which we can pour hundreds of millions of Canadian dollars. It is a ticket to affluence and opulence for U.S. trade lawyers, but it is not a ticket to full free trade in lumber.

Some have suggested that Canada should have held out for the ultimate win in litigation, which they claimed would come some time in 2007 or beyond. Every member in the House must recognize that legal victory is never certain. On any given case, it is never certain. Every member must recognize that the United States, or its softwood lumber lobby, could simply file a new case the very next day.

There is little to prevent the U.S. from changing its laws to erase the basis for our legal victories. Only an agreement, such as the one we have reached, can prevent new cases and a new dispute from erupting immediately. In weak lumber markets, such as we have now, that is the time when Canada is most vulnerable to the most egregious, painful and destructive attacks by U.S. protectionists.

The NAFTA is a good trade agreement, but it was never devised to avoid trade disputes and trade litigation, whether originating on the U.S. side or the Canadian side. Those who reject a negotiated softwood lumber agreement are basically arguing for a sustained attack on U.S. trade law. That would be a war of attrition and I do not think it would be a war that we could win with the emerging and growing protectionist sentiments in the U.S. It is a war that would be fought on the backs of Canadian companies and Canadian workers. In the end, the legal victories would be empiric victories, the pain would far exceed the gain.

That is why the government took action, and it started right at the top. When our Prime Minister met with President Bush in Cancun earlier this year, they decided that resolving this dispute was fundamental to the Canada-U.S. trade relationship overall.

● (1025)

Together with the active involvement of industry and the provinces, we negotiated an agreement that is good for lumber communities and good for Canada. This agreement eliminates punitive U.S. duties. It ends costly litigation. It takes our lumber producers out of the courts and puts them back where they belong, growing their businesses and contributing to their communities.

For the next seven to nine years no border measures will be imposed when lumber prices are above \$355 U.S. for a thousand board feet. When prices drop below this threshold level, the agreement provides provinces with flexibility to choose the border measures most beneficial to their economic situation. All export charge revenues collected by the Government of Canada through these border measures will stay in Canada. The agreement returns more than \$5 billion Canadian to the industry. That is a much needed infusion of capital for an industry and the workers who rely on the lumber industry.

Make no mistake about it, if we turn our backs on this negotiated softwood lumber agreement, that some members continue to advocate, that would mean a return to the courts. It would mean greater job losses for the people and communities that depend on softwood lumber.

Government Orders

Ask the major lumber producing provinces that joined the overwhelming majority in industry in supporting this agreement, ask the producing companies, and ask the workers, if they really want to continue with a softwood lumber trade war at a time like this when markets are weak and protectionist pressures are strong and growing in the United States. Ask them if they would like to go back to paying U.S. duties. Ask them if they want to take on new legal attacks, new cases, and new duties, and further fill the pockets and the coffers of U.S. law firms. Ask them if they want to follow the opponents of a negotiated settlement like lemmings off another cliff in an act of collective economic suicide.

Our lumber communities have suffered long enough. They need the stability and the resources that this agreement provides. This agreement is the best way forward for our softwood lumber industry and the over 300,000 Canadians who rely on it. It does not solve every problem, but it does provide the framework for resolving outstanding problems. We will work with provinces, with industry, and with communities to build a great future for a great industry. I ask members to support Bill C-24.

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I have three questions which I will put to the minister and I will try to make them succinct.

Canfor was one of the first companies, and maybe the only company, that felt that the chapter 11 claim, in the context of the softwood lumber tariffs and the anti-dumping framework, essentially stated that its assets were unduly attacked with an unfair process. The minister may not be able to comment on this, but I am wondering how the minister can reconcile that with his position here today.

Second, at what price per thousand board feet do companies break even in terms of what companies would have been paying under the current tariff versus the new export tax where the companies could end up paying more export tax than they would have paid in terms of the U.S. tariff? What price is that? Are we there today or are we expected to be there at some point?

My third question is with respect to the concept of zeroing within the framework of anti-dumping. It is a complicated arrangement. I know the Minister of International Trade is very well versed in this. I wonder if he would comment on the concept of zeroing and whether he thinks it is a fair practice.

• (1030)

Hon. David Emerson: Mr. Speaker, the hon. member asks some good questions.

On the chapter 11 issue, as the member knows I was the CEO at Canfor at the time Canfor launched a chapter 11 case. I can tell him from first-hand knowledge that the chapter 11 case that Canfor launched at that time was launched as a way of bringing further pressure on the U.S. government to bring about a negotiated settlement of the softwood lumber agreement.

We felt there was a strong case at the time, but again, it was always intended that the course of bringing litigation to a conclusion was a long, complex and very expensive project, and ultimately we would have to go to the negotiating table to bring about a

satisfactory resolution. The chapter 11 issue should be seen in that context.

In terms of the break-even tariff, members will know that at the time this agreement came into force, the U.S. tariff was close to 11%. In this market, where lumber prices are under \$300, we are in a world where we would be paying an export tax of 15%.

The context that all members must understand is that the 11% was under administrative review. It was already scheduled to rise to over 14% later this year. I can tell members that dumping margins, which are unique in this latest lumber dispute, grow dramatically in weak markets, so we have to expect that the U.S. duties would have climbed significantly. Even when we finally would have won, and we probably would have won through litigation on the current cases, there would have been new cases launched. I can tell members that in the current environment the likelihood of American success in the next legal round would have been greatly elevated.

Again, we must remember that the 15% duty we are charging as an export levy is almost like another form of stumpage, except that it is much more focused and is only on lumber that goes to the U.S. market, as opposed to raising the price of timber across the board, which would have rendered pulp and paper and OSB less competitive. It would have been very damaging. But that money stays here in Canada for the betterment of Canadians and that is a very important distinction.

On the matter of zeroing, as the hon. member knows, we have had cases at the WTO and zeroing has been ruled ultra vires, so to speak, of WTO rules, but there are a number of different ways that de facto zeroing still applies in dumping cases. I am no big fan of zeroing. That has been my view for a long time.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I rise today to comment following the minister's speech because it is important that everyone in Canada and Quebec learn a history lesson from this negotiation.

We must remember that the Canadian government dragged the entire forest industry into a fight against the Americans because of a court case. In the end, we were forced to accept an agreement that was less than satisfactory. We have been in regular direct contact with the forest industry, which asked us to support this agreement. Given the outcome of the negotiations, it was the best choice.

In order for us to learn from this lesson, I would like to know what the minister plans to do to monitor the implementation of this agreement. Will the monitoring committees provided for in the agreement really be established? I would also like to know if he is aware that the forest industry still needs another plan to help it get through the very difficult period it is now experiencing. I think that the money we are getting back from the Americans will do nothing more than help the industry keep its head above water. It needs much more than that.

Government Orders

I know that businesses in my riding, especially those that use American wood, will be exempt from duties. They are happy with that. However, the entire industry is going through a very difficult time because of the drop in prices.

I would therefore like the minister to tell us how he intends to ensure follow-up. I would also like to know how he plans to support the industry's recovery, not just by getting money back from the Americans, but by offering other forms of assistance from the federal government.

• (1035)

[English]

Hon. David Emerson: Mr. Speaker, we are in fact putting in place some of the committees that have been specified directly in the softwood lumber agreement. We are beginning to develop agendas. We are preparing to appoint appropriate individuals who can ensure that the agreement is administered and evolves in the most positive and constructive way for the Canadian industry.

I am also looking at appointing an advisory committee to me as the minister, which would help to advise me and thereby the government on how we ensure the longer term evolution of the softwood lumber agreement and the softwood lumber industry from a Canadian perspective.

The member quite rightly points out that the softwood lumber industry in Canada, and indeed in North America, has been going through some very difficult times.

We now have the pine beetle in British Columbia, which is causing an acceleration of the annual allowable cut and therefore a substantial increase in lumber production in that part of the world. However, 10 years out, there is going to be a very serious reduction in the annual allowable cut in British Columbia as a result of the beetle-infected wood having been harvested and the difficult sustainability issues that will face forest management in B.C.

Quebec and Ontario have been experiencing and managing reductions in the annual allowable cut in recent years. That is going to continue for a longer time.

In Quebec there are some very specific issues that need to be dealt with. Labour mobility out of some of the smaller lumber dependent communities in Quebec is not what it is in other parts of Canada. There are some very specific issues in the province of Quebec that need to be dealt with.

I know that both of my colleagues, the Minister of Finance and the Minister of Natural Resources, are looking at tax and other measures which can be helpful in ensuring the strong evolution of the industry. We want to ensure that we do become the world's greatest lumber producer and the most technologically sophisticated lumber producer as we go forward.

Ms. Dawn Black (New Westminster—Coquitlam, NDP): Mr. Speaker, I listened to the minister very carefully today on his presentation at third reading on the softwood deal. It took me back a few years to a previous Conservative government that negotiated a free trade deal with the U.S. The government at that time told Canadians that the free trade deal would end all of these kinds of

disputes with the U.S. on trade. Sadly, that certainly has not been the case, as has been pointed out with this softwood sellout to the U.S.

My question for the minister is specifically about how this deal he has negotiated with the Americans will impact on other trade sectors and other Canadian industrial sectors that trade with the U.S. What now is to prevent any American industry attacking Canadian trade in the same way that the lumber industry has in the U.S.?

What does that say about the trade deals we have negotiated and the dispute mechanisms that are in place, where we actually have won at every level? Yet we have negated any kind of faith in the trade deals we have signed with the U.S. How does the minister respond to that in terms of other industrial sectors and their vulnerability now to this kind of tactic from Americans?

• (1040)

Hon. David Emerson: Mr. Speaker, I have to say right off the bat that the NDP has always been critical of NAFTA. Indeed, I think that party is critical of free trade generally. I want to go on the record as stating very clearly and firmly that without trade liberalization, without NAFTA, Canada would be a very substantially poorer country today. Jobs depend on it. Our wealth creation depends on it. Our social programs depend on it. Our country depends on it. We are a small population economy spread across a massive land area. If we do not have good, liberal international trade, we are in serious trouble.

In terms of how this agreement affects other sectors, it is clear to me, and it was part of our thinking right through this piece, that the longer the softwood lumber dispute was prolonged the more it was contaminating our relationship with the United States across a host of issues. In fact, the environment was so badly poisoned that it could have led to much more serious cases developing.

Now that we have the softwood lumber case dealt with in a way that is very advantageous to Canada, we are in very good shape in terms of other sectors. We are also in very good shape in terms of a more positive pro-Canadian evolution of NAFTA that is beneficial to Canada.

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I am pleased to participate in this debate on the softwood lumber products export charge act, 2006.

I appreciate the minister's forthright comments on my earlier questions. I must say that I was a big cheerleader when Canfor launched its chapter 11 claim under NAFTA to say that the assets of Canfor had been wrongly put at risk and jeopardized because of an unfair process in the United States to come up with the lumber tariff. The reality is, in a nutshell, that this is what a chapter 11 filing does. I appreciate the minister's remark that this was to keep pressure on the United States, but nonetheless I believe it is an illusion to think that this agreement is going to find us any sort of peace.

Government Orders

In 1996, for example, there was the softwood lumber III round of negotiations, in which we agreed on managed trade for a five year period. When that ended, the U.S. launched softwood lumber IV. I know the argument is that if we keep litigating they can keep launching a countervailing duty file, but frankly at some point it comes down to being on the right side, and it has been shown that the Canadian softwood lumber industry does not subsidize its softwood lumber.

If we go back to softwood lumber I, the U.S. may have had a case. Our lumber was not priced as well as it could have been in terms of the market, but governments caught on to that and made changes in their stumpage and royalties. We know that today it has nothing to do with subsidies and everything to do with market share. As soon as our market share gets beyond 30%, the U.S. launches another countervailing duty file.

In my judgment, the problem in this case is that while many in the forest industry have said they would rather accept this deal, I think they are doing it under duress because the Conservative government told them that if they did not agree to this deal it was not going to support them any longer. We know that the forest industry in Canada could not possibly continue the countervailing duty process and fight what has been proven time and time again to be a lie, the lie that our softwood lumber in Canada is subsidized.

The industry could not continue this fight without the support of the federal government. That is why our Liberal government had proposed a package to help the industry with bridge financing and a whole range of issues to get over this hurdle and to keep fighting. Why would we cut a deal when we are winning at every stage?

I beg to differ with the minister. This has set a terrible precedent. I do not think it positions us that well with respect to the U.S. market in other areas. If I were in the steel industry or any other industry in the United States, I would tell myself that if Canada had to cut a deal on softwood lumber when it was winning at every conceivable stage and when objective panels comprised of Americans and Canadians were saying that Canadian softwood lumber was not subsidized, then the Americans should have an easy time on other products. I do not think it positions us very well.

I am not suggesting that this is an easy file. This is a very difficult file, but on balance I believe very strongly that the government should not have negotiated a deal. I do not think it is going to work in our interests in the long run.

We even have had confirmed by the minister that the way softwood lumber pricing is going at \$300 for 1,000 board feet, the effect today would be that Canadian softwood lumber producers would actually be paying more under this deal, so we are going to be voting on this deal, finally, to say that our industry should actually end up paying more in terms of an export tax than it is paying in U.S. tariffs. While I understand what the minister is saying in that there are other pressures to review the U.S. tariff, et cetera, it is not money in the bank where I come from. That is something that might have happened or could have happened. Right now we know the effect is that our Canadian lumber producers are going to be paying more.

● (1045)

The sliding scale, where the export tax goes up when the pricing comes down, works very advantageously for U.S. softwood lumber producers. When the pricing goes down, they want less competition in the market. I am not sure that helps the Canadian softwood lumber producers. When the pricing is tanked, they do not want to have to pay more in export taxes. They want to increase their market share.

The industry is under duress and needs the support of the federal government. It did that this might be a good deal, but when the alternative was they would not get any support from the federal government, I think they knew it was all over. They had to cave in like the government caved in and support the agreement, although not all companies or all associations in Canada have said that. I believe they see the longer term implications of this deal.

We need to understand that the U.S. lumber producers are essentially saying this. Because they have a different system in the United States where the vast majority of their forest land is privately held, where in Canada it is just the reverse and most of our forest land is owned by the Crown, and because they auction a lot of their timber and we auction only a small percentage, their system is right and our system is wrong. I dispute that. We do have a different system. Our system of pricing timber has evolved over many decades in Canada.

I would like to know this from the minister. What happens if we move to this softwood lumber deal and many of the provinces move more aggressively to auctioning timber and the price becomes lower than the Crown pricing? That is a possibility. I have talked to many companies. I have also seen companies in the Prince George region where they have a mix of private timber and Crown timber. The private timber they get through the small business auctions is priced lower than the stumpage that is charged by the British Columbia government.

Therefore, there is no guarantee whatsoever that if we move to more of an auction based system, the delivered cost of wood will be lower. In fact, the pricing could increase and go the other way.

What will the U.S. lumber producers do then when they find that the delivered wood costs in Canada are declining because of more auctioned timber? Will that be the panacea they look for then?

Government Orders

A study was done a few years ago by an independent consulting group. It came to the conclusion that Canada's forest industry was 40% more productive than the U.S. forest industry. That was on the basis of total factor productivity. Admittedly that cuts across different parts of the forest industry, pulp and paper, lumber, panels, et cetera. In fairness the lumber sector was not quite as productive as the rest, but on average it still did very well. It was more productive than the U.S. sawmilling industry. On a total factor productivity basis, the Canadian forest industry is 40% more productive than the United States. That total factor productivity is a way of looking at how the industry applies labour, technology, person power, et cetera.

All one has to do is go to Prince George, British Columbia and see some of the sawmills there. They are some of the most efficient sawmills in the world. In fact, U.S. sawmill owners and operators come to Canada and they are given tours of these sawmills in the Prince George area. They are some of the best and most productive sawmills in the world. Therefore, it is not surprising that we can sell a lot of softwood lumber into the United States.

We also have a great resource. We have a colder climate that produces a better product. There are more rings. The wood does not warp or wane as much as on some of these southern plantations in the United States. If one goes to the southern United States to a construction site and asks a carpenter or building contractor what he prefers, U.S. southern yellow pine or spruce pine fir from British Columbia, he will say that he prefers the SPF from B.C. because it is a better quality product.

● (1050)

We know we have a comparative advantage in softwood lumber, yet we are caving in and making a deal. We are acknowledging the lie that softwood lumber in Canada is subsidized. That was the term used by the Free Trade Lumber Council, and it is an absolute truth. We have a very productive industry.

If senators or congressmen or congresswomen in Montana, or Washington state, or Oregon state or Wyoming have sawmills in their areas that might go bankrupt, what do they do? They will pull out all the stops. They will not allow the sawmills to go down because the market is being penetrated by Canadian softwood lumber, which is a better quality product and is priced the same because it is a commodity market. If the margins are good in Canada, more lumber will go there. That just makes economic sense.

This is not a matter for the Canadian government or Canadian producers. Something else should be found for those sawmills that are not as competitive as Canada's sawmills. Pittsburgh was converted into a high tech centre because its commodity based steel mills could not compete on the same scale with the Japanese and the Taiwanese. It became a niche player in the steel industry. That may not be possible with the few sawmills scattered around Montana, or Washington state or Oregon.

Why push the problems up to us? Can we not acknowledge that Canada has a comparative advantage in softwood lumber? I am prepared to concede that perhaps the U.S. has a comparative advantage over us in high tech and some other sectors. Can the U.S. not accept the fact that we have a comparative advantage in softwood lumber? The U.S. industry either cannot or will not accept this fact because U.S. senators and congressmen and congress-

women are trying to prop up inefficient mills. They have the power through Congress and through the Senate to start these protectionist movements. We need a better way to resolve disputes.

The minister has had a long history and a distinguished career in the forest products industry. He knows if someone wants to put up a sawmill, or an OSB mill, or an MDF mill, or a plywood plant, or a pulp mill or a newsprint operation in the U.S. south, that the individual will be offered just about everything to make the deal come true. State and local governments will offer sales tax abatements, tax holidays, property tax abatements and deals on energy. The capital costs of putting up a mill in the United States are about 20% less than the cost of putting up a comparable mill in Canada. Why? I have listed some of the incentives or subsidies, but there are others such as tax free bonds, cheap industrial land, cogeneration agreements, et cetera.

These deals are not limited to the forest products sector. The minister would know full well from his days in the industry portfolio that U.S. state and local governments offered somewhere in the range of 40% to 50% in subsidies for the capital costs of starting up or expanding an auto plant.

● (1055)

I am talking now about the hypocrisy of the United States producers and government supporting those producers when it comes to dealing with subsidies. As I said, people can get almost any kind of subsidy they want if they want to put a new mill in the United States, if they wanted to put up an auto plant or expand.

What about agricultural subsidies? My colleagues in rural sectors will know all about that. The Americans are probably one of the champions of agricultural subsidies, maybe a close second to Europe. They even call them subsidies.

The USDA Forest Service auctions off land and forestry resources. In the past some of those sales were done through auction. In some cases companies bid on that timber and years later they were unable to complete the deal because the price of 2x4 lumber had gone down. If they harvested the wood at that price, it would have been a very difficult economic situation for them. I think they have to go the White House to get this rescinded, and it has been done. The U.S. government notes that the price was bid 10 years ago, but since the economics have changed, it lets them off the hook. That is not an auction system when someone is let off the hook.

Government Orders

We know in the United States, particularly the Pacific northwest, that a lot of the pricing is speculative in nature. We read about the issues around the spotted owl. We read about many of the trends that were causing huge amounts of commercial forestry land to be taken out of production, and it may have been for very legitimate reasons. I am not arguing about the spotted owl. Maybe it needs to be protected. Maybe huge swaths of commercial timberland need to be taken out of production to protect it, but we know there is a scarcity.

In other words, the demand for timber in the U.S. Pacific northwest exceeds the supply. Therefore, if companies are in an auction system, they bid the price up because they want to have access to those timber resources in 15 years to feed their sawmills. We have never heard anyone argue that maybe the price of timber is too high in the United States. Maybe it is pricing itself out of the market. Maybe our pricing is the right.

However, the countervailing duty process does not allow us to get into questions like that. We cannot ask why in some cases the USDA Forest Service, which is a public agency, sells the rights to harvest timber at prices that are less than its costs. Under the countervailing duty process, all we can do is defend our system.

We cannot ask the U.S. government about all the subsidies it throws at U.S. producers because quite conveniently the U.S. Senate and the U.S. Congress have defined the countervailing duty process in a different way. They allege that we are subsidizing timber. It is up to us to show that we do not. We cannot tell them that they are subsidizing their softwood lumber and forest products. They do not talk about things like that. The process is quite flawed.

All of that really upsets me, but look at the anti-circumvention clause in the softwood lumber agreement. If the House supports this, then we agree that this clause is just fine. The clause says that if the U.S. feels actions are being taken, actions that might run counter to the agreement, by the Government of Canada, or the provincial or territorial governments, it can say that it is against the agreement and call for action. That could cover the whole range of forest policy initiatives of the federal and provincial and territorial governments. That is a very dangerous precedent.

The producers are being told they have to drop their lawsuits. If they drop them, in two or three years the U.S. producers can say that they do not think the softwood lumber deal works for them and that they want to scrap it. What do the companies that have dropped their lawsuits do then?

• (1100)

I know there is a lot of pressure from local companies in some cases to sign this deal but it is a terrible precedent. It really does not work for Canada and it does not work for our forest industry. I urge members in this House to study this carefully and defeat this bill when it comes forward.

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I listened carefully to my colleague's speech. I have taken part in every stage of the softwood lumber negotiations.

Let us think back to the first negotiations. A number of years ago, the then Minister of International Trade, Pierre Pettigrew, said: "We

have a very good legal case. We will win this battle against the Americans and then we will truly have free trade on softwood lumber again". However, a major problem came up along the way. The softwood lumber industry realized that the government was not prepared to support it in a satisfactory manner by providing loan guarantees. We ended up falling into the Americans' trap of dragging out the negotiations as long as possible. Even though we were winning every legal battle, the forestry industry was on its last legs. The companies asked us to support the agreement to get their money back so that they could continue to survive on the market and not disappear. It was becoming a rather paradoxical situation. We may have won a legal victory on our position, but there would be no one left in Quebec or Canada to celebrate.

Earlier my colleague made reference to the Free Trade Lumber Council, where Mr. Grenier gave some very serious advice. The weak point of the negotiation was the fact that the Liberal government at the time failed—like the current Conservative government—to adequately support these companies when it was time to do so and, in the end, we were forced to accept this very bad agreement. In any case, it is not very advantageous to Quebec and Canada.

Are we not sending a very negative message to our American neighbours and to the rest of the world that might be right? If the companies had received help through loan guarantees at the right time, today we would not be in this position of weakness where we have to support this motion. I understand that the industry asked us to do so. I believe that the way things unfolded this was the only solution. Nonetheless, could we not draw some lessons from this for the future? Before launching such offensives, we have to make sure we have the financial means to support the industrial sector concerned.

• (1105)

Hon. Roy Cullen: Mr. Speaker, I would like to thank the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup for his questions and comments. However, I do not agree with him when he says that at this time we do not have a choice and we must support this bill. In my opinion, it is wrong to think that way. As for our Liberal government, our support for the forestry industry is long-standing.

[English]

We supported the industry through every countervailing duty action, which took a tremendous amount of work by our embassy in Washington and the department and through consultations with the industries. We had worked up a package that would support the industry with respect to loan guarantees and with respect to other initiatives, such as the need for the industry to convert their energy sources and use their biomass to develop electricity, because one of the big problems with the forest industry today is its high cost of energy.

Government Orders

We also put a number of initiatives in our package to help the forest industry to diversify their markets because markets are developing quite aggressively in China and India. While they have different cultures and different building codes and standards, we can make progress in selling our forest products into those markets and relieve some of the reliance on the U.S. softwood lumber market.

My colleague from the Bloc is mistaken when he says that the Liberal government did not support the forest industry. The Conservative government certainly has not. It told the industry that it had to either sign and support the softwood lumber deal or the government would cut off all support. The government put a gun to the head of the forest industry in Canada, which is why some of the companies are now saying that they do not have much choice because they cannot carry on without the support of the federal government. It was the Conservative government, not the Liberal government, that let the industry down.

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, I thank the member for raising the issues of agricultural and manufacturing subsidies and the difficulty of raising substantive issues in these trade agreements. It seems that they are meant to tie the hands of government much more and to simply allow corporations a free rein.

Earlier, the minister said that the NDP was against free trade. What we are for is fair trade. This agreement seems to impose tariffs on logs processed in any way, whereas raw logs will continue to be exported to mills and processed out of the country.

I wonder if the member agrees with the minister's earlier comments that it is an agreement that would help value added industry in our communities. I have observed the opposite. I would be interested in the thoughts of the member opposite on that.

Hon. Roy Cullen: Mr. Speaker, I have a couple of points on that and the first one has to do with raw logs. It is a sad commentary when right now, as we speak, roughly four to five sawmills in Washington state and Oregon are being fed with raw logs from British Columbia. Even though there is a protocol with the B.C. government and it takes the advice from the B.C. government as to what percentage and how raw logs should be exported, we know that the federal government has the final decision. It can decline to send any raw logs to the United States.

In fact, in one of the countervailing duty actions taken by the United States, the United States had the audacity to argue that because we restrict the export of raw logs that constituted a subsidy because it essentially, in its case, lowered the domestic price for logs. Whereas we know that the reason we want to restrict the export of raw logs is that we want to see more value added in Canada. I would like to see the federal government get much more aggressive with respect to limiting the export of raw logs.

With respect to the other question, I do not see how this particular agreement encourages more value added in Canada. There are some exemptions for the manufacturers but it really does not deal with those issues. It deals with 2x4s, dimension lumber, and I do not see there being any incentive. In fact, it could work the other way. Under the anti-circumvention clause, if there are any moves made to support and encourage the value added it might be attacked by the U.S. producers.

The Canadian industry has always been quite creative in trying to move up the value added chain to get exempted from the softwood lumber agreement. At one time, companies drilled holes into 2x4s to get them exempted from the softwood lumber agreement. Therefore, if they can be more creative and more imaginative to get outside of the softwood lumber agreement maybe it provides that, but I think that is very indirect incentive that was not designed but it might have some limited impact.

• (1110)

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, we have reached the last step: we are beginning debate on third reading of the bill.

Today we are discussing Bill C-24 regarding the softwood lumber agreement settling the dispute between Canada and the United States. In practice, this bill leads us straight to the agreement between the United States and Canada.

We cannot talk about Bill C-24, particularly at this last stage, without referring to the agreement and the situation that has almost always characterized the softwood lumber sector. The softwood lumber trade with the United States can be traced back 150 years. There have been problems and disputes with the United States for a very long time. We opted for free trade even before that. Free trade would normally have covered all goods and services between the two countries so that they could trade freely with one another. However, once again, the United States complained five years ago. They began legal proceedings and imposed huge tariffs on Canadian and Quebec lumber crossing the border, claiming that it was subsidized and that dumping was occurring. They demanded countervailing and anti-dumping duties.

During that period, \$5.4 billion in duties was paid to the United States. Imagine what that money could have done had it been invested in bringing procedures and processes up to date and modernizing equipment. Imagine how innovative a healthy forest industry would have enabled us to be in terms of remanufacturing. We know that Quebecers and Canadians have great imaginations and can act fast to produce just about the best product at the best possible price for export to the United States. But the United States decided to collect crippling duties from the forest industry: \$5.4 billion.

The Bloc Québécois recognized the problem years ago. It even tabled proposals and recommendations for programs in this House and in committee.

It made sense for us to ask the Liberal Party, which was in power at the time, to offer the industry loan guarantees. The United States was siphoning money away from companies, and their litigation did not hold water; it made no sense and was not logical. We knew that we were headed for a court victory. It was only a matter of time.

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However, being robbed of \$5.4 billion makes time move very slowly. There were tangible losses—job losses almost all over Canada. Some regions and provinces were hit harder than others—even Quebec, in some sectors. The situation demanded the effective application of loan guarantees so that companies could continue to survive in the first place, and maybe even grow despite this setback.

• (1115)

In fact we knew very well that they would win in court and that, one way or another, the United States would have to reimburse Quebecers and Canadians, and the entire forestry industry.

When they were in power, the Liberals refused to assist the forestry industry and grant loan guarantees. During the election campaign—nearly a year ago, when it was in full flight—the Conservatives promised to help the forestry industry and were prepared to give loan guarantees in the event that they were elected. Some Canadians—a minority overall, if we consider the absolute number of people who voted—decided to place their trust in the Conservatives. They were soon disappointed, given the fact that the Conservatives have not kept their campaign promises, their campaign commitments.

There followed negotiations about which the House was not necessarily informed. The outcome of those negotiations was an agreement that they tried to present to us as the deal of the century, but it was the deal of the century only for one of the two parties, which is going to save a billion dollars. I am under the impression that the ideal outcome of an economic transaction is in fact that both parties be completely satisfied. We have to remember one important factor here. When we are talking about parties, we are talking about people, people who work in the industry. We are talking about the industry itself, companies, company owners, workers, everyone who works in the forestry industry. That is who the party was here in Canada and Quebec.

The same thing was true in the United States, but the people who were representing the entire forestry industry in Canada claimed that this was a huge win. Well the real winner is the United States, which bagged the billion dollars that stayed in the United States. That is big money. That is in fact a sweet deal for them, after illegally collecting \$5.4 billion. They come out of it with a billion dollars. Mr. Speaker, if you were 100% in the right and I owed you \$5.4 billion, you would not be content with \$4.4 billion. You would ask me for all of the money owing.

That is what the forestry industry would have wanted. But given the time that had passed, given that the Conservatives did not want to offer loan guarantees and the Liberals had also not wanted to offer loan guarantees, those people were being strangled in their day-to-day lives, and they were not able to make any progress at all at that point. It was all they could do to keep their operations going, and especially to keep their businesses afloat. That could have meant that thousands, tens of thousands of people could have lived with their families, in their communities, in their regions, and that the economy would have functioned.

We were presented with this agreement, Certainly, to start with, everyone was unanimous in saying that it made no sense at all. What were we going to have to do? We knew very well that the government had the prerogative of signing and implementing the

agreement. It did so. And then, we can be sure that discussions took place and a number of companies that were still denouncing that agreement felt obliged to accept it at a certain point.

I know that conditions are not the same in all regions. My colleague from the NDP, who is a member of the Standing Committee on International Trade, has described quite a different situation in the region he represents, British Columbia. Clearly the situation there is in no way similar to the conditions facing the people of Quebec.

• (1120)

I respect him, of course, when he says that the Bloc Québécois is going against nature. The Bloc Québécois feels no great enthusiasm in supporting Bill C-24. Everyone knows that because we have said so. All of my colleagues who have spoken since the start of debate on Bill C-24 have said and repeated that they are not eager to support Bill C-24. Indeed, the bill is a carbon copy of an agreement that no one really accepts. We have been forced to accept it.

Consultations and representations took place and Quebecers, like people in other parts of Canada, recognized that it was necessary to move forward in order to—

Ms. Diane Bourgeois: Save what was left.

Mr. Serge Cardin: As my dear colleague says, clearly, it was necessary to save what was left because there was not necessarily very much left.

For that reason people were obliged to accept the agreement almost by force. Today, for several hours in the Standing Committee on International Trade, we saw my colleague from the NDP arguing like a Liberal in holy water to uphold the interests of his region. During that time the committee was full of controversy. Nevertheless, I obviously respected my colleague's enthusiasm in wanting to move the matter forward.

The bill in its present form leaves many gaps that will probably cause problems in the implementation of the agreement. Those aspects could have been anticipated and corrected in order to allow the Canadian forest industry to develop adequately, or even better than that, because we have to make up for what has been lost.

Of course, there are still potential irritants in the bill. However, we must accept it because people have told us to do so and are asking us what we are waiting for.

I repeat also, for the benefit of my colleague from the NDP, that we give our support to Bill C-24 without enthusiasm and with some reluctance.

The downward negotiations by the minority Conservative government have clearly served to place the forest industry in danger, especially in Quebec. In addition, refunding the illegally collected money, contrary to what the Minister of Industry actually seemed to believe at one time, is neither a miraculous injection of cash nor a gift from the government. In fact, the industry's own money is being returned to the industry, and we must never forget that, because the communities will not forget it.

Government Orders

It is forgivable, I think, to talk politics a little in this House, and in my opinion the Conservative Party will have to answer for this bill, this act and this agreement all across Canada in the next election. And that election is not far off. That is why we must settle this matter. It will always be possible to make improvements later.

As we all know, several committees will have to work on enacting this legislation and promoting the industry. Moreover, the modest sum of \$50 million will come out of the \$1 billion and be allocated for promotion. That is not much, except that the United States will have the benefit of a larger sum to develop their industry.

Once again, we would have preferred that the softwood lumber industry be part of a real free trade agreement with the United States.

• (1125)

Certain individuals claim that the softwood lumber issue is now settled for the next nine years. Can we really count on any promises made by the Americans? After all, they are the ones who came along and imposed antidumping and countervailing duties on Canada. Can we really hope that when it no longer suits them, they will sit down and negotiate to improve the situation and conditions for both sides? I doubt it. Anytime the Americans change their tune about the softwood lumber file, Canada and Quebec ate the ones that automatically suffer the consequences.

Thus, I do not believe that the softwood lumber sector will be left undisturbed for as long as seven or nine years. I think the next issue will arise much sooner than that. We must therefore negotiate an agreement within NAFTA, calling on the Americans to stop their protectionist activities in whichever areas and industries they like.

Once again, the Bloc Québécois will vote in favour of Bill C-24, in the hope that the forest industry and softwood lumber industry can use the money illegally taken from them and now returned to them to get back on track, become more modern, more competitive and more innovative in secondary and tertiary processing. The resulting value added, the surplus value, must be profitable to those industries once and for all, and must be paid back to the people who worked in the industry and the businesses themselves.

In closing, I hope we can improve the forest industry as quickly as possible for the benefit of the people who have dedicated their efforts, their energy and, in some cases even their lives, to the industry.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I very much appreciated the presentation by the member for Sherbrooke, my colleague on the Standing Committee on International Trade. However, he did not explain why the Bloc Québécois continues to support the agreement. We are well aware that the situation was different in September. At that time, perhaps because of the opinion polls, the leader of the Bloc Québécois did not want to call an election. However, let us examine what has happened since September. The United States Court of International Trade ruled that all the money was to be returned to Canada. That was on October 13. We now know that we won in the American court and that the United States must return every last cent.

We also know that jobs were lost in Quebec: 2,000 jobs were lost in Abitibi-Témiscamingue, Saguenay—Lac-Saint-Jean and on the

North Shore. The job losses resulting from this catastrophic agreement have disastrous consequences.

Furthermore, the member explained clearly, as usual, that it is important for the Quebec forestry industry to produce value-added goods to create jobs. We know very well from all the analyses of this agreement that we cannot produce value-added goods. Encouraging Quebec to produce roundwood actually creates jobs in the United States. In addition, because of the anti-circumvention clause, Quebec's forestry policy is now subject to an American veto.

In view of all these factors, I understand why the Bloc Québécois could have been tempted to vote for the bill in September. However, I do not understand why, in December, they do not just pull back. At third reading, they could vote against the agreement. We could thus recover the 2,000 jobs lost in Quebec and give back to Quebec the right to determine its own forestry policy.

• (1130)

Mr. Serge Cardin: Mr. Speaker, I will answer my colleague through you. I believe I mentioned earlier why we are doing this unenthusiastically and why we are accepting this despite everything.

The Quebec Forest Industry Council represents a fair amount of people in the industry. An experienced person, Guy Chevette, also found that the agreement was not necessarily the discovery of the century. However, given the state they were in, there was no doubt that they had to accept this agreement.

As I was saying earlier, some aspects of the bill definitely need to be improved, adjusted and refined to allow the forestry industry to develop even more in the years to come.

If we ended this agreement, as the hon. member from the NDP is suggesting, we would not be ending the agreement directly. We would be voting against a bill to create legislation and regulations to allow the application of the agreement regarding Canada's management and internal affairs. Thus, Canada will collect duties on behalf of the industry, and they will, of course, be redistributed.

A number of committees are working on Bill C-24. They will discuss the application of the agreement and identify any problems in order to iron them out and even make them disappear altogether.

In this context, the forestry industry will get a second wind after the loss of so many jobs. Once the money is reimbursed, I do not think the industry will decline, given the relations with the United States. If there is any difficulty, economically speaking, it will be because of an economic slowdown and less demand for softwood lumber.

I want to reiterate to my colleague that consultations were held in Quebec. I would hope that there were some in British Columbia. This is another slight difference between us and the West. My colleague claims that the entire industry was against the agreement and asked him to vote accordingly. As far as we are concerned, we are not just claiming, but confirming that the people of Quebec asked us to support the agreement.

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•(1135)

Mr. Peter Julian: Mr. Speaker, with respect to my colleague, the member for Sherbrooke, I really appreciate his work on the Standing Committee on International Trade. But I do not understand what he has just told us.

This summer in fact the Quebec industry voted 35 to 12 in favour of the agreement. And Mr. Chevrette appeared before our committee to say that the industry had no choice but to accept this agreement.

Since the Court of International Trade judgment on October 13, the American government has had to pay the Quebec industry. The Quebec industry is currently receiving money. The Bloc has always demanded—as have we—loan guarantees. Now the money is already reaching its destination. The industry has got its money. The decisions are in our favour.

However, if we adopt Bill C-24 on third reading, what are we going to do? We will be putting the Quebec industry out of business for good. The loss of 2,000 jobs is just the beginning of what will take place, since we cannot have value-added products. We are being forced to export roundwood to create jobs in the United States. The situation is the same in Quebec and in British Columbia.

Now throughout the country people are wondering why Parliament, that is, the Conservative Party, the Liberal Party and the Bloc Québécois are eagerly voting in favour of this agreement that will result in the loss of permanent jobs in the softwood lumber industry. That is why I am asking the member these questions.

If 2,000 jobs were lost in Quebec because of this agreement, is it not time for the Bloc Québécois to reconsider its support for the agreement? The industry already has its money, but Quebec's right to determine its own forestry policy will be lost for the next seven or eight years if this agreement is implemented.

Why does the Bloc not think about it and change its position now, on third reading of the bill?

Mr. Serge Cardin: Mr. Speaker, if I understood properly, my hon. colleague wants the Bloc Québécois to support his position and vote against Bill C-24, therefore change our minds in mid-stream because we saw the light all of a sudden.

We have been studying the agreement since the very beginning, as well as the bill of course. If I continue my hon. colleague's line of thought, he wants us to withdraw our support and the industry to keep the money it has already received. Of course there have been judicial rulings to the effect that Canada was right and the United States was wrong. But there is more to it than that. We had an agreement that the United States would reimburse our money if we signed. The Conservative Party did say, of course, that they were leaving a billion dollars in the pockets of the Americans. We should certainly ask why. What were the Conservative Party's reasons for leaving a billion dollars in the pockets of the Americans? It was probably for future considerations. What are these considerations? We will one day find out.

I do not think, though, that we can simply withdraw at the last minute when money has already been returned. Things have to be done properly and with a certain amount—and I do mean just a certain amount—of mutual trust. The situation has progressed to the

point of no return. The companies have received most of their money. They are already getting ready to carry on with their development and, in contrast to what my hon. colleague seems to think, not to lose jobs but to improve them and also improve the industry.

[*English*]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I am dismayed to have to stand and speak at third reading of Bill C-24. I am dismayed because here is a case where clearly due diligence and responsibility of parliamentarians was lacking when there is legislation that touches in such a direct way the lives of Canadians across the country from coast to coast. When that due diligence is not paid, we end up with legislation such as we have before the House now at third reading. This is what is so deplorable.

In a moment I will go into the process that led to this illegitimate birth based on a complete and utter deception by the Conservative government. What is astounding, certainly to people in softwood communities across this country, is the role that the Liberals and the Bloc have played in getting this deplorable legislation through now to the point where we are at third reading, despite the fact that we have seen 4,000 direct jobs lost in the softwood industry since this deal was provisionally rammed through based on whether or not Parliament would actually adopt Bill C-24. Of course, if we do not adopt it, then we can actually start to get those jobs back.

These are 4,000 direct jobs and according to the steelworkers we are looking at 10,000 direct and indirect job losses. This is in a matter of only a few weeks.

It is no wonder that the Conservatives are not standing up in the House to defend this badly botched negotiation, this badly botched deal. What will be left for Canadians to consider, if indeed this week the House votes to proceed, is the role that the Liberals have played in actually bringing Bill C-24 to the floor of the House of Commons.

Without the support of the Liberal Party we would not be at third reading now. Without the support of the Liberal Party Bill C-24 would still be in committee. Members would still be addressing the egregious errors that have been made in drafting this piece of legislation. We would still be hearing what many organizations and representatives from softwood communities asked for. We would still be hearing testimony from these organizations from across the country that wanted to speak to Bill C-24. I will come back to that in a moment.

Basically, we started at the end of April with the framework agreement that was announced in the House. The NDP saw problems with the agreement right away. We raised serious concerns about where the government was going. One of the aspects of the framework agreement in April was the fact that we would suspend litigation.

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At that point we were a few softwood board feet short of winning final victory. Canada had only two pieces of the legal process to go through. One was the ECC challenge that would have taken off the tariffs once and for all in August. The second was the Court of International Trade judgment. It is unbelievable that despite efforts by the Conservative government to intervene in court to stop Canada from winning a final victory on softwood lumber, we won on October 13. The American government is already repaying the industry because of the court judgment on October 13.

The first alarm bell at the end of April was that the Conservative government was intervening to stop us from winning those final victories that would establish the fair trade that Canadians were seeking in softwood lumber.

We then came to an agreement that quickly ran off the rails. We have the Minister of International Trade, the illegitimate member of Parliament for Vancouver Kingsway, someone who could not get re-elected in that riding no matter how much he tried. This is his last mandate there after having switched parties.

Ms. Dawn Black: He can't even walk in his riding.

Mr. Peter Julian: He cannot even walk in his riding. He cannot even appear publicly in his riding as the member for New Westminster—Coquitlam reminds me and she is absolutely right.

We have someone with no political legitimacy whatsoever, who could not run in his riding if he tried even to be dog catcher, steering this through, seeing the industry opposition, and putting forward the softwood proposals and having the industry react. We saw on July 1—

Mr. Dave Batters: That's pretty mean, Peter. That's pretty meanspirited.

Mr. Peter Julian: The Conservatives are speaking now. I hope they will have the guts to actually stand up shortly in the House and defend this bad agreement. We know that they will not because they understand and they are ashamed of this deal too. They just will not admit it.

● (1140)

After members of the industry from across the country had said to not sign this draft agreement because it was absolutely horrible for them, using their typical bullying techniques the Conservatives rammed it through on July 1. They announced it on a Saturday. I found out at a Canada Day celebration at Heritage Village in Burnaby, B.C. It was unbelievable that they had signed what many people described this summer as the worst agreement that Canada has ever initialled. July 1 was a sad day for Canada.

Summer hearings were immediately set up to hear back from the industry. There actually was consultation. The trade minister refused to consult because he heard back from the industry that the deal was absolutely atrocious, but the committee decided to hear from the industry, softwood workers and softwood communities. What it heard was not only that this was the worst deal ever initialled by a Canadian government, but we also found out that it was commercially non-viable. That is what was attested to by witness after witness.

The Quebec industry voted against the agreement 35 to 12. Witness after witness this summer clearly indicated that this was an absolutely horrible deal. What is more, the Conservative government, in its incredibly youthful and one might say juvenile zest to try to rehabilitate the sordid reputation of the Minister of International Trade, in a desperate measure, pulled out all the stops to ram this thing through regardless of the testimony.

One notable example was Stephen Atkinson from BMO who said that this was a guaranteed way of assuring that Canadian logs would create jobs in American mills because it would stimulate raw log exports, but I will come back to that in a moment.

We heard testimony throughout the summer. Obviously, the industry and softwood workers were opposed and then the bullying started. We saw the government pulling out all the stops to push the industry to accept this deal no matter what the cost. That is what the government did. It pushed it.

What it received, grudgingly, from the industry were conditional letters of support, which the government has never released. The conditional letters of support were based on the Conservative government achieving 95% support from the industry. It never achieved that. In fact, it never even achieved close to that. The conditional letters that the Minister of International Trade was running around with, holding up, and refusing to show to the media or to anybody else, which is a public responsibility, showed very clearly that unless it had 95% support it did not have the support of those companies.

What did the government do? It bullied a certain percentage of the industry. Whether it was 50% or 60% we will never know, though access to information requests have been made. We are sure that the Conservative government will try to cover up just as much as the previous Liberal government tried to cover up with ad scam and other various scandals.

The Conservatives promised to be more transparent and that was their very first broken promise. They have not been transparent about this at all because they know it is embarrassing. They badly botched the negotiations. The industry reacted and they tried to bludgeon the industry into submission. What they got were very tepid letters of conditional support that were never operative because they did not get the 95%.

Then they said they would simply change the agreement behind closed doors and that is what they did. They rewrote portions of the agreement. It was unbelievable. They did not have the required level of industry support, so they simply rewrote it. They told industry that there was no way that they could rewrite or renegotiate any of this badly botched negotiation. That turned out not to be true, just another mistruth.

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Then we come forward to this fall and Bill C-24 was before the international trade committee. The first thing the NDP said was that there were folks who expressed interest in being witnesses and should be allowed to testify. The NDP proposed two witnesses who testified and raised serious concerns about Bill C-24. It was inadvertent, I am sure, and the trade minister only does things in a very political and haphazard way, but there was a double tax written in to Bill C-24.

• (1145)

What was very clear was the intent of the government in the draconian nature of Bill C-24 regarding the penalties. People would get 18 months in jail if they countered the intention of the Minister of International Trade. There were special penalties. There was the ability of the government, not only to go after softwood companies, mom and pop operations in northern British Columbia, northern Saskatchewan, northern Ontario and northern Manitoba but to go after their commercial clients.

If there was any discrepancy between what the Minister of International Trade said the softwood companies owed and what the companies said they would actually owe under these punitive taxes and draconian measures, the minister had the right to go after commercial clients and go after trust funds, even if they were set up 10 years before. The government basically had, through Bill C-24, a total blank cheque with our softwood industry.

We raised this issue at the committee of international trade. We said that these witnesses, who had identified themselves from British Columbia and from right across the country, should be allowed to come forward and testify. They were not witnesses that the NDP recruited. These were witnesses who said they wanted to testify and went to the clerk of the committee.

What happened, unbelievably, was that the Conservatives, the Liberals and the Bloc said that there would be no testimony. They would not hear from anybody else. They heard from two witnesses who raised serious concerns about the draconian measures, about the poor drafting, and about the effects of this legislation. They did not want to hear from anybody else. They just wanted to get the thing through.

The NDP, unfortunately, in this Parliament, has only one seat on the committee. Hopefully in the next Parliament we will have many more and the NDP will have a greater role to play. This kind of shoddy, slipshod, and irresponsible approach to governing is something that certainly Canadians rejected on January 23 and now they have seen the Conservatives at work. They know they are just as bad. Canadians will be looking at, I think, other alternatives, and I believe the NDP will be one of them in the next election.

Essentially, we proposed 98 amendments to try to fix some of the most egregious parts of this bill and we tried to save the Conservatives from themselves. We were also trying to save softwood jobs.

We were opposed to this agreement, but we did our due diligence. There were 98 sections of this bill that should have been redrafted. However, the Liberals and Conservatives were working together at the international trade committee with the support of the Bloc, and unfortunately said that they were not going to actually treat these

amendments in any rigorous fashion. They were not going to deal with the issue of double taxation and companies being penalized twice. No, sir, they were not going to fix this at all, and they rammed it through in just a day and a half. They rammed it through without due consideration.

In fact, most sections of this bill have not been scrutinized anywhere. What they did was simply adopt it. In fact, it was difficult for members to keep up with the voting. There was no debate and no discussion on over half of this bill. There was no debate and no discussion on the Draconian measures of putting people in prison for 18 months. It was a simple show of hands.

Conservatives and Liberals said that if mom and pop operations made a mistake, and the Minister of International Trade did not like it, well, hell, they would be put in prison for 18 months. No due diligence was done. There was absolutely no due diligence. It was unbelievable.

So, we now have in front of us a badly drafted bill, pushed forward by the Liberals and Conservatives principally. And last night, in trying to eliminate some of these clauses, such as the double taxation clause, again, Liberals, Conservatives and Bloc were all voting to keep those provisions in the bill. That is what we have now. We have Bill C-24, a shoddily, hastily crafted piece of legislation with serious errors in it, even from a Conservative perspective, not receiving due diligence at committee, not receiving due diligence in this House, and now the Conservatives, the Liberals and the Bloc want to ram through.

Well, 4,000 lost jobs in the last few weeks, I think, begs the question: What is this House doing, ramming through this legislation when 4,000 jobs have been lost directly, and 10,000 jobs directly and indirectly? It has been a hemorrhage across this country, particularly in western Canada, particularly in British Columbia, and Quebec of course, where we have seen almost 2,000 jobs lost.

• (1150)

What is in this softwood sellout? We talked about some of the references in the bill. First, the most important point is that on October 13 we won in the Court of International Trade. The money has to be paid back. The American government is already paying back to the companies which did not sign on through EDC and that is most companies which showed very clearly that the industry did not have confidence in this deal. The Minister of International Trade is hiding the facts from the public because he knows it is embarrassing that most companies did not sign on to the Export Development Corporation.

Second, and this has been well documented. We are giving a billion dollars to the United States that we did not have to. We won and every penny should be coming back. The Conservatives, because they are, to say the least, financially irresponsible, just shovelled that billion dollars right over to the United States, but half a billion of it goes to the American softwood industry that has been attacking our softwood industry now for years.

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They were at the end of their rope. They had no longer any ability or capacity financially to go after our softwood sector. It was the end of the road for them this year. Now, again, snatching defeat from the jaws of victory, we have a government that is giving half a billion dollars to them for the next stage of assaults on the Canadian softwood industry and companies.

Another aspect of this deal is that we are imposing tariffs on ourselves that are higher than the illegal American tariffs that preceded them. We actually saw tariffs in October going up when we have won those victories and the only thing that was stopping the tariffs from being taken off completely was the ECC judgment that the government should have put in place for August. Unbelievably we are now paying more.

Why have we lost 10,000 jobs directly and indirectly? It is simple math. When the tariffs go up, it becomes financially non-viable and that is what we are seeing now: jobs lost in British Columbia, Alberta, Saskatchewan, Manitoba and northern Ontario. I am quite sure we are going to see a lot of Conservatives losing their seats because of their irresponsibility and Liberals too. In northern Ontario there are Liberal MPs who have been pushing this deal. That is absolutely irresponsible.

It is important to note that for Canadians who are listening right now, they actually had to pay the refund. Until we won on October 13, when the American government started paying back the money to the companies that did not sign on to the Conservative government's bad deal, the government's plan was to use the EDC and have Canadian taxpayers pay the rebates. If we had not won in the Court of International Trade on October 13, Canadian taxpayers would be paying through EDC, so it is important for Canadians to know that they would have been picking up the tab for this badly botched deal.

It is also interesting to note that there is a clause within the agreement which allows the Americans to terminate it any time. All they have to do is allege non-compliance. This is important for our Quebec friends, but also for people right across the country. This means that if a provincial government, British Columbia or Quebec, were to make any changes to forestry practices, the Americans could simply allege non-compliance and terminate the agreement. They could keep the billion dollars and run. What could be more irresponsible than that? We are talking about a government that has completely abrogated any sense of responsibility, and any sense of due diligence for softwood workers and communities across the country. That is absolutely appalling.

I talked about the anti-circumvention clause and the fact that we now have to go to Washington. Any provincial forestry practice changes need to be vetted through Washington. That is incredible. We have running rules that are, to say the least, non-viable, retroactive, and after the fact. We sell our product and then at the end of the month we find out whether or not we made money or whether we have to close down.

The most egregious fact is that there is nothing for softwood workers. There is not a penny for softwood communities. This stimulates raw log exports and shuts down value added production.

● (1155)

[*Translation*]

What we should do is stop this agreement on third reading. If the Bloc Québécois is prepared to vote against it, the agreement can be stopped. The money is already in the hands of the industry. However, we cannot give the Americans the right to come and change our forestry policy. We cannot give them a billion dollars and we cannot allow the American industry to come and attack our softwood lumber industry.

We need a policy that works. I implore the hon. members to vote against this agreement on third reading, but if they fail to, it will be up to the other chamber to vote against it and stop this bad agreement.

● (1200)

[*English*]

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, I disagree with my colleague from Burnaby—New Westminster. Canadian businesses need certainty. They need certainty about the economic rules under which they operate and certainty about the trade rules under which they operate. Those are the most fundamental rules they need. Whether it is the softwood lumber industry or any other industry in Canada, they need to have certainty about the rules.

Over the last number of years the softwood lumber industry has had anything but certainty. It has gone through many years of litigation impasse on a whole range of trade issues with the United States. The general gist of the argument put forward by the member from the New Democratic Party is that we were almost over the hill, that one more round of litigation would have solved the problem, that one more round of litigation would have seen a complete and final victory for the Canadian softwood lumber industry. That is simply not the case. Even if we had another victory in the litigation, the U.S. industry could simply file another petition and request the imposition of new duty orders immediately thereafter. This could have gone on for years.

Almost six months ago the Minister of International Trade managed to negotiate a softwood lumber deal with the United States that would return the vast majority of duties it had imposed, close to \$4.4 billion. This money will now flow back to Canadian companies so they can reinvest in their businesses and prepare for whatever may lay ahead.

This is not something that popped up yesterday. This has been ongoing for months. There has been plenty of time to debate and discuss this. The vast majority of softwood lumber producing companies support this deal. The industry supports this deal. All the major softwood lumber producing provinces, such as British Columbia, Ontario and Quebec, support this deal.

Why can the New Democratic Party not get beyond its hyperbole and simply support a very good deal for the Canadian industry?

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Mr. Peter Julian: Mr. Speaker, I am pleased to answer the question. Hyperbole has been the domain of the Conservatives.

The Prime Minister said it was going to take seven years of litigation. I asked the trade minister and Michael Wilson about this appeal process that they had invented out of thin air that would allow seven years of appeals. Neither of them could answer me. They both agreed there were no appeals from the final two pieces of litigation that were forwarded this year. The issue of seven, 10 or 15 years, the wild figures thrown out by the very irresponsible Conservative government is just hyperbole. We won on October 13. That is why the companies that did not sign on, which are in a majority I may add, are getting 100¢ dollars.

The member also talked about certainty. I am not sure most Conservatives have read the agreement. Under article 20 we had 23 months and then the international trade minister negotiated an agreement and came up with 18 months of certainty. It has gone from 23 months to 18 months of certainty. Unbelievably, he seems to walk backward when he negotiates with the United States. He also allowed a clause to go in that the United States reserves the right to terminate the agreement if Canada is not applying the export measures. This comes without resort to dispute settlement or any other precondition for termination of this agreement. As I said earlier, the United States can terminate at any time on a simple allegation of non-compliance. That is article 20. There is no certainty there.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, my question for the member is related to the precedent this deal sets for international trade. Will other industry groups take advantage of this every time they lose an international ruling? Will they take advantage of the Canadian industry and get another deal which our industry would have to pay for?

If I heard correctly, I think he mentioned from sea to sea. I am constantly reminding people to say from sea to sea to sea. There is the north. People may think there are no trees but we have a great forest industry in the Yukon. Spruce trees grow for 300 years and are valuable trees. Unfortunately they are being hurt by the spruce beetle. The anti-surge part of this agreement is bad for that because we cannot use those particular trees.

I want to make it clear that the Liberals are against this deal. Our party has voted against it every time in the House. We are going to vote against it at third reading. From our perspective this is a terrible precedent for international trade and the rules of international trade. Could the member elaborate on the disaster that this precedent will have on other Canadian industries, not just the lumber industry?

• (1205)

Mr. Peter Julian: Mr. Speaker, I will start with the last point. The reason this agreement is on the floor of the House of Commons is that the Liberals worked with the Conservatives. It is not a question of we finally voted no at the end; it is why this bad deal is on the floor of the House of Commons. It is on the floor of the House of Commons because the Liberals refused to hear witnesses. The Liberals cancelled the hearings that were going to be held across the country. The Liberals supported the Conservatives ramming it through committee. That is why it is here. We cannot change the facts. That is the reality.

The Liberals can say they may vote against it at third reading, but that does not eliminate the fact that we are at third reading because the Liberals worked with the Conservatives to ram this bad deal through.

The member is absolutely right and this is why I am so perplexed by the Liberal support for this agreement. He is absolutely right that any other industrial sector could be targeted the same way. What we are doing is erasing the four and a half years of legal victories in such a way that steel or any other industrial sector could be next. It basically throws away dispute settlement. That is the appalling implications of ramming this deal through.

That is why the Bloc has to think twice. That is why the Liberals have to think twice. That is why we certainly hope that western Canadian MPs in the Conservative Party would think twice about undermining their own communities by voting for this badly botched deal. They should be representing their communities in Ottawa. They should not be representing Ottawa or the Prime Minister to their communities.

This is a bad deal for British Columbia. I will read from the report that was issued last week which states:

Make no mistake, this is a bad deal for BC. It discourages value-added output at a time when BC needs to improve on its sorry record in generating more jobs and higher prices.

Ms. Dawn Black (New Westminster—Coquitlam, NDP): Mr. Speaker, I want to congratulate my colleague from Burnaby—New Westminster on the effort that he has put forward to try to protect the workers in this industry, the communities that are affected and the industry itself. He has been undaunting in the work he has done.

I want to ask him specifically how this deal will increase raw log exports. All British Columbians are very concerned about this and I would like him to expand upon that part of the bill.

Mr. Peter Julian: Mr. Speaker, it is a great question from the member for New Westminster—Coquitlam.

I will just read the end of the quotation:

BC needs to improve on its sorry record in generating more jobs and higher prices from the forest products we manufacture. And [this deal] encourages further shipments of raw, unprocessed logs from the province.

That is what all testimony showed this summer. What this does is ensures that Canadian logs mean American mills get the jobs. It is Canadian logs for American jobs.

Mr. Dave Batters (Palliser, CPC): Mr. Speaker, I get a chuckle when listening to the member for Burnaby—New Westminster. It reminds me of the last person standing on the island in the television show *Survivor*, but he is not going home with any kind of a cheque. He is alone on the island.

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The member is probably going to get a chuckle out of my question. Which approach does the member approve of more? Would he prefer the approach of the Minister of International Trade who got a fabulous deal for this country? The minister showed leadership. There is \$4.4 billion American coming back to this country. Or would the member prefer the approach of the previous government with endless litigation and absolutely no money coming back to softwood producers?

The member is probably going to go on about what he would prefer that the deal did, but I am going to ask him to pick a pony: the Conservative deal or the Liberal approach.

• (1210)

Mr. Peter Julian: Mr. Speaker, both ponies have splints on their legs. I would not bet on either of them.

There was appalling negligence from the Liberal government and then it was actually worse from the Conservatives.

This sellout did not need to happen because the Conservatives and the minister did not understand what they were getting into. It was all political posturing.

This summer we heard from witness after witness after witness that this is a political deal. It is simply there in the hope that the minister can enhance his image. It has nothing to do with saving softwood jobs, nothing to do with maintaining Canada's rights, nothing to do with establishing fair trade, nothing at all. It is simple political posturing.

We are at a situation because of Liberal negligence and Conservative irresponsibility where we actually were able to get through to October 13 when we won in the Court of International Trade. That is what the government should—

[*Translation*]

The Acting Speaker (Mr. Royal Galipeau): Resuming debate.

The hon. member for Berthier—Maskinongé.

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, I rise today to speak on the third reading of Bill C-24, An Act to impose a charge on the export of certain softwood lumber products.

The Bloc Québécois members for Joliette and Sherbrooke have worked on the various committees, and their work has finally led to third reading of this bill in the House. Amendments have been made by the various parties. We, of course, made the decision to support this agreement, unlike the NDP members, whom I respect very much.

Why did we decide to support this agreement? The member for Burnaby—New Westminster has often asked us the question. We always give him more or less the same answer. We analyzed the agreement and consulted our companies and our unions. They too analyzed this agreement, but this long-lasting dispute has had a very big impact on employment in our softwood lumber industry. Caught in a bind, our companies and our unions recommended that the Bloc Québécois approve the agreement.

The Bloc Québécois is a party very close to its base, which is made up of workers, unions, associations and industries. In short it is very close to the people and it defends Quebecers' interests. So in

the end it made the commitment to these economic stakeholders to support this agreement. These include the Québec Forest Industry Council and the various unions, led by the FTQ.

Of course, with regard to the comments by the Conservative Party—which I will return to a little later—that we will recover \$4 billion under this agreement, we must not forget that we nevertheless have lost \$1 billion. The member for Burnaby—New Westminster is right to say this. This is not a new additional amount of money for the Canadian softwood lumber industry, but money recovered by our industries, which had paid it in countervailing duties. Actually the industry is getting back part of this money, the \$4 billion.

This third reading will bring to a close this long legislative process respecting the softwood lumber agreement. The Standing Committee on International Trade began its study of this agreement last May. The committee held numerous meetings to discuss the agreement, which was signed about July 1 by the Conservative government and the Bush administration. I was in Geneva when this agreement was very hastily signed, thus somewhat surprising all members of the House of Commons.

Finally last September 20, the government introduced Bill C-24. Its purpose is to implement the softwood lumber agreement. In addition to determining the procedures for the repayment of the countervailing and anti-dumping duties to the companies, the bill establishes a system for returning the billion dollars to Washington that the Quebec and Canadian companies have to leave on the table and it authorizes the return of the export charges to the provinces. So we get \$4 billion but are leaving \$1 billion on the table.

Finally, the legislation determines the barriers that will regulate the softwood lumber trade between Canada and the United States, that is to say, the control system that sets up an export charge and export permits.

It is very strange to see that this control system takes the form of amendments to the Export and Import Permits Act. This act is generally used to control trade in arms and dangerous materials or to limit trade with certain countries under economic or military sanctions. In the current case, though, it is Canadian producers who are hit by the restrictions in the act.

• (1215)

Finally, the agreement provides for a complex combination of export charges and quotas. They are very complex. It took us many hours to understand all the issues. After a careful examination, the government of the Quebec nation—the Government of Quebec—chose option B. The Quebec nation was actually recognized in the House because our hon. colleagues voted in favour of the Conservative motion. As we know and as I discussed with a certain colleague here, they did not vote in favour of the Bloc motion. Still, we are now a nation.

I realize that the export quota procedures are not determined by the act but rather by regulation. However, some questions remain. The Quebec industry is concerned, and rightly so, that the agreement provides for the quotas to be attributed on a monthly basis and that the possibilities of exceeding the monthly quota, in case of a major delivery, are so limited that companies might not be able to honour their contracts or even reach their full annual quota.

Prior to this agreement, there was a quarterly quota, but now it is monthly. Insofar as the regulations are concerned, the Bloc Québécois still thinks that the agreements with the companies are very important in order to enable them to reach at least their possible softwood exports.

It is important to remember that the construction industry is cyclical and that lumber deliveries are therefore likely to vary a great deal from one month to the next. This issue remains unresolved. Let us hope that, within the binational panel, the federal government will try to address the Quebec industry's concerns and relax the monthly export caps. Quebec has high expectations about this.

On April 27, 2006, the Conservative government and the Bush administration announced that they had reached an agreement to settle the softwood lumber dispute. The text of the agreement, which the two countries completed on July 1, 2006 and finally signed on September 12, gave rise to Bill C-24.

It is important to give a bit of background here. Although we had been selling softwood lumber to the United States for decades, major disputes arose in the lumber trade in the 1980s, as the American softwood lumber lobby became increasingly intransigent. In May 2003, at the conclusion of an investigation that international tribunals would subsequently invalidate, the American government accused Canadian producers of receiving subsidies and engaging in dumping.

However, it is important to point out that throughout the dispute, the tribunals ruled overwhelmingly against the United States. Washington was never able to prove that American companies were being harmed. All the companies that went before the tribunals received no support from either the Liberal government at the time or the Conservative government.

As for the American claims that Canadian lumber was subsidized, there again, a NAFTA tribunal handed down a clear ruling that that was not the case.

Throughout this lengthy dispute before the courts, the Bloc Québécois has, since May 2002, repeatedly called for an assistance plan including loan guarantees. How many times did we ask the Liberals at the time, in this House, to support the softwood lumber industry? We asked for loan guarantees for companies, but we received no reply. The government did not support the industry, and companies were left on their own to face the huge American lobby.

•(1220)

We did not help our businesses during this dispute. We are supporting this bill against our better judgment, because we have no choice. The present softwood lumber agreement would not exist if our governments had stepped up to the plate and at least listened to what the Bloc Québécois was proposing for supporting the industry. No. The Liberals and the Conservatives turned a deaf ear, and so today we are losing \$1 billion under this bill.

When the Liberals were in power they consistently refused to establish this assistance plan. But since they have been in opposition, they have, curiously, changed their minds. It is hard to understand, but the Liberals are saying something completely different. Today they think that the proposals that the Bloc Québécois made for the first time in 2002 are now necessary. This is hard to grasp and

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understand. They turned a deaf ear for years, both in relation to the program for older worker assistance—which I will come back to a little later in this speech—and in relation to the assistance plan for the industry, regarding loan guarantees for companies.

Unfortunately for the Quebec and Canadian forestry industries, the federal government's decision not to take concrete measures to ensure better financial health for our forestry industry will be damaging for them—for the industries in Quebec and the industries in western Canada alike, in British Columbia for example, as my friend from the NDP was saying.

Today, the Liberals must bear a large share of the responsibility and acknowledge that they have caused irreparable harm. The Conservative Party has signed an agreement that we support because there was no support in the first place.

When the Conservative Party was campaigning, it will be recalled, it offered Quebec loan guarantees for companies. And then when it came to power, it did the same thing as the Liberals: it offered no support for those companies. It simply signed an agreement.

Allow me to quote a passage from the Conservative Party platform on this point. I do not know whether my Conservative colleagues remember their election platform, but we on the Bloc Québécois benches paid attention to it.

That platform says: "Provide real help for Canadian workers and businesses coping with illegal American trade actions".

That is what their election platform said. They presented that to Quebeckers. I repeat: "Provide real help for Canadian workers and businesses coping with illegal American trade actions".

Power does make people corrupt or blind, it has to be said. I do not really know what to say about this, because the softwood lumber agreement does not really reflect the political direction that was announced to Quebeckers regarding the softwood lumber agreement as we saw it in the election platform.

As I said, the Conservatives wanted to support the industry by giving loan guarantees, but they did not do that; no sooner was the government elected than the promise was forgotten. Quebeckers will remember.

I have said on several occasions that the attitude of the Liberal and Conservative governments left a bad taste in the mouths of some representatives of the forestry industry and forestry workers.

Scarce financial resources, abandonment of the industry by the Liberals and Conservatives, not forgetting the intransigent attitude taken by the Conservative minority government in refusing to listen to and support the interests of our industry when it called for changes to the agreement—all these factors certainly contributed to weakening the industry and ultimately forcing it to accept this agreement.

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●(1225)

We accept this agreement because we have no choice. The government has put a gun to our head. Thousands of jobs are being lost. People are at the end of their rope. There is no more money. Companies are closing. The government is not giving us what we need, despite enormous surpluses here in Ottawa. It is not listening to businesses. Businesses are telling us that under the circumstances, they have no choice but to support the agreement.

The Bloc Québécois supports this agreement reluctantly. We are supporting it because, as I have told my committee colleagues many times, Quebec's forest industry and Quebec's worker representatives have asked us to. They have studied the agreement thoroughly. These are lawyers, manufacturers and people working in this sector. Their jobs are at stake. Their export needs are high and they need to start producing more softwood lumber so they can export it. Thousands of jobs depend on that. These people have concluded that it is important for us to support this agreement, and that is why we are supporting it.

Nevertheless, we continue to believe that, since the beginning of the conflict, there should have been a plan in place to help the industry. The Conservative government is wrong in thinking that this agreement will solve all of Quebec and Canada's forest industry problems. Because both the Liberals and the Conservatives failed to support the forest industry, it has been crippled by the softwood lumber dispute. It is now facing an unprecedented structural crisis. A number of Quebec forest industry stakeholders have stated that the government cannot claim that this agreement solves everything. They say the Conservatives are now responsible for taking concrete action to help the industry through this major crisis.

I would like our Conservative colleagues in this House to listen to what we are saying. This agreement will not solve all of our problems, so we are asking for an assistance plan to complement it. The forest industry is in big trouble and needs an assistance plan. We have already lost 7,000 jobs in Quebec. Closures announced by Abitibi Consolidated are just the latest in a string of similar announcements over the past few months.

According to the Quebec Forest Industry Council, no less than 7,000 jobs, as I mentioned, have been temporarily or permanently lost in Quebec since April 2005. That is a significant number. Many jobs have been lost due to this government's failure to act. I would even say that, because Quebec still remains within this federation, we cannot master all our economic development levers. Quebec could have supported the industry on its own, but we are still within this federation. We are still here today, asking for this government's support, which unfortunately, we have not yet been able to obtain for the Quebec forest industry.

The Bloc Québécois is calling for an assistance package that includes an income support program—the infamous POWA—for older workers who lost their jobs because of mass layoffs in this sector, as well as a number of initiatives to help businesses become more competitive by updating their equipment or venturing into secondary or tertiary processing activities. The package includes measures such as faster amortization on production equipment, diversification of lumber markets and special tax treatment for the

\$4.3 billion in countervailing and antidumping duties that will be paid back.

Since the very beginning of the dispute, the Bloc Québécois has been proposing concrete measures to help workers and businesses in the softwood lumber sector.

●(1230)

Now that the bill has support, and if it is passed by the House, we hope that the Conservative Party will propose a plan—

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Burnaby—New Westminster.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, as usual I very much appreciated the speech by my colleague from Berthier—Maskinongé. I always enjoy his presentations because of his eloquence. However, I do not understand the Bloc's logic because everything he said today is very straightforward and quite legitimate. Clearly, this agreement is not good for the Quebec industry.

He spoke about quotas. This agreement is being so poorly managed by the Minister of International Trade that it is well known that the quotas probably will not be put in place before June 2007. Thus, the Quebec industry will continue to pay penalties. We have lost 2,000 jobs in Quebec and the Government of Quebec has now lost its sovereignty over its forestry policy, an exclusive provincial jurisdiction. Every decision that the Quebec government must make or any change to its forestry policy is subject to the right of veto by the American government, by the Bush administration.

The quotas, which Quebec opted for, cannot be put in place. The Bush administration has a right of veto. In addition, 2,000 jobs have been lost in Quebec—in Saguenay—Lac-Saint-Jean, Abitibi-Témiscamingue and on the North Shore—since the provisional implementation of the agreement in October.

My question is quite simple because the member has clearly outlined the negative aspects of this agreement. Did the Bloc Québécois consult all the workers who lost their jobs since the provisional implementation of this agreement? If these people were to tell the Bloc that the agreement must be cancelled, would he be willing to vote against the bill at third reading?

Mr. Guy André: Mr. Speaker, I agree with my colleague on certain aspects, namely the fact that this agreement is far from perfect. There are many grey areas.

However, I have already pointed out certain things to my colleague a number of times and I will point them out again. I believe this subject worries him.

I know his willingness to listen to Canadian and Quebec companies. I am not sure he wants to listen to Quebec companies, but I hope so.

In response to the question of my colleague from the NDP, I would say that if, after reviewing and examining this agreement, the industry, the Quebec Forest Industry Council and the unions had told the Bloc Québécois they did not want this agreement or this bill, we would not have supported it. We are supporting it in the hope of saving what is left of our industries and working relentlessly with the current government to come up with an aid package for the softwood lumber industry.

• (1235)

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Burnaby—New Westminster, with some hesitation.

Mr. Peter Julian: Mr. Speaker, with or without hesitation, the important thing is that you gave me the floor.

To come back to what my colleague from Berthier—Maskinongé said, the Quebec industry did indeed hold a vote on this agreement last summer. The result was 35 to 12 against the agreement. Then the entire federal government delegation started. Nonetheless, Mr. Chevrette said very clearly in committee that if there were other options, he would be prepared to submit them to the industry for a vote.

On one hand, there are job losses and, on the other hand, the industry was truly pushed to accept the agreement, even though a very large majority of the Canadian and Quebec industry did not back the agreement. Conditional letters were sent and then dropped because the agreement had been changed.

Under all these circumstances, if the Bloc consulted the 2,000 softwood lumber employees who have lost their jobs since the interim implementation of this agreement, and if these people asked the Bloc to vote against the agreement at third reading, would the Bloc members be prepared to vote against the bill to do what the people who lost their jobs asked them to do?

Mr. Guy André: Mr. Speaker, I will answer my colleague again.

As he said, this agreement was supported by the Quebec Forest Industry Council, by the FTQ—Quebec's largest union in the softwood lumber sector—and its members, and by other economic partners in the industry. That is why we are supporting this agreement and why we will support this bill in third reading. If the Quebec industry and FTQ members asked us to withdraw our support for this agreement and this bill, we would do so.

We are working closely with companies and workers in our forest industry. In light of government inaction, I do not think that the industry can afford to wait another two to four years for some other kind of agreement, given recent government inaction. As we all know, since 2002, neither the Liberals nor the Conservatives have done anything. The industry cannot go on waiting. It must move forward.

Forest industry leaders want a plan to help the softwood lumber industry. The industry needs an assistance plan, and we have our fingers crossed that the softwood lumber agreement with the Americans will last a few years.

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, the member across the floor is criticizing the government for not providing any loan guarantees that would have helped the industry to hold out. But

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what more could we have expected with the same fox who is guarding the henhouse doing the negotiating for the hens?

I also have fears, for instance, for businesses in secondary and tertiary processing in British Columbia, because the former CEO of Canfor Corporation negotiated this agreement. Clearly, small businesses in secondary and tertiary processing were not likely his first concern.

I think there is good reason to be wary of this type of free trade agreement, often supported by the Bloc. I wonder what the hon. member thinks about this. As I listened to the minister speak this morning, he basically said, in veiled terms, that the Conservatives concluded a softwood lumber agreement because NAFTA would have been at stake in the minds of Canadians. Canadians might have felt that this agreement was not in Canada's best interests.

We all know that NAFTA leaves the government with its hands tied, because it prevents the government from acting in the interest of the public and allows private businesses to act. I wonder what the hon. member thinks of the comments made by the minister this morning, which seemed to indicate that it was—

• (1240)

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Berthier—Maskinongé has 40 seconds to reply.

Mr. Guy André: Mr. Speaker, I will answer my colleague's question quickly.

I believe we must remain vigilant with the Conservative Party and the alliances it is creating with its American friends, and this is true for NAFTA and any other bilateral agreements it might sign with other countries.

Nevertheless, it must be understood that 260 cities and towns in Quebec live off the softwood lumber industry, including 134 that depend on it entirely. We must continue to support and listen to our citizens—

The Acting Speaker (Mr. Royal Galipeau): Resuming debate.

The hon. member for Windsor West.

[*English*]

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a privilege to speak today on Bill C-24.

It is important that we acknowledge the work of the NDP member for Burnaby—New Westminster on this file. He has advocated for many hours to try to get a better deal and improve the current situation.

Sadly, we have not seen the significant changes that would have actually made this a bill that we as New Democrats could support. As well, the bill shows the real weakness of current government policy. As the NDP critic for industry and Canada-U.S. border relations, I can say that this is very significant not only in the context of this particular file, but also in regard to the precedent set by this move.

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I want to begin my remarks by noting that the previous Liberal government's administration had been working on the softwood file for a number of years before this deal. The Liberals had not progressed very far, hence we had the workings of the member who is currently the Minister of International Trade, a Liberal at that time and the minister of industry. He started this process before he crossed the floor and he tried to bring a similar deal to the table. It was a deal that I think really spelled out the framework of what we currently have right now, which is really an abominable position to take. It is an outright and complete capitulation of Canadian sovereignty in trade negotiations and it will have long-ranging impacts.

The softwood agreement is also counter to the way that this country has lived up to NAFTA as well as the challenges that we have had in the Canada-U.S. relationship over the years. Despite having a significant series of losses in manufacturing and other types of industry related to the implementation of NAFTA, we have lived up to the agreement. Canada has followed the rules and has done what is right. That has led us to a point right now where our partner, the United States, has determined unilaterally to take a different direction, basically casting that and the agreement out, along with the mechanism process that was supposed to be there for dispute resolution. That is fairly significant.

I want to underline a few things in my comments. We have seen past Liberal governments, as well the current Conservative government, try to profess this myth out there that there is a so-called free trade area or world trade market. They say that if we have open markets and if we compete the hardest, that is all it takes to be victorious, to be champion, and then we will just have to lower corporate taxes to be successful.

That is not the case. In fact, even within our current agreements we have interventions by states and also at the federal level in the United States on a series of industries, which they use to protect employment in manufacturing based industries.

It is important to note that even with an agreement under NAFTA, under which we were supposed to have this dispute resolution, that is where we lost a significant edge in one of the most important and historic manufacturing industries in Canada. It was something that really set the standard for negotiations as a country that matured and was able to increase market share: the Auto Pact.

The Auto Pact is something very near and dear to the hearts of those constituents who live in Windsor-Essex County as well as Oshawa, Oakville and other manufacturing based areas that had new entry access to the American market, based upon a system of fair, principled trade. It was an agreement that was set up to be advantageous not only in terms of our industries here but also to be helpful with the United States in growing the industry at a time when we had world market share very much in our favour.

Something appalling happened during the negotiations. We were promised that the Auto Pact would be fine and would be protected, that nothing was going to take away from what we had. We were going to continue to be on the cutting edge of automotive research, development, advancement and assembly.

We were told that those jobs that every year paid millions of dollars into the coffers of this country were going to continue to be

there. Those were good jobs. Through those jobs, we advanced a number of different workplace initiatives by some of the strong, progressive CAW workplace amendments, so that workers were safer and more productive and also received more training.

As well, we expanded the industry so that when there were new products coming forth we would be the ones who would capitalize on that and we would not simply become a dumping zone.

●(1245)

It was promised that the trade agreement would continue to be successful through the new free trade agreement. Later on, the United States challenged it and we lost. What did Canada do? It complied. Canada lived up to the agreement, to what it had signed with its partners. We knew the tremendous damage that it would have on our economy and on working class Canadians, our brothers and sisters who were raising their families, making a decent living, saving for pensions and paying an incredible amount of tax in this country. We were giving up and surrendering that.

Since then, we have witnessed the decline in auto sales, manufacturing and assembly. Canada has gone from fourth to eighth with regard to production and we will continue to slip if we do not have an auto policy.

Something that is ironic in all of this is that Bill C-24 was initially introduced by the Minister of International Trade when he was a Liberal and carried on when he was a Conservative. However, he has never lived up to the much promised auto strategy that he promised the committee and myself in the chamber a number of different times. He did not deliver on that in the recent budget. Not a single initiative whatsoever was moved on that file. He did it for trade and he is doing it with the Korea trade deal, which is another one I will touch on a bit later, but he did not do it for the auto sector.

We gave up this golden opportunity that had flourished in Canada because we believed in the rules and accepted the fate of the rules on this particular industry and our country. This bill is an utter capitulation of the system, the rules of engagement and the terms and conditions because the U.S. did not like the results of those rules, despite the many times we went through court challenges, all the evidence that was presented and the work we did with progressive industry forces in the United States.

I was part of a lobby group that went to Washington in 2003 and met with the Home Builders' Associations and organizations that recognized that the artificial increase of lumber pricing in the United States because of the industry greed on that side was a detriment to many of their citizens because they could not manufacture and produce homes at a level citizens could afford. This artificial increase and denying market access for Canadian products at a competitive level was something that U.S. citizens did not support and wanted changed.

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We had a series of different taxation policies that punished Canadian companies. As this process continued, we fought many times in the chamber about how to support the industry through loans and other supports, such as research training, so that at the end of the process we would go back to the successful industry that we had.

It is important to note at this time what is happening in the industry. I have a research paper that was provided to the industry, science and technology committee entitled "Challenges Facing the Canadian Manufacturing Sector: Forestry Products and Furniture Industries. We witnessed a decline in that sector which has lost a lot of really good paying jobs, as well as jobs that have historically been in Canada.

One of the charts, the perfect storm, identifies what has been happening in this industry over a period of time. It mentions the fact that the Canadian dollar has increased over 35% since January 2003 and that its rapid acceleration was due to the natural resource exportation of the oil and gas industry to the United States and other countries. This led to the rapid increase of the Canadian dollar at the expense of other manufacturers. Historically, this has never been faced before. Some would say that the Canadian industry should have been ready but that was impossible to predict in terms of the rapid acceleration and there was no support.

The second thing in the perfect storm was the culmination of the \$5 billion of softwood duties paid. The industry faced \$5 billion on top of that. Despite having a deal, we will not get all of the money back. What kind of a deal is it when we actually end up having to pay to get out of a deal that will be a bad deal in the end anyway? What kind of nonsense is it when we will be forking over \$1 billion? Ironically, most of that money will go to the Bush administration, with no accountability in terms of how it allocates those funds. Other funds will go to subsidize the industry and the competition that we are facing. It will now have a resource to use to subsidize its industry versus our industry.

• (1250)

The third point is that the industry's energy costs have risen by 35%. I have an interesting statistic about pulp and paper and wood furniture products. The total production of pulp and paper products in Canada in 2005 was 5.1% lower than the peak production levels registered in 2000. In 2005, production of paper and paperboard declined by 4.4% and 6.1% respectively compared to the 2004 levels. We are watching it decline. Those three things punish the industry at this time.

What do we do? How do we fix this? We allow the Americans to keep \$1 billion of those duties. That does not sound like much of a solution. It does not sound like much of a solution if Canadian citizens are losing out on that resource. It does not sound like much of a solution for the people currently employed in this industry if their foreign based competitors now have the cash resources to undermine their production.

Whether the Americans put the money into further efficiencies, into research and development, toward lowering the prices or to deal with energy costs, whatever it might be, they will now have an advantage. It does not make any sense. It is absolutely offensive that we would sign a deal that we must pay to get out of.

One of the things that I think really sticks in the minds of Canadians right now is this \$1 billion and the fact that we could use those funds. We looked at the cuts in the last budget session and at how they have affected Canadian lives. For heaven's sake, if we take the ideology of the government, why would it not want to put another \$1 billion on the national debt? I guess it wants to put \$1 billion into the pockets of the forestry and lumber producers in the United States and the Bush administration. Is that the government's solution to the issues Canadians are facing today? I do not think so. I think it is alarming.

I must also note that in all of this the Bloc members have not been very successful in negotiating any changes to this bill. They have rationalized the reason why they are supporting it. I understand their pressures and decisions but we should have at least seen a counterpunch on the government for the support that it is receiving. I find that alarming because if we are to have a true building of perspective in this House of Commons we should see something. They could throw them a bone or something that would soften the blow on Canadian workers who are losing their jobs and on the industry itself and the future it faces.

I do want to go through a number of different things here that we are concerned about. One of them is really ironic.

Canadians can see how complicated the bill is and how much information it contains. It is an issue that has taken a number of different years to come through here. At the same time, the committee spent one week going through it for witnesses. How is that even possible, in a modern, functioning democracy, that we could only have one week's worth of witnesses? We have witnesses on a regular basis in our parliamentary committees who spend more time on less settled things. This bill was rammed through the committee stage, denying amendments and debate.

The Canadian public needs to understand that that is not good government. It is about trying to move an embarrassing situation along. Shutting down debate does not make any sense.

We have many friends in the United States and many of them do not support this particular bill because of what it does to our relationships. However, when the Americans actually signed on, through our current trade agreements, they received protectionism clauses.

In some of my earlier remarks I talked about how we lost the auto pact. However, in the actual trade agreement, the Americans have a whole series of protectionism measures for aerospace and bus manufacturing that literally take away the opportunities for Canada to expand these industries. The Americans have this because they decided it was in their national interest. The U.S. government thought enough of those particular industries and the value they added to manufacturing, to the employment base and to the future of the country that it said that free competition did not matter and which country made the best product or which country was the most efficient did not matter, that it would guarantee that the work would only happen in the U.S.

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•(1255)

In our own country right now we cannot even decide that for our industry. We would rather capitulate. It does not make any sense. While our competitors are employing strategies, techniques and different types of measures to protect their industries, we cannot even support fairness for our own industries that must compete in that environment.

Another big concern I have is about where this goes. When I look at the bill and the measures in it, I worry about our wood manufacturing, the products, the post-production and having to take down the trees. The whole softwood industry is actually having some manufacturing base.

We only need to look at our oil and gas industries. Despite their billions and billions of dollars in record profits and the fact that they are also receiving subsidies, they put less than 0.8% of their money into research and development. The average national manufacturing industry, in terms of research and development, and other comparable industries invest a modest 4%. That is not good. That is a poor standard on OECD levels and compared with other developed nations. It is not a very good measure but at least it is at 4%.

Mr. Pat Martin: It is 500% more.

Mr. Brian Masse: The member for Winnipeg Centre said that it was 500% more.

All we do is export the natural resource, which hurts us on a number of different things. It hurts us on innovation. Because we do not do any of the research and development, refining industries are not being developed in Canada, which affects a series of other issues. We see the loss of jobs and the loss of good minds for research and development, who leave this country. We cannot attract the brightest and the best. On top of that, we lose on taxation on the secondary product as well. We allow somebody else to take all that.

I am worried that Bill C-24 will set up the same situation in the softwood industry, that we will just be the net supplier of the resource and that will be all we have to offer. However, I think Canadians believe that we can offer more, that we can be the ones to do the research and development, that we can create finished products of which people can be proud and that we can create jobs, not just in those particular industries, but which also lead to spinoffs. I believe Canadians want to be part of that process. It is not good enough for this country to become only an exporter of natural resources, and Bill C-24 leads us down that path.

In summary, I want to say something that is important to note. The Minister of International Trade is currently selling us out on a Korea deal where it is not fair trade. It worries me that this is the template. If we are giving up the ghost on this issue, what will we see on the Korea trade issue?

I have had meetings with the industry committee and industry staff related to the auto sector and under the Korea trade deal the auto industry is up on the block. We are continuing to trade and develop the trade initiatives that will cost more manufacturing jobs in our country by the setting up of a failed trade deal policy. Bill C-24 is really all about the failure of a government to protect its industry,

which is about the natural resources of the men and women in this country who deserve to have these resources used to their advantage, not against them.

•(1300)

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, I can hear the strain in my NDP colleague's voice but he still made a very good speech despite not feeling well. However, I feel I must correct a couple of statements he made.

He mentioned that the sellout came from a Liberal minister who moved to the other side. That is absolutely not the case. We would not let the sellout happen when the minister was on our side. When he crossed the floor, he created it on that side with the Conservative Party. Clearly, we were not involved and we have opposed this.

He also mentioned that he believed in the minister. I believe the topic was the auto policy or something. I hope he has learned from his mistakes because he cannot believe in that minister. We found that out through a very difficult process.

I am not sure the hon. member heard, but I think he will understand my question. This morning the minister made a comment about the trade relationship between Canada and the United States and how bad it was. However, we know that the trading relationship between Canada and the United States is quite good. Most goods flow barrier free across the border.

However, what we did notice on this side is that the anxiety between the American administration and the trade policy seemed to escalate as the U.S. mid-terms came along. We feel that the American president really forced this deal on the Prime Minister, who fell for it, because of the pressure of the mid-terms coming up and he needed support. The Prime Minister needed a good photo op and he tried to get a deal. It is a bad deal for Canadian softwood. I am just wondering if my colleague in the NDP has an opinion on that.

Mr. Brian Masse: Mr. Speaker, I disagree with the member with regard to the former minister, who flip-flopped, floor crossed over to the Conservatives, and I do it for this specific reason. The work was already underway and was very well progressing down the pipe.

It is important to note that the minister was a star candidate of the member for LaSalle—Émard, the former prime minister. The Liberals had to bring him in to their caucus. He was seen as one of the brightest. I was shocked when the situation evolved. They brought his work to this chamber. They cannot distance themselves from that. To begin with, he came from that sector. He had worked on the file and plenty questions were asked. Therefore, the member and I will have to agree to disagree on that issue.

He mentioned our trading relationships with the United States and how they had improved. That is not true. Even after the deal has been signed, the U.S. has continued to move unilaterally on a number of different trade barriers. The Minister of International Trade should be well aware of these because he tried to cover one up. That was the bioterrorism act that came into play well after we sold out on this.

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The bioterrorism act was the unilateral decision by the United States to impose a new tariff on Canadian travellers, trucks and other types of goods and services entering the United States. The minister's department was notified of that. Despite knowing about it two weeks prior to it going public, he did not even bother to contact the trucking association and other groups and organizations to let them know.

This is very serious. It is another unilateral approach to create the conditions where the Americans have more protectionism outside the definitions of NAFTA. It is a tremendous impact because we will literally have goods and other services that will be affected by a new fee. It has also chased off plant expansion and development in Canada. It is seen now as another barrier for business to go through.

I met with the Export Development Canada group. It is working on a new program to help small and medium size companies cope with these changes. However, this is an additional expense for those companies and the taxpayers. They have to support programs like this. We have to deal with this competitiveness.

The border has not changed for the better. In fact, since the deal has been signed, we have seen the militarization of our border. A series of different projects are emerging. We are going to have drone planes, Black Hawk helicopters, fencing and guard posts. The Department of Homeland has a \$36 billion security budget that includes everything from studying the feasibility of a fence between Canada and the United States to adding all this military hardware.

We also have the issue of gunboats on the Great Lakes. It is another indication of that militarization.

Therefore, it has not been improving. In fact, the barriers are increasing. What is really disturbing about this is the unilateral approach the United States continues to take on these matters. With the new administration in the United States, in the House of Representatives and the Senate, we have an increased opportunity to hopefully correct these situations.

• (1305)

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, I appreciate the opportunity to speak to this very important topic, a topic particularly important to areas of the country like northern Ontario where forestry is such an important part of our economic activity. It is the lifeblood, the heartbeat, the industrial centre of so many of our communities in that wonderful part of the country.

As we look at the devastating situation in which the forest industry finds itself across northern Ontario and the country, many of us have asked ourselves why the government would take us down this road. This deal has no obvious benefits at first look. Those who have analyzed this agreement, those in the forest industry who have a vested interest in this, have said they have some very real concerns about it.

Why is the government so bound and determined to impose a new set of rules on an industry that has served us so well for so many years and has been the bedrock of the Canadian economy for centuries? I believe this is another part of the effort by global forces of the right wing political, economic and private sector movement in our country. Whether we kick or scream about this, it does not really seem to matter. Whether it makes sense financially to the people, the workers, the communities and the tourist industries, it does not seem

to matter either. Come hell or high water, we are going down this road.

I believe this is an attempt by the government to have this industry, along with other industrial sectors in our economy, conform with the American approach to doing business. I believe it is an attempt to have industry conform to some of the global realities that we have to play a part in as we try to move forward to create work and provide support for our industries, businesses, workers and communities.

I have looked at this issue quite closely for some time now. I have been in this place for almost three years. I have watched as both the previous government and the Conservative government have struggled with the American heavy-handed approach in trying to bring Canada and its industrial sectors to heel, and I am shocked. I know the previous Liberal government was working very hard to try to find some balance or compromise in this equation. However, once it was turned over to the leadership of the present government, it went from bad to worse. Now we have this deal staring us in the face. Once we pass it through this place, it will become the order of the day, and that is unfortunate.

We have been very creative and intelligent in Canada. We have worked very hard to situate ourselves in the global economy, even in the context of the North American free trade agreement. There was great resistance to and concern with that agreement when it was talked about back in the eighties and nineties. Many of us predicted that it would severely hurt our manufacturing sector. When we look at the numbers today and the jobs we have lost, and are losing, in the manufacturing sector, the chickens really have come home to roost.

Instead of dealing with this in a truly Canadian way, which is to work collectively to put in place laws, rules, a regime, a framework to protect all the interests that need to be considered in the Canadian community, we have simply thrown in the towel and said if we do it like the Americans, then it will be better down the road and we will all benefit.

• (1310)

That has not been our experience. We have worked very hard and have been as efficient as is possible in situating our industry in the country, but we continue to be battered by the forces out there that would have us do business differently.

I only have to look at how the government of the day is now trying to change the way we sell our grain from western Canada on the global market. In a very unique and Canadian way, collectively over a number of years and driven by farmers, we put together the Wheat Board. It has been very successful in ensuring that farmers, who grow and market grain in western Canada, continue to have a viable economy working for them. It has ensured that they continue to make enough money to keep themselves in business so they can pay their bills, have decent standards of living and later can turn their operations over to their children. However, farmers in my community of Sault Ste. Marie have said that this has become more difficult.

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Farming has become more difficult because of the pressures brought to bear by what is happening on the global scene. Our farmers have rallied and put their best efforts forward. They have brought their greatest research and information to the table. They have put together organizations and schemes that would protect their interests. Farmers get up early in the morning to do their chores. They go out and plant seeds or look after their animals. At the end of the day, there must be sufficient return on that effort. When farmers invest in their enterprises, they should get a return on that investment. However, that is not the case now in so many of our agricultural sectors.

In my area farmers are looking at walking away, or trying to sell to somebody else, or declaring bankruptcy. This is a terrible state for an industry that is so fundamental and foundational for all of us as a society. If we are not a country that can support an agricultural sector that feeds us, then we are in really big trouble.

We now have a government that wants to take this vehicle, the Wheat Board, and throw it away. Farmers put the Wheat Board in place. They have taken ownership and control of it. They have run it for a number of years and have been successful in that venture.

I know, with some good concern, many of our farmers think this is just the thin edge of the wedge, that once we head down that road, the next thing will be supply management. A lot of our poultry and dairy farmers are concerned that this will be the next—

• (1315)

Mr. Maurice Vellacott: Mr. Speaker, I rise on a point of order. With due respect, the member seems to have confused farmers and the topic of the day. I would ask your direction to get back—

The Acting Speaker (Mr. Royal Galipeau): I thank the hon. member for his point of order. I know the hon. member for Sault Ste. Marie will limit his comments to Bill C-24.

Mr. Tony Martin: Mr. Speaker, in this place we have plenty of latitude to connect things and set the context within which we are having these discussions. I do not think that was a point of order. It was actually an attempt to simply stop us from making our arguments. As the government has done in this instance, it has fought back against us as we have tried to protect the interests of our forestry sector.

The point I was making is what the government is doing to the Wheat Board is reflective of its approach to the forestry sector, which is to have it conform to the American way of doing business. At the end of the day our small forestry communities, small forestry enterprises and those who work in the forestry industry are not protected. They have no protection.

Through NAFTA and the numerous other trade agreements that are being signed every day that goes by, the government loses more and more of its ability to protect that which is essential to its own economy, industry and enterprise. I am using the case of what the government is doing to the Wheat Board because in my view it is a lot clearer and in sharper focus than what is happening in the forestry sector. The way this agreement has been rammed down the throats of the industry players, imposed on the provinces and brought to the House as a fait accompli is indicative of the under the surface damage and concern many of us have about the bill as it works its way through this House.

What the Conservative government is doing to the Wheat Board is reflective. It is not just the Wheat Board; it is a number of other cave-ins this country has participated in over a number of years now. When the North American Free Trade Agreement was imposed on us, those of us who opposed it back in those days accepted that. We sat down at the table, read through the documents, came to understand what it meant and how we should work with it. We began to be quite successful in putting together structures and ways of protecting particularly our resources that would give us at least some significant return on our investment and effort.

Alas, even in that when we found ways to do business that were good for Canada and good for Canadian communities, our American neighbours did not like it because we were being too successful. We were competing too successfully with them. Our product was of a quality and at a price that competed very successfully in that market. The Americans began to take us to court. As they took us to court, we fought back. We went to court and we took advantage of those vehicles that were put in place with the Canada-U.S. Free Trade Agreement and the North American Free Trade Agreement to protect our interests.

We made our case and we were successful. Time after time we were found to be right by the courts. We expected that our American neighbours would honour that. We expected that they would be honourable people and would live up to the agreements that we had signed in good faith as we entered into those free trade agreements, but alas, they were not honourable. They were less than honourable. They continued to bring us back before the courts to wait us out until they had a government in this country that was amenable to their interests. In the interests of a good relationship and currying favour with our good friend George W. as the Conservatives would say, the government agreed to this softwood sellout that we see before us today.

• (1320)

Nothing in the softwood agreement is going to be helpful in any meaningful way to the forestry industry in northern Ontario. That industry is struggling so badly these days. Communities have been hit hard by the closing down of paper mills, pulp mills and sawmills. People are having to leave their homes. They are having to sell or walk away from their businesses and move to other parts of the country in order to get work to feed themselves and support their families.

In September the NDP caucus met in Thunder Bay with some of the leaders in the forestry industry in northern Ontario, particularly in northwestern Ontario. The softwood agreement is whacking all of northern Ontario. We met with the political leaders and the mayors of many of the communities in northwestern Ontario when we were in Thunder Bay.

We visited some of the plants that were hanging on by their fingernails at that point in time in northwestern Ontario. They all told us the same thing, that they were in difficulty. It was not connected in any serious way at that time with the work that was going on here driven by the Conservatives on the softwood lumber situation. It was driven by a number of other things that the government should have been putting its mind to. We hope the government will put its mind to those issues when we get this piece of work done, but who knows.

Government Orders

The forestry industry needs leadership. It needs the help of the federal government. The federal government should be there. That is the role of government, to protect those industrial sectors that are so germane and inherent to the good economy of this country.

How does Canada as a country respond to some of the pressure that is being brought to bear around the monetary policy and the level of our dollar? When I spoke with some of the industrial leaders in Sault Ste. Marie they told me that if the government could somehow bring the best minds to the table and work with partners out in the private sector and somehow bring the dollar down to about 80¢ they could all be doing much better.

In northern Ontario it is also a question of the price of energy. As we again respond to the American pressure to conform to the way that they manufacture, produce, distribute and use energy, we should be turning our energy operations over to the private sector. What we find, as we did in Ontario, is when that is done the price of energy goes through the roof. Our industries become non-competitive again because they cannot afford the price of that energy. Our industries in Ontario cannot compete with jurisdictions like Manitoba and Quebec which continue to retain control of their energy enterprises.

We have tried in Ontario under the leadership of Mike Harris and now Dalton McGuinty to turn control of our energy enterprises over to the private sector. More and more we find that we are getting deeper and deeper into a hole and that we cannot compete. We need the federal government to talk to those who have control over those pieces of the puzzle, so that our forestry sector can again be successful and profitable and provide the kind of support that it has provided over the years to those communities and the parts of the country that are dependent on that sector.

The dollar is battering our forestry industry. The price of energy is battering our forestry industry. There is the way that we manage our forests. Access to fibre and the cost of fibre are huge concerns. There are all kinds of concerns in the forestry sector that need to be addressed by government.

The previous Liberal federal government sat down with the forestry industry leadership before the last election. The forestry industry was here in large number with a very effective and energetic lobby. They met with our caucus. I am sure they met with the Conservative caucus and with the Liberal caucus and convinced them that they needed an influx of some dollars in order to upgrade their technology, to invest in new technology, to do some research and development and some training.

• (1325)

We heard the federal government of the day announce that it was going to put billions of dollars on the table and make it flow but, alas, it never happened. It was not there and it is still not there. Our forestry sector is struggling and in some instances has disappeared. Some of the communities have suffered damage that will not be fixed.

Instead of dealing with those very direct issues that the forestry industry was bringing to the table and wanted addressed, the Conservative government moved ahead full force with this new softwood lumber deal. The softwood lumber issue would have, in

my view, worked itself out in time through the courts much more to our advantage than this deal is presenting.

How we deal with our forestry sector is critical to northern Ontario, the communities in my area and communities across this country.

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, despite the member's comments on this important issue, it is very clear that the industry across Canada supports the softwood lumber agreement. He somehow made a connection between the Wheat Board and the softwood lumber agreement. What he has done is reaffirmed the fact that the NDP is a party of big monopolies and a party opposed to choice in the market.

What was more disturbing was that earlier in committee his party which takes pride in calling itself the New Democratic Party acted incredibly undemocratically by filibustering. In fact, it was the member for Burnaby—New Westminster who filibustered on the softwood lumber agreement, an agreement that Canadians are asking us to pass.

Would the member not agree with me that the actions of his colleague the member for Burnaby—New Westminster clearly were intended to frustrate the will of the House and the committee and were grossly undemocratic?

Mr. Tony Martin: Mr. Speaker, in fact we were very proud of the member for Burnaby—New Westminster who stood up to the bullying tactics of the governing party. Some out there in the industry, particularly the Americans, would have us kneel down and bow to their interests. We just did not seem to be able to find any way to bring a clearer understanding of the impact of this terrible deal on our forestry sector.

To go back to the comment the member made that NDP members are somehow enamoured with big monopolies, on the contrary, we believe that as Canadians we bring unique and effective thinking to the table to protect our industry. There are vehicles like the Wheat Board and supply management which, if we are not careful, the government, as it is going to do with the Wheat Board, is going to simply flush down the toilet, the same as it has done with our forestry sector in agreeing to this softwood lumber deal.

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, the member and I live in northern Ontario and know the challenges it is facing. Some of the plant closures happened some time ago. We are facing Christmas now and a lot of people are running out of resources.

I have to mention a statement he made. He asked why the government would take us down this road. What did the NDP think it was going to do? It had heard all of the right-wing rhetoric and knew what great friends the Conservatives were with the current American administration. Did the NDP actually think that the Conservatives were going to stand up for the workers of the communities? That was not going to happen with this administration.

Government Orders

He mentioned billions in forestry and we know we were unable to deliver that. We did not have time to deliver the package that we had proposed, and we accept Canadians' judgment after it happened. However, the package was designed after listening to the very people he mentioned, community leaders, unions and the industry itself. The package had some real value. Would people in the member's riding and across northern Ontario be working had that package been delivered?

• (1330)

Mr. Tony Martin: Mr. Speaker, I think that was a good package. Like so much else that was promised by the Liberals in their 13 years of government, it was not delivered. That is why Canadians passed judgment on them in the last election. It was not the New Democrats that took them down. It was not the New Democrats who voted them out of office. It was the people of Canada because of what they saw in their experience with them, and their lack of commitment and follow through on promises that they made that took them down.

Hopefully, the Liberals are learning a lesson. There may be a day when perhaps they will be back in power again, but I do not see that for quite some time.

What we need to do together, Liberals, Bloc and ourselves, is to talk to the Conservatives, because we do have the majority in the House, and tell them that this is a bad deal. This is not going to work for our forestry sector, just as disbanding the Wheat Board is not going to work for our farmers and doing away with supply management is not going to work for our farmers.

We cannot continue to conform to the American way of doing things and expect that we will protect something that is uniquely Canadian. We have over the years shown ourselves as Canadians to be creative in the ways that we develop our industry, and in the way we form communities in front of some of the challenges that we face: our geography, our weather and our distances. We must strive to have a very viable and vital economy, and to have communities that are well off supporting each other. However, if we continue to try to copy or emulate the American way of doing things, do not be surprised if we lose some of our best efforts.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, I would like to get the opinion of my hon. colleague. Often what happens when we seem to follow the bidding of Americans and their policies, the commentary is that we have to be very careful. We do not want to interfere with the good relationship we have. Yet, I have read and heard with regard to softwood lumber and other incidents that people in power in the United States do not understand why we do this and why we are so compliant to the wishes of our trading partner.

I would like the member's opinion on this aspect. Does he believe that if we stood strong in our beliefs that we would have respect from those people south of the border?

Mr. Tony Martin: Yes, Mr. Speaker, I certainly do believe that. I believe that if we would have continued down the road that we were on, which was taking advantage of some of those vehicles that were put in place in the North American Free Trade Agreement as well as the court challenges, we would have won and gained more respect. We do not need to throw in the Canadian Wheat Board and some of

the vehicles in the NAFTA simply to conform to the American way of doing business.

Mr. Garry Breitkreuz (Yorkton—Melville, CPC): Mr. Speaker, I have a very brief question. The member who was speaking described the institution of the Canadian Wheat Board as an institution that is uniquely Canadian. He knows that it only applies to Saskatchewan, Alberta and Manitoba. If this is such a uniquely Canadian institution, why do Ontario farmers not want any part of it?

Mr. Tony Martin: Mr. Speaker, I do not want to speak for Ontario farmers, but I certainly want to say that it was Canadian farmers in western Canada who chose to do business this way. I know that there are farmers in eastern Canada who are very fond of and very concerned about supply management because we do not have the kind of grain industry in eastern Canada that they have in western Canada. In western Canada we have the Wheat Board and in eastern Canada we have supply management.

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I have a comment more than a question. The comment is very interesting. In his response to the member for Yorkton—Melville the member said that he did not want to speak for Ontario farmers. He is an Ontario MP. Yet, he is quite willing to speak for the farmers of Alberta, Saskatchewan and Manitoba, giving them something that those farmers do not want. That is my comment and I think it speaks for itself.

• (1335)

Mr. Tony Martin: Mr. Speaker, what I would like to say to the member who just spoke and perhaps to the member who asked the question previously is this. Why is it that the government will not allow farmers in western Canada to actually determine their own future as far as the Wheat Board is concerned? Why is it intervening in so many destructive and negative ways in whether farmers actually have a say in whether they want a Wheat Board or not? It is having a plebiscite, but it is a very narrow and controlled plebiscite by the government.

I was at a meeting in Saskatoon in July where 250 farmers and farm leaders from across western Canada spoke very loudly and very clearly about what they thought was in their best interests. They know that the Wheat Board is not a perfect vehicle, but they are willing to work with others to make sure that it gets better. All they want is a chance to do that, but the government has come in, and by fiat and strong-arm has decided that it is going to put it out of its misery.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I am pleased to enter into this debate on behalf of the good people of the riding of Winnipeg Centre, especially as we enter the final hours of the final stage of this very long, drawn out and controversial piece of legislation, Bill C-24, which as anybody watching will have realized implements the softwood lumber agreement.

It would be helpful in this final stage of debate to summarize and perhaps detail for Canadians who may be watching just what transpired in this whole agonizing drawn out process, this roller-coaster ride that we have been taken on, which has led us to the point where we are today.

Government Orders

It seems that the Prime Minister and the new Conservative government are moving at warp speed to integrate Canada's security and foreign policies with the U.S. and to shred any competitive advantage over the U.S. in areas such as lumber and wheat as well as an overall harmonization and integration on any number of facets in our relationship with the United States.

It seems that the Conservative government is voluntarily and unilaterally giving up the competitive advantage that we enjoyed over the years in the softwood lumber sector and, as raised by my colleague from Sault Ste. Marie, the sale of our superior wheat, a Canadian brand of wheat that is in such great demand around the world. I will speak to this later.

Bill C-24 deals specifically with the softwood lumber agreement. To set the context for my remarks I would like to remind Canadians that days before Ottawa bludgeoned Canada's lumber industry into this deeply flawed softwood lumber agreement, the *Vancouver Sun* published the details of a leaked letter from the Bush administration to the U.S. lumber lobby.

In this letter the American administration confirmed its objective was to hobble the Canadian industry for seven years. This should have been shocking to Canadians. Having our competitors reveal in a leaked letter that the administration's intention was not to achieve fairness in the North American marketplace for softwood lumber, but to hobble the Canadian industry should have made us all sit up and wonder who negotiated this deal and wonder if they were really acting in our best interests. I cannot blame the administration for being aggressive that way because it is very good at defending its own domestic industries. This is only the beginning.

What we learned and what our colleague from Burnaby—New Westminster has been trying to point out in every way that he knows how, to alert Canadians to the realities of this deal, is that the Americans will get to keep \$450 million of the illegal duties they were collecting. They will get to keep this money to grease the wheels for the protectionist republicans in the White House who were facing tough fights in their mid-term congressional elections. With no strings attached, \$450 million goes not to the government of the United States, but to the republican administration to wage war on Canadians who are financing this attack on our trade relations.

Canada's timber industry would be forced to subsidize an ongoing illicit attack on itself. What kind of deal is that? It makes one wonder who would negotiate terms and conditions like that on our behalf. Who are we sending to do our bargaining for us in this regard? It is astounding. All of this is going on with the explicit consent of the Canadian government.

There is even more. This is where a worrisome trend is beginning to develop, a motif, one of the characteristics of the current government. When the industry balked, the current government used intimidation, which is now almost a hallmark of our new Prime Minister.

• (1340)

On August 4 the *Globe and Mail* quoted a senior government official's warning that industry opponents to this deal "should prepare themselves for the consequences of rejecting it and...might

want to start contemplating a world where Ottawa is no longer in the business of subsidizing softwood disputes".

In other words, they were told that if this deal was voted down, if they did not support this softwood lumber deal, they should not expect Ottawa to help them in any future and subsequent deals. It is some kind of economic blackmail to lord this over the heads of the industry players, saying that if this deal is voted down, if industry players trust their best instincts and vote this deal down, then Ottawa will not help in any subsequent deals. The only conclusion Canadians can draw is that this softwood deal is a deal that is managed of, by and for the American lumber lobby.

Here is the most worrisome thing—and I will say this as clearly as I can because it is a complex notion—even more worrisome than the billion dollars that we are leaving on the table in illegal tariffs and duties collected by the Americans. The most worrisome thing yet is that a supposedly sovereign nation has signed on to an unprecedented clause which requires provinces to first vet any changes in forestry policy with Washington. To me, this is more damaging.

People studying this deal 20 years from now will probably find that the most alarming thing about it is that we have voluntarily forfeited our sovereignty to manage our own affairs in the softwood lumber sector. This is where it raises a question: how in God's name did the Bloc Québécois support the ruling party, the government, to get this deal passed when it is all about sovereignty? I have heard a thousand speeches by my colleagues from the Bloc about Quebec's sovereignty and how they did not want the federal government to trample on the jurisdiction of Quebec to control its own affairs as it pertains to its resources. I support the Bloc in that argument.

How, then, can the Bloc support a softwood lumber deal that has this unprecedented and precedent setting clause that requires provinces to vet any changes they may want to make, perhaps in the stumpage fees, the quotas or the amount of cutting in certain cutting areas? Any of those changes will have to be first cleared with Washington before the provinces can implement those changes. It is an affront to Canadian sovereignty. It is an affront to Quebec's sovereignty. But that is the softwood lumber deal that we are about to sign.

One of the things that people often overlook in all the hype about how thankful we should be that the Conservative government gets along with the Americans is the reality that Canada tossed away a significant victory, which we won not before the virtually useless NAFTA panels but from the U.S. Court of International Trade. It ruled that U.S. duties on Canadian softwood lumber were illegal.

Government Orders

In other words, we were winning the court challenges that we threw aside when we went into the softwood lumber agreement. We snatched defeat out of the jaws of victory, as it were. If only we had stayed with that route. I have heard the minister and others say that they could not keep throwing millions and millions of dollars to lawyers in never-ending court challenges. That is true, but they were not never-ending. We were winning them. We were within a hair's breadth of winning them. We were almost there. We were within days of winning when the government announced that it was going to accept a far inferior package.

That is what is incomprehensible about the artificial urgency on the part of the Conservative government to accept a deal that is substandard. When we could have had it all, the government left a billion dollars on the table.

This is the second time that a Conservative government has done this. Let me take people back to 1986, when the GATT, the World Trade Organization's predecessor, issued a preliminary finding on the legality of U.S. lumber duties against Canada. The government of Brian Mulroney at the time, bent on negotiating a free trade agreement with the U.S., abruptly aborted the challenge, with eager acquiescence to the Americans.

That is another example of where we were well on our way to winning our argument that U.S. lumber duties against Canada were illegal. That finding, too, was nipped in the bud before it could take effect. The finding was never published. It does not take a paranoid mind to assume that the GATT had ruled for Canada. Mulroney foreclosed on the GATT ruling because it would have wiped out his entire argument about the necessity of a bilateral free trade agreement with the United States.

● (1345)

It seems to many of us that free trade is like a computer virus coursing through Canada's social, economical and political systems, eradicating everything unique. Everything that is unique and special and advantageous must be eliminated, it seems. We must harmonize with the United States, it seems, but we find no fault in leaving the Americans with the advantages they enjoy in the industry sectors where they do things better than we do.

But it seems we are supposed to forfeit anything that we do better than they do. The first agricultural casualty in that regard was the prairie wheat pools. They corporatized. They were hoping to surf on the private American market. Instead, they surfed on losses and put the Canadian Wheat Board on a timeline. The Americans began gunning for it before the ink was even dry on their signature to the initial free trade agreement in 1989.

I live in Manitoba, and for those of us who live in the prairie provinces, I can tell members that since then the Wheat Board has been subjected to 11 separate U.S. trade attacks. The cry, as with lumber, has been "unfair subsidies". The U.S. does not just want to eliminate a formidable competitor in the world wheat market for its multinational agriculture business; it wants that agribusiness to capture the price advantage enjoyed by superior Canadian wheat. This is the pattern that is developing. This is the worrisome motif that is developing in trade relations as contemplated by our new Conservative government.

It is as if the new Conservative government is prepared to do the Americans' dirty work for them in terms of these two specific trade irritants. As an example, it has now begun a process to abolish the Wheat Board's monopoly. I will not go into that in any great detail other than to say there have been very worrisome things happening in recent days. Mussolini would be proud of the current Minister of Agriculture because he slapped a muzzle on the board of directors of the Canadian Wheat Board.

The directors are not allowed to defend their own best interests. They are not allowed to represent farmers and to advertise in any meaningful way why the Canadian Wheat Board, which has a business case that shows it, is in the farmers' best interests. The government has taken draconian measures to make sure that the Wheat Board directors are not heard, to the point of cancelling a meeting of the Standing Committee on Agriculture and Agri-Food today, in fact, so that the directors could not make their own case. I will not dwell on this except to say that there are such natural and obvious parallels between these two longstanding trade irritants between our two countries.

I will simply say this, and perhaps I can do it best by quoting John Morriss, the editor and publisher of the *Farmers' Independent Weekly*, who says that a dual marketing board is "a chimera", that it cannot work. He asks farmers to recall the voluntary central selling agency, which was run by the pools in the 1920s, and the voluntary Canadian wheat board, which began in 1935. Both of these voluntary wheat board organizations had spectacular bankruptcies. They were likely the two biggest business failures in Canadian history. The voluntary Canadian wheat board lost \$62 million in 1938-39, which was an enormous sum at the time and the largest bankruptcy in Canadian history.

The way we explain this is really quite simple, even to a lay person like me. The reason a dual market for marketing Canadian wheat will not work is simply this: if the open market is higher than the initial payment, then the board gets fewer deliveries, and if the initial payment is higher than the market, it gets those—

● (1350)

Mr. James Bezan: Mr. Speaker, I rise on a point of order. The member for Winnipeg Centre is going on about the Wheat Board. The debate right now is on softwood lumber and Bill C-24. I would ask that he get back on topic. I would ask that he discuss the matter at hand and not get off track.

The Acting Speaker (Mr. Royal Galipeau): I thank the member for Selkirk—Interlake for his point of order. He does know that although we are studying Bill C-24, the hon. member for Winnipeg Centre, like all members, does have quite a bit of latitude in doing this. I am sure the hon. member for Winnipeg Centre will get back to the point.

Government Orders

Mr. Pat Martin: Mr. Speaker, in the context of debating Bill C-24 I was using as an example the similar parallel trade irritant of the Canadian Wheat Board. I think there is a connection, enough of a one to allow me to finish my thoughts in that regard, and then I will come quickly to a summary of the NDP's view on why we are opposed to the current softwood lumber agreement deal.

I was trying to explain that the reason the dual desk marketing system will not work for the marketing of Canadian wheat is that if the open market price is higher than the initial payment, the board gets fewer deliveries. If the initial payment is higher than the market, it gets all the deliveries but it has to sell the product at a loss. It simply cannot work.

In the case of both of these examples, both of these major trade irritants between Canada and the United States, the Conservative government feels compelled to roll over and do exactly what the Americans want it to do. The Americans want the government to give up, even in cases where it is close to victory. When it could have in fact delivered a resounding victory in the softwood negotiations, the government chose not to. It bailed out too early. It left too much on the table.

I would like to quote Margaret Atwood and her view in this regard:

It's said the beaver bites off its testicles when threatened. If true, the beaver is certainly an apt symbol, if not for Canada, certainly for a succession of governments which, when faced with ceaseless bullying, react by carving off pieces of the nation.

That is, carving off our own independence, and I think the words of Margaret Atwood are very prescient and very wise in this regard.

Let me tell members one specific thing. Above and beyond leaving \$450 million on the table for the Bush administration, and \$500 million that goes directly to the American softwood lumber industry, again so that it can continue its relentless assault on the Canadian softwood lumber industry, one of the things that bothers me most about this deal is that it actually discourages value added manufacturing of softwood lumber in Canada.

My father used to comment on this. Whenever we saw a truck full of raw logs rolling down the highway, logs leaving the country in their round, raw log form, my dad called it economic treason to allow that raw product to leave the country without the value adding that would create quality Canadian jobs. This particular softwood lumber agreement actually discourages value added manufacturing, because the export taxes are based upon the value of the exported product. The softwood lumber deal therefore discourages value added manufacturing by imposing penalties on the value added production and thus creating an incentive for exporting raw logs.

I will quote Stephen Atkinson, the director of paper and forest products research at the Bank of Montreal. He says, for instance:

Let's say you're paying a duty—pick a number again, 15% or 5% or whatever it is. If you can bring in the log without any duty to the United States, then of course it makes sense to put the lumber mill there and create jobs south of the border.

I would like to think that Canadians have moved beyond this image of being hewers of wood and drawers of water. I would like to believe that we have the ability to manufacture and add value to the export of these natural resources, these Canadian commodities. We should not be entering into any kind of agreement that would limit or

discourage value added manufacturing for softwood lumber in Canada.

I have 25 good reasons why the NDP is opposed to this deal, but time does not permit my going through them in any great detail. Suffice it to say that we have launched a courageous battle to warn Canadians and to inform Canadians that we are about to enter into a dangerous, precedent setting bad deal.

• (1355)

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I know that we are talking about softwood lumber, but somehow these members keep bringing in the Wheat Board.

The member mentions not taking our raw products out of the country to be processed in another country, which is a very valid argument when we are talking about a softwood lumber agreement. I wonder, then, how he can possibly defend the Wheat Board, which prevents us from having value added in those grain products in our own country.

Mr. Pat Martin: Mr. Speaker, in addition to Canada's multiple NAFTA and WTO victories, the October 13 Court of International Trade judgment finally confirmed that Canada was very close to a decisive victory. Within 24 hours of Canada and the U.S. forcing the amended October 12 softwood lumber agreement, 19 pages of previously undisclosed amendments, the U.S. court declared that to recover all of Canadian industry money and to establish free lumber trade immediately, no agreement was necessary.

As of October 13, our worst fears were realized. The views of our member for Burnaby—New Westminster were validated, and we now know we made a terrible deal. We bargained from a position of weakness. Instead of standing up on our hind legs to the Americans and fighting for what was right, we bargained on our knees. No one stood up for Canada. People rolled over instead and accepted a substandard deal when we were a hair's breadth away from getting the whole kit and caboodle. The whole \$1 billion could have been delivered to us.

Instead of a 100% return and fair and free trade, the government has seized \$1 billion of the Canadian industry's money to complete its tax funding scheme and to deliver it to the U.S. government.

I wish I had time to explain for Canadians what section 18 of the softwood lumber agreement does, but it sets a precedent about which every Canadian in every industry sector should be very concerned.

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, I thank the member for Winnipeg Centre for giving us all the credit for being on the right track. When we were in government, that is not what the NDP said.

Very clearly, we heard him say over and over again that the Liberal government was on the right track with softwood lumber, that we should have stayed the course and we would have finished with all the money returned back to Canada.

Therefore, we thank him for giving credit to the Liberal government.

Statements by Members

Mr. Pat Martin: Mr. Speaker, the reason Bill C-24 is fiscally flawed is the payout is based on Canadian softwood exporters that are owed the equivalent of 95% of the total \$5.3 billion in illegal duties paid to the U.S. We know full well that the Conservative government fell far short of the 95% target, despite contrary public representations which makes the special tax essential and imposes costs on taxpayers funding these advance payments.

The Acting Speaker (Mr. Royal Galipeau): Before we go to statements by members, there will be seven minutes left in questions and comments for the hon. member for Winnipeg Centre when we return to the study of Bill C-24.

STATEMENTS BY MEMBERS

•(1400)

[English]

WHEELCHAIR FOUNDATION CANADA

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Mr. Speaker, tomorrow 500 wheelchairs will arrive in Kandahar, Afghanistan. A wheelchair can transform the life of an amputee, providing mobility, opportunity and hope.

After decades of conflict and war, several hundred thousand Afghans are amputees. In response, Wheelchair Foundation Canada, led by a constituent of mine, Christiana Flessner, has worked alongside our Canadian military to provide wheelchairs to Afghans in need.

Each wheelchair proudly displays the flags of Canada and Afghanistan side by side, symbolizing our friendship and national determination to help them through this difficult time. The wheelchairs will be distributed by our soldiers in Kandahar, giving our troops yet another opportunity to build new and important friendships with Afghans.

I would like to honour Ms. Flessner for her dedication to this worthy project. I encourage all Canadians to visit the Wheelchair Foundation website, at wheelchairfoundation.ca, to learn more about this exceptional organization.

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VOLUNTEERISM

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, today is International Volunteer Day. On behalf of the Liberal Party of Canada, I would like to thank the hundreds of thousands of Canadians who tirelessly volunteer both here at home and abroad to improve the lives of those less fortunate. They exemplify the very best our great nation has to offer. Yet this great work by Canadian volunteers stands in stark contrast to the unbelievable cuts the government has made.

Why did the government cut money for such programs as the young professional international program, which sends young Canadians to work abroad on international development programs? Why cut the extremely successful support program for volunteers at home in Canada? Why allow only \$20 million from CIDA's \$3 billion budget for volunteer driven Canadian NGOs, which do some

of the best work on the ground? Why cut funding for our museums which are largely driven by volunteers?

It makes absolutely no sense why the government has implemented these stupid cuts and destroyed some of the most effective initiatives that Canadians have to offer through volunteers. Today, on International Volunteer Day, we call on the government to—

The Speaker: The hon. member for Gatineau.

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[Translation]

GATINEAU SOUP KITCHEN

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, on November 14, La Soupière de l'Amitié de Gatineau celebrated the 20th anniversary of its founding and paid tribute to three remarkable citizens for their tremendous contributions.

This organization, whose mission is to fight poverty and social exclusion by relieving hunger every day, wished to thank Msgr. Gilles Dion, Gilles Trahan and Jean-Guy Sabourin for their dedication.

Since 1986, these men have contributed to the growth and success of the Soupière de l'Amitié de Gatineau. First they believed in its mission and got it off the ground. Then through their involvement, they got the word out about its mission and the need for the organization and they helped the most disadvantaged. Today, they remain engaged and active in the fight against hunger.

The Bloc Québécois joins with the users and volunteers of the Soupière de l'Amitié de Gatineau to thank and congratulate these three citizens being honoured for their involvement.

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[English]

ABORIGINAL AFFAIRS

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, today I am honoured to welcome a number of chiefs from my riding to Ottawa for the special assembly of chiefs.

The first nations of my region have a long and proud tradition and culture that goes back thousands of years. Yet far too many of them suffer under third world conditions that we would not accept in any other region of our country.

The violence that inevitably accompanies these conditions is faced by the aboriginal women who live along Highway 16 between Prince George and Prince Rupert, British Columbia. This highway has become known as the highway of tears. Since 1974, there have been at least nine and potentially as many as thirty-five women who have disappeared or been killed along the highway. An overwhelming number of these women were aboriginal.

Any tragedy of this kind has a huge impact on families and communities, but this wound has been made worse by officials who seem to give these disappearances less attention than they merit. What effort was made was too little too late.

Statements by Members

We all must work together to finally solve the conditions that are leading to such tragedies—

The Speaker: The hon. member for Nanaimo—Alberni.

* * *

CANADIAN RABBINIC CAUCUS

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, arriving on Parliament Hill today are some 20 rabbis of the newly established Canadian Rabbinic Caucus, a coalition from across Canada, from Vancouver, Calgary, Winnipeg, Toronto, Kingston, Ottawa, Montreal and Halifax. These rabbis represent the three main streams of Judaism: Orthodox, Conservative and Reform.

While in Ottawa, the caucus will meet with officials from government, including foreign affairs and MPs from across the political spectrum.

Noting that terrorism is rampant in the world, the rabbis will call on the leaders of other faith groups to denounce the killing of innocents in the name of God or religion. They will ask that overseas conflicts and the resultant passionately held views not be allowed to degenerate into uncivil discourse and antagonisms here at home.

The Rabbinic Caucus has embraced a hope shared by many Canadians that Canada, as an open, pluralistic, democratic and diverse society, might aspire to be the country that offers guidance and inspiration to the world in the 21st century.

I hope all members will welcome and engage the Canadian Rabbinic Caucus in its first visit to Parliament Hill.

* * *

• (1405)

CANADIAN RABBINIC CAUCUS

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, I too rise to advise the House of the presence on Parliament Hill of a group of 20 rabbis from across Canada, representing Orthodox, Conservative, Reconstructionist and Reform Judaism.

As we have heard, these 20 rabbis are all members of the newly established Canadian Rabbinic Caucus, a coalition with the goal to create an ongoing dialogue with the political sector and offer a religious Jewish perspective on issues of the day.

Today these rabbis will call on leaders of other faith groups to denounce the killings of innocent civilians in the name of deity. They will also ask other religious leaders to join them in promoting an open dialogue so the different perspectives on issues can be debated in an open, respectful and trustworthy manner.

I ask all my colleagues to join me in welcoming the rabbis and salute their efforts to create a forum for free and open dialogue on both national and international matters.

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IAN ROBERTS

Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, I rise today with a heavy heart to inform the House of the passing of Ian Roberts. Ian was my riding office assistant. His short battle with cancer ended peacefully a few short days ago.

Ian touched the lives and hearts of numerous constituents. He leaves behind a legacy of hope and honour to those of us who were his teammates.

This teddy bear in the form of a man always had a smile in his voice, a hug for those who needed it and a determination in his heart to leave this world in better condition than he found it. We are all better off for his time among us.

Ian and his wife, Kathy, have given their time generously to support the less fortunate, prevent teenage suicide and to raise thousands of dollars for cancer research. It was a privilege to know him and an honour to work with him. The gift of his friendship and support cannot be measured.

If he is listening today, and I am judged worthy, I ask him to do what he has done so often in our time together: save me a seat right next to him until we meet again.

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[*Translation*]

THE DORION TRAGEDY

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, October 7, 1966, was a black day for the people in my riding of Vaudreuil-Soulanges. That day, a busload of adolescents was hit at a level crossing by a freight train travelling at high speed. The result: 19 dead and 26 injured. Forty years after the tragedy, the exact cause of this accident is not known.

How did the survivors cope? That is the topic of Francine Tougas' documentary, *Survivre*, presented on November 25 on Télé-Québec.

The memory of this terrible event forces us to remember the importance of rail safety, particularly at level crossings. The federal government must take action. The Municipality of Terrasse-Vaudreuil has been asking for too long for changes to a level crossing similar to the one where the Dorion tragedy took place.

Let us take advantage of National Safe Driving Week to remember this tragic accident and step up calls to modify this level crossing.

* * *

[*English*]

SIR FREDERICK BANTING

Ms. Helena Guergis (Simcoe—Grey, CPC): Mr. Speaker, I rise in the House today to bring attention to an issue of great importance to the residents of Simcoe—Grey, the people of Canada and the world.

Alliston-born Sir Frederick Banting was a remarkable man who dedicated his life to medicine. His work saved millions of people's lives when his research led to the discovery of insulin. His hard work and devotion won the highest medical accolade.

However, today, the memory and legacy of Sir Frederick Banting is being threatened.

Statements by Members

The Ontario Historical Society received the Banting homestead and its 100 acres in 1999 for \$1, with the understanding it would maintain and preserve the property. However, it has betrayed this agreement. Not only has the homestead deteriorated, the Ontario Historical Society has decided to sell the land to developers, which will demolish the homestead and squash a diabetes camp.

My colleague, the member for Perth—Wellington, and I call on the Ontario Historical Society and Premier McGuinty to do the right thing, stop this sale and pass Jim Wilson's private member's bill to preserve the legacy of Sir Banting.

* * *

● (1410)

HEALTH

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, immunization is our safest, longest lasting and most effective means of preventing infectious diseases and subsequent complications.

Every year in Canada 5,000 Canadians can die of influenza and its complications.

The flu shot is only one of many important vaccinations. Through joint funding by all jurisdictions, children across Canada have access to universal programs for 14 vaccines. We need the health minister to reassure the provinces that existing funding for the immunization strategy will continue and additional funding will be available as new vaccines are recommended by the National Advisory Committee on Immunization.

The House of Commons is providing flu shots today until four o'clock in room 238-S. I encourage all members to go and roll up their sleeves, and remember to wash their hands. I just wish there were a shot against right-wing Republican ideology.

* * *

[*Translation*]**BLOC QUÉBÉCOIS**

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Mr. Speaker, after 16 years in Ottawa in eternal opposition, the Bloc's record is pretty dismal, especially compared to the achievements of this Conservative government. Since 1990, the Bloc has only two private members' bills to its credit and they were to change the name of two ridings. That is the Bloc's only record in Ottawa. Are those the priorities of Quebecers? No.

Far from being in power, the Bloc only fuels the parliamentary cycle by asking questions. With all due respect to this institution, the work of a federal member of Parliament involves more than that.

All the members in this House, except the Bloc members, want to make decisions for their constituents, but the Bloc could never, and I mean never, make a single decision in Ottawa.

That is why Quebecers have to elect more Conservative members who will not just defend the interests of Quebec in Ottawa, but will get real, tangible and concrete results serving those interests. In Ottawa, Quebec deserves better than a powerless opposition party.

[*English*]**IMMIGRATION**

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, I would like to once again plead the case of German Melgar and Santos Molina who currently live and work in Oliver, B.C. in my riding.

We have recently learned that their application to stay in Canada, based on humanitarian and compassionate grounds, has been refused. They are scheduled to be returned to El Salvador once their youngest child of seven months obtains her passport.

To their credit, the staff at Citizenship and Immigration have been working closely with this family to find another solution so that they will be able to obtain permanent residence status in Canada.

However, Mr. Melgar and Ms. Molina have expressed concern for their safety should they be forced to return to El Salvador at this time. Let us not forget that Mr. Melgar's father was executed in his home because of his political beliefs and Mr. Melgar has himself received threats of personal violence.

I implore the Minister of Citizenship and Immigration to do everything in his power to ensure that this family is not forced to return to El Salvador while their fate in Canada is being decided. He alone has the power to change their fate.

* * *

VOLUNTEERISM

Hon. Stephen Owen (Vancouver Quadra, Lib.): Mr. Speaker, on this International Volunteer Day, I rise to commend all volunteers committed to making a difference in Canada and around the world.

Thirty years ago Canadian University Services Overseas, or CUSO, sent my wife and I to Nigeria where we worked alongside Nigerians for two years, sharing knowledge and skills with each other, building relationships, and supporting community development through education. The experience helped shape our lives and our understanding of the world, and the key role of international development.

With the global crises in AIDS, poverty and environmental degradation, the need for greater international cooperation is clear. Yet, \$20 million in shortsighted and ideological cuts by the new Conservative minority government have led to the demise of the Canadian volunteerism initiative and the international youth internship program. Shame.

* * *

[*Translation*]**WORLD VOLUNTEER DAY**

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, today is World Volunteer Day. Over two million volunteers in Quebec work for the well being of their fellow citizens. Every year they put in over 308 million hours for causes that are important to them.

We do not speak enough about the people who donate their time to organizations involved in recreational, health, safety, political, charitable and other activities.

The Conservative government did not understand the impact of volunteer work in our society when it cut the Canada volunteerism initiative on September 25.

On behalf of the Bloc Québécois, I want to thank all the volunteers in Quebec for their dedication to their community. I am calling on this government to reinvest this money for the well being of our volunteers.

* * *

•(1415)

[English]

ABORIGINAL AFFAIRS

Ms. Tina Keeper (Churchill, Lib.): Mr. Speaker, if one first nation facing an epidemic of tuberculosis in my riding of Churchill was not unfortunate enough, we now have a second confirmed epidemic in the community of Lac Brochet, Manitoba.

Chief Joe Dantouze recently stated that overcrowded housing, mould and poor living conditions have led to a dramatic increase in TB. Due to the lack of access to adequate health care, individuals in Lac Brochet went undiagnosed for such a lengthy period of time that the TB has travelled to the brain.

This is a clear indication that we have a serious crisis on our hands and is, in effect, putting Canadians, notably first nations Canadians, at high risk.

Chief Dantouze has stated that the response by government has been inadequate. This is absolutely shameful and unacceptable. How many more communities in my riding need to declare a TB outbreak and epidemic before the Conservative government decides it will start taking action?

* * *

LIBERAL PARTY OF CANADA

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, Liberals are getting over their hangover from last weekend and Canadians are bewildered by their decision. The Liberals soundly rejected the ideas of renewal, innovative thinking and women in leadership. Instead, they picked a leader that the majority of the Liberal caucus rejected and over 82% of delegates did not even consider as their first choice.

Liberals decided they wanted someone who sat at the cabinet table while they squandered billions of dollars on the ineffective gun registry, stuffed cash into brown envelopes during ad scam, and misplaced a billion bucks in the HRDC boondoggle.

However, the new Liberal leader campaigned on cleaning up the environment rather than the ethically challenged Liberal Party, and now has to defend his weak performance as the previous environment minister.

In her last report, the environment commissioner condemned the Liberal record of inaction and failure. The new leader presided over a 35% increase in greenhouse gas emissions. Canada's air quality

dropped to 27th out of 29 nations in the OECD. The commissioner concluded the Liberal government was “not up to the task” of managing climate change.

I guess when it comes to the Liberals, it is back to the future, in a dithering kind of way.

Oral Questions

ORAL QUESTIONS

[Translation]

MAHER ARAR INQUIRY

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, the Arar affair is a human tragedy. A Canadian citizen suffered in a foreign prison and we are still waiting for the government to apologize.

Today, we know that the RCMP commissioner misled this House about this sad affair. It would therefore be unthinkable for the Prime Minister to continue to trust the commissioner.

Will he do the only thing that makes sense and dismiss Mr. Zaccardelli?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I know that the Liberal Party does not like the RCMP, but obviously, this government has a different perspective.

We have received Justice O'Connor's report. We have accepted its conclusions and plan to act on them.

As for the RCMP commissioner, this government is somewhat surprised by and concerned about his testimony today. We will examine that testimony.

[English]

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, if the Prime Minister is so committed to the RCMP, he should do the right thing right now. This is no longer simply an issue of confidence in an official. We know that the commissioner discussed his testimony with the Minister of Public Safety last September, but what we need to know is what role the minister has played in the matter.

When did the minister become aware that the commissioner was changing his story? What role did the minister play in the decision to change the story?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as I just said, the government is as surprised and concerned by the change of story in the testimony today. This government will examine the facts and will respond in a manner that is objective, professional and dispassionate. It will be done with full regard to due process.

I have to tell the member opposite that the animus of the Liberal Party toward the RCMP and the commissioner is well known. That will not influence the government. The government will handle this correctly. I point out that the events in question and what happened to Mr. Arar happened under the previous government.

Oral Questions

• (1420)

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, I will not remind the Prime Minister what he said at that time about the Arar affair when he was in opposition.

Why does the Prime Minister continue to protect his minister? Maybe the minister will tell us what he knew when he learned about the change in the story. He was briefed by the commissioner last September before his testimony. What has been said? What role did the minister play? Canadians need to know.

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, as with most Canadians, and in fact those of us here in Parliament, the apparent contradiction in what the commissioner said was made plain to all of us yesterday when he addressed the matter in a public speech.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, on September 28, in response to a question I posed in committee, the Minister of Public Safety was crystal clear. He said that he, his caucus and the Prime Minister stood unconditionally behind Commissioner Zaccardelli. There was not a single hesitation, not a single caveat.

Even after all the contradictions mounted up and despite Justice O'Connor's damning report, the Prime Minister and the minister just sat on their hands. While we demanded answers, they did nothing. Why? What was their motive? Why were they so bound and determined to protect the commissioner against all evidence?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, first of all, within 24 hours of receipt of Justice O'Connor's report, we accepted all 23 recommendations of that report. These were largely areas that for two to three years were absolutely not dealt with by the previous Liberal government. It refused to act on any of these recommendations. We acted immediately and we are going to continue to follow through on all of those recommendations.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, it was this party, when we were in government, that started the Arar inquiry. It was this party that said that we had to get to the bottom of it. It is that party on the opposite side that is obfuscating, stonewalling and refusing to take action with respect to Mr. Zaccardelli.

Today in committee the commissioner confirmed that he had to get permission from the minister before he could testify, that the commissioner needed the minister's approval before he could "give evidence or speak". However, on September 28 the minister denied any such involvement and any such interference.

Now we learn the minister was a gatekeeper. He chose what information could and could not be released. Why?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, I watched the member opposite in committee for a few minutes this morning. He posed that exact question and the question was answered very clearly. I had no involvement in terms of any instruction whatsoever to the commissioner. Right after that was said, the member acted as if nothing had been presented. I would suggest that he abandon his Perry Mason on steroids routine and just stick to the truth.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister says today that he is surprised at the new version of Commissioner Zaccardelli's story. But yesterday, the Minister of Public Safety said that he had full confidence in Commissioner Zaccardelli, having heard the new version of his story at a public press conference or a conference at the press club. The government had received the text of Mr. Zaccardelli's speech.

How could the Conservative government state yesterday that it had full confidence in Commissioner Zaccardelli and then say today that it is surprised? The government knew yesterday what the commissioner had said. How could it maintain its confidence?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, that is exactly what I said. Yesterday, we discovered, along with everyone else, that there was a contradiction in the commissioner's testimony. That is why he appeared before the committee today. We are going to look at all the testimony and make our decision in a professional manner.

• (1425)

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, could the Prime Minister stand up in a professional manner and simply decide to thank Commissioner Zaccardelli for his services and demand his resignation, because he changed his story and the government had full knowledge of the new version? He says he is surprised today, but yesterday he knew exactly what the commissioner was going to say.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the leader of the Bloc Québécois admits that there was apparently a change in Commissioner Zaccardelli's story.

Clearly, the government has the responsibility to look at all the facts before taking action, and that is what it will do.

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, we must look beyond these contradictions. The confidence that this government has maintained in the RCMP commissioner is incomprehensible and unfathomable. That individual changed his version of the facts as he saw fit and was contradicted by three former solicitors general.

Why has the Minister of Public Safety maintained his confidence in Mr. Zaccardelli, despite the seriousness of the negligence revealed during his first testimony?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, once again, the commissioner contradicted himself yesterday. This morning, he testified. Does my hon. colleague think it a good idea to take some sort of action one hour after the testimony? We are going to examine the response and make our decision in a professional manner.

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, we must look back much further than just yesterday's contradictions. Commissioner Zaccardelli had admitted that he hid essential information from his predecessors in their political decision making. He let an innocent man rot in prison because of errors made by his agency, without informing the ministers.

Perhaps, deep down, the minister himself would have preferred to remain in blissful ignorance?

*Oral Questions***MARRIAGE**

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, when we received Justice O'Connor's report, we acted immediately by making 23 recommendations. We will continue in this fashion and make our decision in a professional manner, now that we have the commissioner's testimony.

[*English*]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, if the Prime Minister truly wanted to protect the reputation of the RCMP, he would be removing the commissioner immediately.

[*Translation*]

Maher Arar was brutally tortured in a Syrian prison and this government seems to have absolutely no interest in identifying and punishing those responsible for this sordid affair. The testimony of Mr. Zaccardelli is once again full of contradictions.

Why is the Prime Minister protecting Mr. Zaccardelli?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again, this government recognizes that Mr. Arar suffered a grave injustice. That is why the government accepted the report by Justice O'Connor. This government is negotiating a solution with Mr. Arar's lawyers.

[*English*]

I can say that the government has to be careful when it is in this position. When something is said at a parliamentary committee or something is said in a report, the government cannot just go out and fire people without due process. The previous government did that. The Liberals did that to Mr. Pelletier. They did it to several other people, Mr. Dingwall. We ended up paying huge amounts of money.

This government will—

The Speaker: The hon. member for Toronto—Danforth.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, Mr. Zaccardelli's actions are damaging the reputation of the RCMP. The testimony today was incredible, but add the following: the Auditor General's report about \$1.3 million stolen from the force pension fund; no action by the commissioner on the misuse of sponsorship funds; letting an officer off the hook after allegations of underage sex with a prostitute; the force's inadequate investigation of itself on the Ian Bush case. There are so many problems, but no one has been held accountable.

Will the Prime Minister fire the Commissioner of the RCMP immediately?

• (1430)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, on the first half of the question, I can only agree with the leader of the NDP. We are very concerned with a number of the matters he has brought forward. This government is determined and I have made it very clear we are determined to investigate thoroughly, to have accountability.

I can also tell him that we are going to follow due process. We do not fire people without due process. We will proceed appropriately and ensure that there is accountability for actions.

Hon. Belinda Stronach (Newmarket—Aurora, Lib.): Mr. Speaker, my question is for the Prime Minister.

Does the Prime Minister believe that same sex marriage has in any way had a negative impact on our society or on traditional marriage, and if so, could he explain how?

Hon. Rob Nicholson (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I can let the members of the House know that in fact there will be a debate on the subject of same sex marriage. The government is following through on its commitments. One of the things that will characterize it on this important issue is that this will be a truly free vote on this side of the House. I wonder if the hon. member could say the same for hers.

Hon. Belinda Stronach (Newmarket—Aurora, Lib.): Mr. Speaker, the Conservatives made another commitment not to break their promise on income trusts, but they had no problem with that one.

Does the Conservative government plan on taking a new look at other minority rights guaranteed in the charter, and if there are no plans to go after other minorities, can the Prime Minister assure this House that gay and lesbian rights are the only minority rights currently under review?

Hon. Vic Toews (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, this government is very mindful of minority rights and also very mindful of the fact that the party over there never spoke up for the minority rights of native women. I am very proud of our minister who is taking steps to ensure that native women on reserve have matrimonial property rights, something that the party opposite has never even addressed. Talk about picking and choosing rights.

Hon. Bill Graham (Toronto Centre, Lib.): Mr. Speaker, unlike the present government, I can say that on one of the proudest days of my political life, I shared in the celebration of the marriage of hundreds of gay and lesbian couples at City Hall in Toronto, couples from Canada and the United States celebrating their commitment to one another and making them full and equal participants in society. Each ceremony was a milestone on the road to equality and human rights for us all.

Why on earth, given his clear understanding of the charter prohibition against what he is doing, would the Prime Minister reopen a debate today that creates agony for some and discord and divisions among us all?

Hon. Vic Toews (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, the Prime Minister promised during the election that there would be an open and free vote on this matter. There is going to be a debate on this matter. It is unfortunate that the party opposite does not have the same right to have a free vote in respect of a matter that falls within Parliament's jurisdiction. It is unfortunate that their constituents will not be represented in an open and a free vote.

Oral Questions

[Translation]

Hon. Bill Graham (Toronto Centre, Lib.): Mr. Speaker, it is a free vote by a government determined to become the first in our history to restrict the rights of a minority protected by our Charter.

Furthermore, his plan is a charade. The motion mentions the protection of civil unions, when everyone knows that civil unions are the exclusive jurisdiction of the provinces.

Why do the Prime Minister and the Minister of Justice not have the decency to put an end to this charade, which is so divisive and creates such agitation among our citizens?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as the former leader of the opposition knows, this government promised to have a free vote on the subject of marriage during the life of this Parliament and I expect everyone to vote.

The first time we had a vote here, the current leader of the Liberal Party voted against same-sex marriage.

[English]

The leader of the Liberal Party, the first time we voted, voted against same sex marriage. Now he wants to vote for it. I do not understand why he thinks he should be able to impose his flip-flop on all of his members.

* * *

● (1435)

[Translation]

OLDER WORKERS

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the former older workers of Whirlpool are dealing with hard times: sickness, depression, early death after a long period of discouragement following the closing of their plant. They are unable to find new work on the labour market and the federal government has abandoned them to their sorry state.

How can the federal government stand by without lifting a finger in the face of such a serious human drama when it needs only to implement an income support program for older workers such as there was only a few years ago?

Why does it not act?

[English]

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, we brought in several programs to assist those who have lost their jobs beyond their control, who have found themselves unfortunately displaced. One is, as the Bloc had been requesting, the pilot program for older workers, where we work with the provinces to help people who have found themselves displaced prepare for new jobs and how to apply for them.

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, the programs that the minister is talking about are programs for people who can still work.

The former income support program for older workers, known as POWA, worked very well and often represented a last hope for many older workers who were the victims of mass layoffs.

How are we to explain to older workers and their families that a government with colossal surpluses abandons them almost without resources while the solution to their problems is well known and easy to put in place?

[English]

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, right now across this country we are experiencing severe labour shortages. Employers are screaming for new employees. Whenever someone is displaced, we want to help them to get back into the workforce. Unlike the Bloc that would like to pay them to stay at home and sit there and worry about their futures, we want these people to become productive parts of society once again for their own good and for the sake of the country.

* * *

[Translation]

STATUS OF WOMEN

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, this summer the Minister of Canadian Heritage and the Status of Women grudgingly signed several applications for grants from the women's program. The decision making process took so long that an organization like the National Association of Women and the Law was forced to temporarily close its doors. Now, supposedly in the name of efficiency, the government has confirmed that 63 of the 131 positions in Status of Women Canada have been abolished.

How can the minister expect this House to believe that she can do a better job with only 68 public servants and that her decisions will be based on serious analysis and not on half-baked premises?

[English]

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, I want to be clear and say that the money saved in administration is going directly to help women in the community.

[Translation]

For greater clarity, that means an additional \$5 million allocated to projects for women.

[English]

It is more money for women in the community.

[Translation]

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, on October 5, when she appeared before the Standing Committee on the Status of Women, the minister emphasized the importance of services to the community. Now, today, it is rumoured that the Status of Women Canada office in Sainte-Foy is to be closed, an office that analyzes and deals with applications related to the women's program.

Can the minister responsible for the region of Quebec confirm the closing of this Status of Women Canada office, and can she justify such a decision to the women's groups in the Quebec City area?

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, unlike the previous government, this government will redistribute its administrative savings to projects that help women directly.

Oral Questions

[English]

If that means closing offices but still being able to support organizations that help women in the community, that is what this government will do.

* * *

[Translation]

THE ENVIRONMENT

Hon. John Godfrey (Don Valley West, Lib.): Mr. Speaker, last night, the House of Commons voted to send Bill C-30 to a legislative committee to be completely rewritten. In committee we will be able to take the Conservatives by the hand, as we would with a child, and teach them how to make this bill effective in the fight against global warming.

Does the Prime Minister promise to respect the committee's recommendations, even if they involve Kyoto protocol obligations and serious limits on the biggest emitters?

● (1440)

[English]

Hon. Rona Ambrose (Minister of the Environment, CPC): Mr. Speaker, in fact we are working with the large final emitters right now to look at regulations, so I look forward to working with the committee.

I would suggest to the hon. member that he recognize there are things in Bill C-30 that we would like to also protect, things like making sure that we address air pollution. Right now the bill that is in front of the House from the Liberals and from the NDP does nothing to address air pollution in particular. It also does not address indoor air pollution, which is a real issue in terms of the health of Canadians. I would ask him to do the same thing and work with the government to make sure that those issues are addressed and protected in Bill C-30.

[Translation]

Hon. John Godfrey (Don Valley West, Lib.): Mr. Speaker, the notice of intent to regulate is another key aspect of the minister's plan. That is where the biggest part of the legislative battle against global warming comes into play.

Will the minister give the committee the latitude to rewrite the notice of intent to regulate, and does she promise to implement the measures recommended by this committee?

[English]

Hon. Rona Ambrose (Minister of the Environment, CPC): Mr. Speaker, I would also ask the hon. member to recognize in Bill C-30 the elements that are necessary to have a biofuels industry. If Bill C-30, Canada's clean air act, does not pass, we will not have the regulatory authority to blend fuels to have a biofuels industry.

I would encourage him to recognize the things that are presently in the bill and to make sure he protects those so that we can have a better environment and also a better economy.

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, at last week's convention, the Liberal Party unanimously reaffirmed its commitment to the Kyoto protocol and the fight against global warming.

In contrast, the Conservative government has slashed programs, abandoned targets and embarrassed Canada on the international stage.

Will the government ever stop attacking the Kyoto protocol, stop ruining Canada's international reputation and finally start fighting global warming?

Hon. Rona Ambrose (Minister of the Environment, CPC): Mr. Speaker, I will just read what the Leader of the Opposition himself told a reporter from the *Globe and Mail*. He said, "...he seemed to suggest that, whereas France had to do nothing to meet its Kyoto targets, Canada's were unattainable". He also added, for good measure, that Jean Chrétien had only proposed these stringent targets to trump the Americans.

That is not good policy. We need to move past this debate. Everyone knows that the present target was put in place by the Liberals in a political manner. We need new targets and a new Kyoto framework. I encourage the members to stop fighting and work with the government.

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, Canadians get nothing but empty words from the government when it comes to the environment.

Global warming is an international problem that requires an international solution but the Conservatives have retreated from our international responsibilities and have produced the most embarrassingly inadequate piece of legislation this country has ever seen.

When will the government stop hiding under the bed and join with the rest of the world in its fight against global warming?

Hon. Rona Ambrose (Minister of the Environment, CPC): Mr. Speaker, those are empty words. This is after 13 years and our emissions are up by 35%. The environment commissioner said this about the last government's record:

On the whole, the government's response to climate change is not a good story. At a government-wide level, our audits revealed inadequate leadership, planning, and performance.

It has not been effective in leading and deciding on many of the key areas under its control. Change is needed.

Change has arrived and I again encourage the opposition to get past the rhetoric and fighting and work with the government to reduce emissions.

* * *

NATIONAL DEFENCE

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, the Memorial Cross, more often referred to as the Silver Cross, is awarded to mothers and widows of deceased Canadian Forces members who die on active duty.

Over the past several years, members of the House have led the charge for changes to modernize the Memorial Cross medal.

Could the Minister of National Defence please advise the House as to the status of the Memorial Cross medal?

*Oral Questions***Hon. Gordon O'Connor (Minister of National Defence, CPC):**

Mr. Speaker, I am pleased to announce that the rules governing the Memorial Cross have been revised to reflect the personal wishes of each individual member of the Canadian Forces.

As of January 1, 2007, each Canadian Forces member will designate up to three recipients who will be awarded the medal in the event of their death in the service of Canada.

I would like to personally thank the Minister of Veterans Affairs for his help and that of his department in achieving these significant changes. I am very pleased that Canada's new government has found an innovative way to better serve the brave men and women of the Canadian Forces.

* * *

●(1445)

HUMAN RESOURCES AND SOCIAL DEVELOPMENT

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, across Canada we are seeing the impact of low wages and inadequate benefits. There is a growing gap between the rich and the poor.

I know families in Toronto where people are working two jobs, 40 hours a week, 52 weeks a year and still need to choose between food on the table and paying the rent.

The Liberals abolished the federal minimum wage 10 years ago. Will the minister make an immediate difference by reinstating the federal minimum wage and by setting it at \$10 an hour?

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, we all know that unfortunately there are those in our society who do not make enough money to provide themselves with a healthy and safe living, which is why the Minister of Finance in his 2006 budget took so many steps to help both the poor and the working poor, including his workers' incentive tax benefit, including lowering taxes for all Canadians and including taking over 600,000 people completely off the federal tax rolls.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, the government's failure is visible on every street in Canada. Canada is in desperate need of a real urban agenda that places the needs of Canadian families beyond unnecessary cuts in services, especially for new Canadians, women and the working poor.

Under the Liberals, the richest 10% saw their incomes grow by 14%, while the poorest of the poor saw virtually no increase and the income of many working families actually declined.

Will the minister take a bite out of poverty and introduce a \$10 federal minimum wage?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the hon. member raises an important issue about the fact that many Canadians who want to work or who do go to work and receive social benefits are discouraged by the welfare wall from pursuing gainful employment.

We will fix that in "Advantage Canada", our economic plan for Canada which was released about 10 days ago. We describe the worker's income tax benefit. The acronym is WITB, which will help the members opposite to remember it. We will introduce that in budget 2007. It will help Canadians get over that welfare wall.

RCMP COMMISSIONER

Hon. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, the Prime Minister said that the government wishes to consider due process with respect to Commissioner Zaccardelli. Does this mean that the government has decided to ask for the resignation of Commissioner Zaccardelli and is now proceeding in accordance with appropriate procedures in that regard?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, as we indicated yesterday, there was the issue in a speech that the commissioner gave related to a contradiction. Today that matter was addressed rather vigorously and appropriately so by the Standing Committee on Public Safety and National Security. Now we are in the process, a couple of hours later, of reviewing the whole matter. We will do that in a professional way.

Hon. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, am I and this House to understand that due process will in fact ensue because one presupposes that the resignation of Commissioner Zaccardelli will be asked for?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, my colleague opposite, as a well-known jurist, would certainly understand that one does not make a presumption before looking at all the material. We are looking at all the material right now and then we will move on to a decision. I am sure, of all people, my friend opposite would appreciate that process.

* * *

CANADIAN WHEAT BOARD

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the Conservative attack on the Canadian Wheat Board is reprehensible. It is another example of extreme right-wing ideology trampling everything in its path: closed door meetings, a biased task force, a phoney communications plan, peddling of a fraudulent message, gag orders, personal threats and firings.

The government has just said that we cannot go around just firing people, that we need to follow due process. Will that principle also apply to the president and chief executive officer of the Canadian Wheat Board?

●(1450)

Hon. Chuck Strahl (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, the member opposite, of course, would know fully about intimidation. The last time farmers spoke out about choice in marketing and choice in the Wheat Board, they were handcuffed and led off to jail under that minister's watch.

What we are intent on doing is moving toward marketing choice in an open manner. Government appointees, as is the case always, who serve at government pleasure, are expected to follow along with the government's point of view.

We are moving in a transparent way toward marketing choice for western Canadian farmers.

Oral Questions

Hon. Ralph Goodale (Wascana, Lib.): Obviously, Mr. Speaker, the government's definition of due process is highly selective.

The Conservative government is deliberately preventing the Wheat Board from discharging its responsibilities. It savaged the integrity of the board's directors and officers, an attack clearly calculated to inflict great harm.

The chief executive officer of the board is its top salesperson. He is the one who sits down with the buyers to convince them to buy Canadian, and they do so based on their trust in him. How can he do business in markets around the world when the government is kicking the hell out of him back here at home?

Hon. Chuck Strahl (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, it is remarkable to me because what we are proposing to do is the same thing that we promised during the campaign. We said that we would move toward marketing choice in the Canadian Wheat Board. We said that we would consult with farmers.

What are we going to do? We will have a plebiscite on whether or not barley will remain under the Wheat Board.

I find it interesting that it is only this side of the House that wants to listen to farmers, is having a plebiscite, is talking to farmers and wants to hear what farmers have to say. What do members on that side of the House have? They have slick lawyers in downtown offices telling farmers what they should be doing.

* * *

[Translation]

CANADA VOLUNTEERISM INITIATIVE

Ms. Nicole Demers (Laval, BQ): Mr. Speaker, we recently learned that the Canada volunteerism initiative has been abolished. And yet, some three million seniors in Canada give 5 billion volunteer hours for an annual economic contribution of \$60 billion.

How can the minister make cuts to volunteerism, an activity that allows seniors to feel useful and remain active in society?

[English]

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, this government is proud of the volunteers in Canada. We believe they are the backbone of every community. We want to ensure that the money is spent directly to assist the front line volunteer organizations, the volunteer organizations like Volunteer Canada, Big Brothers Big Sisters of Canada, Canadian Parents for French and the Victorian Order of Nurses.

Our priority, and we have been consistent in this, is to help individuals and families in their communities.

* * *

[Translation]

GOVERNMENT PROGRAMS

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, on October 19, the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities adopted a report recommending that the government maintain funding for the summer career placements program at the 2005-06

level. Rumour has it that the government will instead reduce this program by cutting more than \$50 million from it.

Can the minister tell us whether she intends to maintain the current funding or cut it by \$50 million?

[English]

Hon. Diane Finley (Minister of Human Resources and Social Development, CPC): Mr. Speaker, some time ago we committed to Canadians to do a complete review of all of our programs to ensure their tax dollars were being spent wisely. In going through that process, we discovered in a wide range of programs that the previous government had been spending money very unwisely and irresponsibly.

We will be going forward with programs that will provide direct benefits to the people for whom it is intended, such as students and workers, not for our cronies.

* * *

VOLUNTEERISM

Hon. Larry Bagnell (Yukon, Lib.): Today, Canada celebrates International Volunteer Day, a day to thank the 12 million Canadians who contribute their time through volunteerism.

The government has undermined volunteerism through its mean-spirited black Monday cuts. It has callously cancelled the \$10 million Canada volunteerism initiative and slashed \$14 million from the social development partnership program. This occurred with no consultation, no forewarning, no discussion of alternatives and no due process.

Why is the government insulting 12 million Canadians and their heartfelt efforts in helping those in need by saying that they are a waste of money?

● (1455)

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, we know that volunteers are out there every day helping in their communities. We also know that taxpayers honour volunteers, which is why we want to support those volunteers who are really doing the work, not volunteer organizations that hold conferences.

We stand behind the volunteers in their community and we stand behind the work that they are doing for all Canadians.

* * *

[Translation]

LIBERAL PARTY OF CANADA

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, can the Minister of Transport, Infrastructure and Communities tell us whether the election of a new Leader of the Opposition from Quebec will change the centralizing attitude of the Liberal Party of Canada and help restore the fiscal balance in the Canadian federation?

Oral Questions

The Speaker: I have no doubt that all hon. members are extremely interested in the question, but questions must pertain to the government's administrative role. The minister's opinion on the opposition is not part of the government's role, I think. In my opinion, the question is out of order.

* * *

[English]

CANADIAN HERITAGE

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, yesterday we learned there was a plan to move the portrait gallery from Ottawa to the Prime Minister's hometown.

Now we learn that in exchange for this move, the Prime Minister will get the former American embassy as his new office.

Will the Prime Minister let us know when the move-in date is planned for his new office? Is big oil subsidizing this move as well?

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, I want to remind all Canadians that Canada does not have a portrait gallery. However, this government is committed to ensuring there is a portrait gallery and that it will be the best for Canadians.

Yes, we would consider outside of Ottawa, and, in fact, we see some benefits to that consideration, but we also would welcome private sector contributions and partnerships.

As long as we can do the best for Canadians, we want to do it responsibly and accountably.

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, Canadians have a right to know what they are paying for. Why the secrecy around this cultural giveaway to the oil companies and the costs involved in expanding the Prime Minister's Office? Is this the type of win-win the government believes is the way to do business, with a win for its corporate friends and a win for the PMO?

Again, will the Prime Minister tell Canadians what the plans are for the portrait gallery and for his office? Is Gwyn Morgan going to be at the opening of the new office in Calgary, as we understand?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, while I appreciate the suggestion, I have absolutely no plans at the moment for moving my office. In fact, with the support of the people of Canada, I hope to stay there awhile.

* * *

RCMP COMMISSIONER

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, my question is for the Minister of Public Safety. I would like to know whether the minister has or does not have confidence in the Commissioner of the RCMP.

If he cannot tell us today, does he pledge to tell us tomorrow, or at the very least this week, whether or not he has confidence in the Commissioner of the RCMP?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, I appreciate the enduring questioning on this. It is valid and appropriate.

The information we have received, which is very recent, as everybody has seen, is in front of us now. We are going to take a close look at it. A decision will be made in due process, in due time and in a respectful manner.

* * *

HIV-AIDS

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, our government has stated and demonstrated that it is committed to the worldwide fight against AIDS, a dreadful, non-discriminating disease that affects millions of people around the globe.

It was widely reported that the Minister of International Cooperation participated in events on World AIDS Day on behalf of Canada's new government. Could the minister outline for this House our government's commitment to addressing the global AIDS issue?

• (1500)

[Translation]

Hon. Josée Verner (Minister of International Cooperation and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, I thank my colleague for his excellent question. Last Friday, I presented the approach the Government of Canada has adopted to fight the HIV-AIDS pandemic. Canada will spend \$120 million and build on solid partnerships in four main areas: prevention, better health systems, equal rights for men and women, and promotion of children's rights.

This new money is the first in a series of initiatives to fight HIV-AIDS as never before.

* * *

[English]

TAXATION

Hon. Garth Turner (Halton, Ind.): Mr. Speaker, my question is for the Minister of Finance. Yesterday bank economists confirmed that Canadian families have never been in as much debt as they are today. Mortgage debt is rising by 11% a year. Household debt now exceeds 120% of household income.

Does the minister agree that the best way to help these folks avoid a debt crisis is to cut the basic personal income tax rate?

Hon. Jim Flaherty (Minister of Finance, CPC): Yes, Mr. Speaker, I agree with the member opposite. In fact, we reduced personal income taxes this year in all categories for Canadians, so that on average all Canadians will pay lower personal income taxes in 2007 than they did in 2006.

In addition, with the tax back guarantee and accomplishing elimination of the net debt by 2021, in each year we will have interest savings that we will use each year to reduce personal income tax over the next 15 years in Canada.

ABORIGINAL AFFAIRS

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, right across Canada aboriginal languages are disappearing, and when we lose our language, we lose our culture.

The heritage minister knew that the Liberal commitment to aboriginal language programs had been an absolute flop, so she had the opportunity to be a champion of native culture. Instead, she eviscerated the program and sent \$160 million as booty to the Treasury Board.

My question is for the minister. Why would she look at the most culturally threatened segment of Canadian society and see it as an excuse for “take the money and run”?

Hon. Bev Oda (Minister of Canadian Heritage and Status of Women, CPC): Mr. Speaker, as we know, that member is lacking in accuracy. In fact, the money was not there.

What I have done is that I have met with the aboriginal leaders. I am pleased to say that we participated in their rally today.

I met with them yesterday. They have put before us a plan, which we are looking at. We have a commitment from Chief Fontaine and his leadership that they will work with us to develop a plan that is really going to be effective in preserving their important languages.

* * *

REQUEST FOR EMERGENCY DEBATE

CANADIAN WHEAT BOARD—SPEAKER'S RULING

The Speaker: Earlier today, the hon. member for Malpeque requested an emergency debate in respect of a certain matter relating to the Canadian Wheat Board. I have decided that at this time the request does not meet the exigencies of the Standing Order, but I am prepared to continue to take the matter under advisement as necessary.

PRIVATE MEMBERS' BUSINESS

[English]

EMPLOYMENT INSURANCE ACT

The House resumed from November 24 consideration of the motion that Bill C-278, An Act to amend the Employment Insurance Act (benefits for illness, injury or quarantine), be read the second time and referred to a committee.

The Speaker: It being 3:04 p.m., pursuant to order made on Friday, November 24, the House will now proceed to the taking of the deferred recorded division on the motion at second reading stage of Bill C-278 under private members' business.

Call in the members.

• (1515)

[Translation]

(The House divided on the motion, which was agreed to on the following division:)

Private Members' Business

(Division No. 91)

YEAS

Members

Alghabra	Allen
André	Angus
Arthur	Asselin
Atamanenko	Bachand
Bagnell	Bains
Barbot	Beaumier
Bélangier	Bell (Vancouver Island North)
Bell (North Vancouver)	Bellavance
Bennett	Bevilacqua
Bevington	Bezan
Bigras	Black
Blais	Bonin
Bonsant	Boshcoff
Bouchard	Bourgeois
Brown (Oakville)	Byrne
Cannan (Kelowna—Lake Country)	Cannis
Cardin	Carrier
Chan	Charlton
Chow	Christopherson
Coderre	Comartin
Comuzzi	Cotler
Crête	Crowder
Cullen (Skeena—Bulkley Valley)	Cullen (Etobicoke North)
Cuzner	D'Amours
Davies	DeBellefeuille
Demers	Deschamps
Dhaliwal	Dhalla
Dosanjh	Dryden
Easter	Eyking
Faille	Fry
Gagnon	Gaudet
Gauthier	Godfrey
Goodale	Goodyear
Graham	Guarnieri
Guay	Guimond
Harvey	Holland
Hubbard	Jennings
Julian	Kadis
Karetak-Lindell	Keeper
Khan	Kotto
Kramp (Prince Edward—Hastings)	Laforest
Laframboise	Lapierre
Lavallée	Layton
LeBlanc	Lee
Lemay	Lessard
Lévesque	Lussier
MacAulay	Malo
Maloney	Mark
Marleau	Marston
Martin (Esquimalt—Juan de Fuca)	Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)	Masse
Mathysen	Matthews
McCallum	McDonough
McGuinty	McGuire
McKay (Scarborough—Guildwood)	McTeague
Ménard (Hochelaga)	Ménard (Marc-Aurèle-Fortin)
Merasty	Miller
Minna	Mourani
Murphy (Charlottetown)	Nadeau
Nash	Neville
Ouellet	Owen
Paquette	Patry
Perron	Peterson
Picard	Plamondon
Priddy	Proulx
Ratansi	Redman
Regan	Robillard
Rota	Roy
Russell	Savage
Savoie	Scott
Sgro	Siksay
Silva	Simms
Smith	St-Cyr
St-Hilaire	St. Amand
St. Denis	Stoffer
Stronach	Szabo
Telegdi	Temelkovski

Private Members' Business

Thibault (Rimouski-Neigette—Témiscouata—Les Basques)
 Thibault (West Nova)
 Tonks
 Valley
 Wappel
 Wilfert
 Wrzesnewskyj

Turner
 Vincent
 Wasylcia-Leis
 Wilson
 Zed— 166

NAYS

Members

Abbott	Ablonczy
Albrecht	Allison
Ambrose	Anders
Anderson	Baird
Batters	Benoit
Bernier	Blackburn
Breitkreuz	Brown (Leeds—Grenville)
Brown (Barrie)	Bruinooge
Calkins	Cannon (Pontiac)
Carrie	Casey
Casson	Chong
Clement	Cummins
Davidson	Day
Del Mastro	Devolin
Doyle	Dykstra
Emerson	Epp
Fast	Finley
Fitzpatrick	Flaherty
Fletcher	Galipeau
Gallant	Gourde
Grewal	Guergis
Hanger	Harris
Hawn	Hearn
Hiebert	Hill
Hinton	Jaffer
Jean	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Komarnicki	Lake
Lauzon	Lukiwski
Lunn	Lunney
MacKay (Central Nova)	MacKenzie
Manning	Mayes
Menzies	Merrifield
Mills	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	O'Connor
Obhrai	Oda
Pallister	Paradis
Petit	Poilievre
Prentice	Preston
Rajotte	Reid
Richardson	Ritz
Scheer	Schellenberger
Shipley	Skelton
Solberg	Sorenson
Stanton	Storseth
Strahl	Sweet
Thompson (New Brunswick Southwest)	Thompson (Wild Rose)
Tilson	Toews
Trost	Tweed
Van Kesteren	Van Loan
Vellacott	Verner
Wallace	Warawa
Warkentin	Watson
Yelich— 109	

PAIRED

Nil

The Speaker: I declare the motion carried.*[English]*

Accordingly, the bill stands referred to the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities.

(Bill read the second time and referred to a committee)

AUTISM SPECTRUM DISORDER

The House resumed from November 27 consideration of the motion, and of the amendment.

The Speaker: Pursuant to order made on Friday, November 24, 2006 the House will now proceed to the taking of the deferred recorded division on the amendment to Motion No. 172 under private members' business.

● (1525)

[Translation]

(The House divided on the amendment, which was agreed to on the following division:)

(Division No. 92)

YEAS

Members

Abbott	Ablonczy
Albrecht	Alghabra
Allen	Allison
Ambrose	Anders
Anderson	Angus
Arthur	Atamanenko
Bagnell	Bains
Baird	Batters
Beaumier	Bélanger
Bell (Vancouver Island North)	Bell (North Vancouver)
Bennett	Benoit
Bernier	Bevilacqua
Bevington	Bezan
Black	Blackburn
Bonin	Boshcoff
Breitkreuz	Brown (Oakville)
Brown (Leeds—Grenville)	Brown (Barrie)
Bruinooge	Byrne
Calkins	Cannan (Kelowna—Lake Country)
Cannis	Cannon (Pontiac)
Carrie	Casey
Casson	Chan
Charlton	Chong
Chow	Christopherson
Clement	Coderre
Comartin	Comuzzi
Cotler	Crowder
Cullen (Skeena—Bulkley Valley)	Cullen (Etobicoke North)
Cummins	Cuzner
D'Amours	Davidson
Davies	Day
Del Mastro	Devolin
Dewar	Dhaliwal
Dhalla	Dosanjh
Doyle	Dryden
Dykstra	Eastar
Emerson	Epp
Eyking	Fast
Finley	Fitzpatrick
Flaherty	Fletcher
Fry	Galipeau
Gallant	Godfrey
Goldring	Goodale
Goodyear	Gourde
Graham	Grewal
Guarnieri	Guergis
Hanger	Harris
Harvey	Hawn
Hearn	Hiebert
Hill	Hinton
Holland	Hubbard
Jaffer	Jean
Julian	Kadis
Kamp (Pitt Meadows—Maple Ridge—Mission)	Karetak-Lindell
Keddy (South Shore—St. Margaret's)	Keeper
Khan	Komarnicki
Kramp (Prince Edward—Hastings)	Lake
Lapierre	Lauzon
Layton	LeBlanc

Government Orders

Lee
Lunn
MacAulay
MacKenzie
Manning
Marleau
Martin (Esquimalt—Juan de Fuca)
Martin (Sault Ste. Marie)
Mathysen
Mayes
McDonough
McGuire
McTeague
Merasty
Miller
Minna
Moore (Fundy Royal)
Nash
Nicholson
O'Connor
Oda
Pallister
Patry
Petit
Prentice
Priddy
Rajotte
Redman
Reid
Ritz
Rota
Savage
Scarpaleggia
Schellenberger
Sgro
Siksay
Simms
Smith
Sorenson
St. Denis
Stoffer
Strahl
Sweet
Telegdi
Thibault (West Nova)
Thompson (Wild Rose)
Toews
Trost
Tweed
Van Kesteren
Vellacott
Wallace
Warawa
Wasylcyia-Leis
Wilfert
Wrzesneskyj
Zed — 231

Lukiwski
Lunney
MacKay (Central Nova)
Maloney
Mark
Marston
Martin (Winnipeg Centre)
Masse
Matthews
McCallum
McGuinty
McKay (Scarborough—Guildwood)
Menzies
Merrifield
Mills
Moore (Port Moody—Westwood—Port Coquitlam)
Murphy (Charlottetown)
Neville
Norlock
Obhrai
Owen
Paradis
Peterson
Poilievre
Preston
Proulx
Ratansi
Regan
Richardson
Robillard
Russell
Savoie
Scheer
Scott
Shiple
Silva
Skelton
Solberg
St. Amand
Stanton
Storseth
Stronach
Szabo
Temelkovski
Thompson (New Brunswick Southwest)
Tilson
Tonks
Turner
Valley
Van Loan
Verner
Wappel
Warkentin
Watson
Wilson
Yelich

St-Hilaire
Basques)
Vincent — 45

Thibault (Rimouski-Neigette—Témiscouata—Les

PAIRED

Nil

The Speaker: I declare the amendment carried.

[*English*]

The next question is on the main motion, as amended.

Hon. Jay Hill: Mr. Speaker, I recognize it is unusual, but I wonder, with the consent of the House, whether we could apply the results of the vote just taken to the vote that is currently before the House.

The Speaker: Is there agreement to proceed in this way?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: Is it the pleasure of the House to adopt the motion as amended?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

An hon. member: On division.

The Speaker: I declare the motion carried.

(Motion agreed to)

The Speaker: I wish to inform the House that because of the deferred recorded divisions, government orders will be extended by 25 minutes.

NAYS

Members

André
Bachand
Bellavance
Blais
Bouchard
Cardin
Crête
Demers
Faille
Gaudet
Guay
Kotto
Laframboise
Lemay
Lévesque
Malo
Ménard (Marc-Aurèle-Fortin)
Nadeau
Paquette
Picard
Roy

Asselin
Barbot
Bigras
Bonsant
Bourgeois
Carrier
DeBellefeuille
Deschamps
Gagnon
Gauthier
Guimond
Laforest
Lavallée
Lessard
Lussier
Ménard (Hochelaga)
Mourani
Ouellet
Perron
Plamondon
St-Cyr

GOVERNMENT ORDERS

● (1530)

[*Translation*]

SOFTWOOD LUMBER PRODUCTS EXPORT CHARGE ACT, 2006

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

The Speaker: Order, please. We are resuming debate on the bill.

Government Orders

[English]

When the debate was interrupted for question period, the hon. member for Winnipeg Centre had the floor for questions and comments. I am therefore calling for questions and comments addressed to the hon. member for Winnipeg Centre.

[Translation]

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, the member for Winnipeg Centre talked about the past, but he did not talk about the future. However, the softwood lumber agreement has been in effect since October 12.

Does he believe we would save jobs if we voted against this bill?

Would companies be in a better position tomorrow if we voted against this bill now?

How would he manage the legal vacuum that would result?

How would he explain to companies in Quebec that he had let them down?

The member says that we won in court. It is true that we won a number of times in court, but the money still did not come. The money was paid because there was an agreement. Even though we are not happy with that agreement, it exists nonetheless.

Is the NDP member saying that we should take the money and run, without signing the agreement, even though companies have started receiving the money?

In my opinion, that makes no sense. Can the NDP member tell us what will happen tomorrow, not yesterday, if we do not pass this bill at third reading?

[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, there are two key areas that the NDP finds fault with in Bill C-24. The first is the money that was left on the table, the billion dollars that could have been rightfully returned back to the softwood lumber producers.

My colleague is saying that is the past and ancient history. In actual fact we have now financed the next attack of the American softwood lumber producers on Canadian softwood lumber producers because my colleague should not think for a minute that this is the end of the harassment by the Americans. This deal does not protect Canadian producers adequately.

The second objection the NDP has, which I cited earlier, is the whole issue of forfeiting our Canadian sovereignty in the administration of our own softwood lumber industry. I am sure my colleague would agree with me that the notion is fundamentally reprehensible that some other country should dictate to the province of Quebec how it manages its softwood lumber industry in that province. It is an affront to Canadian sovereignty. It is an affront to the jurisdictional sovereignty of the province of Quebec that it would now have to have any of these changes vetted through Washington before it would be allowed to change.

That means a change in stumpage fees, a change in cutting rights, or a change in the way that the forest is managed and administered would now have to be cleared through Washington. The Americans

will try to ensure that this does not constitute any kind of a subsidy because in their minds almost everything that Canada does to look after our own best interests constitutes a subsidy.

We are damaged. We are suffering on two fronts: first, the pure financial aspect that we have \$1 billion less to create jobs and to revitalize our industry, money that our softwood lumber industry players could have used to reinvest, retool, and use in research and development; and second, this affront to Canadian sovereignty that the Americans will now dictate how we manage our assets in the forestry industry.

• (1535)

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, for the past year since this deal was put together we have been stuck on this figure of \$5.1 billion or \$5.2 billion. Does my colleague not agree that if this money was set a year ago, there should be some interest that would have accumulated by now? Does the member find it interesting that the figure is not changing? If he does not want us to forfeit our sovereignty with respect to the lumber industry, why is the New Democratic Party supporting this bill?

Mr. Pat Martin: Mr. Speaker, perhaps my colleague was not here for the earlier part of my speech. The NDP is not supporting the bill. The NDP is vehemently opposed to Bill C-24. In fact, my colleague from Burnaby—New Westminster was the sole voice on the standing committee that objected in the strongest possible terms to having this very flawed piece of legislation rammed down our throats.

Perhaps I misspoke or perhaps my colleague did not hear me clearly, but let me phrase it for him one more time. The NDP is opposed to Bill C-24. We will vote against it because we believe that we left \$1 billion on the table, notwithstanding the very real point my colleague raises about there not even being any interest on that money. It is in actual fact the \$5.3 billion of illegal duties taken by the United States. If we add even a nominal rate of interest, it is actually much more money than that currently.

We believe that \$500 million that is going to the U.S. Coalition for Fair Lumber Imports will be used to launch the next volley of assault toward the Canadian softwood lumber producers. In other words, we are financing through our own money that was taken from us illegally the next trade challenge against us.

[Translation]

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, I am going to use the few minutes available to me to offer a brief summary of the situation as it relates to the softwood lumber agreement signed on July 1, between Ottawa and Washington.

As everyone knows, we have not been too eager to support Bill C-24. I come from a region, Saguenay—Lac-Saint-Jean, that has been greatly affected by the softwood lumber crisis in recent years. That is in fact the reason why I wanted to talk about this issue again today.

Many of my colleagues from Quebec are going through a similar situation. In our respective regions, when the sawmill shuts down, the entire local economy is affected.

Government Orders

For example, the municipality of Ferland-et-Boilleau, in my riding, falls into the one-industry category, because 80% of local jobs depend on that economic activity. Obviously, the problems the forestry industry has been experiencing for several years have had major economic and social consequences for that municipality.

The situation is not rosy for the forestry sector. This agreement is only one step in the right direction. Once again, last weekend, the municipality of Normandin in Lac-Saint-Jean watched as Gémofor sought the protection of the Bankruptcy and Insolvency Act. I would point out that Gémofor employed nearly 150 men and women. The uncomfortable situation the company now finds itself in is not encouraging for the people in that community.

These are just a few examples. But a large number of sawmills, like P.H. Lemay and Pérignonka, have been affected by the crisis in recent months.

At present, the government seems to be wanting to wait for the market to sort itself out while abandoning hundreds of businesses to their fate. This is a dangerous game because a number of rural regions could see their economies completely wiped out by this kind of decision.

This industry is indeed on its last gasp, at the end of its rope. It would be better to accept this bad agreement than to risk losing those businesses. Now that the agreement has been ratified, it is up to the government to put a set of measures in place as quickly as possible to assist the softwood lumber industry, which is facing serious difficulties at the very moment when it has been weakened by a lengthy trade dispute.

The industry needs immediate assistance to avoid these plants having to bear the costs of the federal government's failure to support them.

I had the opportunity to speak on this subject in September and I would once again like to refer to some statistics that prove the new agreement is not enough to ensure the survival of the forestry sector. In early September, the Bowater sawmill at Saint-Félicien was forced to lay off 140 employees for an indefinite period.

The Coopérative forestière de Girardville announced that an investment of a million dollars would be needed to restart its operations.

Finally, the PFS sawmill in Petit-Saguenay is due to re-open its doors after initially shutting down for what was expected to be two weeks. Meanwhile, the sawmill has decided to discontinue its second work shift due to market difficulties.

These are just some examples of what is happening in many municipalities in Quebec and across Canada.

• (1540)

Although it is a statistic that I have already referred to in this House, I would like to mention it again. The softwood lumber crisis led to the loss of 3,000 jobs in my region of Saguenay—Lac-Saint-Jean—yes, 3,000 direct jobs—and the situation continues to get worse.

We are living through a crisis without precedent and the conditions for profitable operation are very difficult. A good number

of forestry companies will have no other choice than to restructure or to realign their activities or their plants in order to remain competitive.

The root cause of the problem remains intact. The situation will continue to get worse if quick action is not taken. The problem is most acute in the resource regions of Quebec and it is difficult to close our eyes to this situation.

For several years, the Bloc Québécois has been calling for the introduction of a support program for older workers. The Bloc Québécois has intervened three times in the House of Commons to demand the implementation of a new POWA.

Unfortunately, the announcement of the Conservative program in October turned out to be worse than we feared because the assistance is not immediate and takes the form of a two-year pilot project that is under-funded and does not respond to the needs of older workers.

Indeed, a large part of the program consists solely in helping workers retrain. When an entire community suffers the hardship of a massive layoff, real action has to be taken. Regrettably, workers who are more than 55 years old and have difficulty finding another job cannot benefit from such a program.

That is why the Bloc Québécois believes that now that we have accepted a sellout agreement, it is incumbent on the government to put in place programs that will enable communities and companies that depend on the forests to diversify their economies.

The Bloc Québécois proposes to increase the budget that the federal government allocates for economic diversification of forestry regions. It also proposes that the funds be transferred to the Government of Quebec to avoid duplication of effort. Consequently, we are talking about a sum of \$50 million over three years, strictly for Quebec. The federal government has the means to assist an economy that greatly needs support.

In closing, I would like to point out that Bill C-24 does not solve the structural problems in the market. In the coming months, measures must be introduced to avoid a collapse of the forestry sector. Moreover, I hope the minister will act on the resolution from the RCM of Lac-Saint-Jean-Est, in my region of Saguenay—Lac-Saint-Jean. The resolution adopted in September calls on the federal government to provide greater support to the forest industry.

• (1545)

[English]

Mr. Brent St. Denis (Algoma—Manitoulin—Kapusking, Lib.): Mr. Speaker, I represent a northern Ontario riding. It has been a very distressful number of years for the forestry industry, not only in northern Ontario but throughout Canada as well as in the area in Quebec from where the Bloc member comes.

When I look at the impact of the troubles we have had with our American neighbours in Chappleau, Hearst, Opasatika, Thessalon, White River, Espanola, Nairn and many other communities, I cannot help but think this deal was supposed to bring improvements to the trading relationship in softwood lumber between our two countries.

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The day before the deal came into effect, we had a tariff of between 10% and 11%. The day after the deal was signed, the export tax went up to about 15%. When it was a tariff, at least there was a chance the industry could get that money back. Court cases and panel decisions, time after time, had decided in Canada's favour. When it is an export tax, there is no chance that money can come back to the industry, according to the very agreement itself.

I understand the member feels the need to support this deal, but I and our party do not. It is a terrible deal for Canada and for northern Ontario. However, I understand the exigencies of the situation as he sees them.

Could he explain, as best he can, how going from a 10% or 11% tariff to a 15% export tax is better for the forestry industry?

[*Translation*]

Mr. Robert Bouchard: Mr. Speaker, I want to thank my colleague for his question. I see that the situation in his region is similar to the situation of a number of companies in my region of Saguenay-Lac-Saint-Jean.

The softwood lumber industry in Quebec and in my region is currently on its last legs because of the large amounts of money withheld as a result of the tax imposed by the Americans. This money will be given back to the companies and will inject a bit of money into the softwood lumber industry.

However, the minority Conservative government absolutely has to introduce measures. It is not enough to give back some of the money withheld because of this American tax. An assistance program is needed.

In my riding, for example, there are a number of small companies, and the softwood lumber industry is the main industry in town. I was giving the example of Fernand-et-Boileau where 80% of the jobs depended on this industry. That is why assistance is needed in these communities.

Assistance also needs to be given to the companies that work in this sector and to the companies that have had to resort to mass layoffs and close their doors.

That is why we are calling on the government to implement programs for older workers and for the communities, in order to get the softwood lumber industry back on its feet.

•(1550)

[*English*]

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, when one looks at the deal and the way it was brought about, it lends one to believe that perhaps there is a strategy in place that is larger, and that is to integrate the Canadian economy into the American economy.

In Canada we have done some pretty unique and creative things to protect industrial sectors, particularly in Quebec. A number of government run, controlled and often funded organizations are put together by people in the different sectors. This allows them to have some control over their livelihoods, the future of their communities and the resources used to feed their industries. I am thinking particularly of the Wheat Board and the fact that the government wants to do away with that vehicle.

Are we seeing a pattern or trend that will finally have the Canadian economy totally integrated into the American economy, if we continue down this road?

[*Translation*]

Mr. Robert Bouchard: Mr. Speaker, certainly, with NAFTA, the American and Canadian economies are perhaps not integrated, but facilitated. We also have to recognize that, at least in Quebec, a high percentage of companies export goods and services to the United States. In that sense, trade between Canada and the United States is highly developed.

Since we are talking about softwood lumber, it also would have been nice if there had not been all those constraints and taxes. Unfortunately, this dispute led to a misunderstanding by the Americans and an unacceptable situation for us, in that our companies and the softwood lumber industry were subjected to American anti-dumping taxes.

That is why we went to court, where we won on several occasions. Later, an agreement was reached. We feel that it is not the best possible agreement, as it involves compromises. It could be called a sellout agreement. But because of the situation of the softwood lumber industry in Quebec, we had to support the agreement, because the industry was at the end of its rope. The agreement was a way of giving the industry back most of the money it was owed.

•(1555)

[*English*]

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, millions of trees in my area are being damaged as a result of a spruce beetle infestation. This is happening in other parts of Canada as well because of global warming. Vast quantities of trees have to be cut down rapidly.

There is an anti-surge mechanism in this agreement. If the market is flooded, another tax will kick in. This is bad for Canadians. If these trees are not cut down, they will rot in a few years and they are lost. Therefore, Canada is either going to lose all this lumber or we are going to have a huge unfair tax put on us.

What does the member think about that?

[*Translation*]

Mr. Robert Bouchard: Mr. Speaker, the member is raising a problem that is being felt particularly in the western provinces, such as British Columbia, I believe. The softwood lumber industry in Quebec supports this agreement. Before we stated our position, my party, my colleagues, my leader and I consulted the softwood lumber industry, unions and all the industry stakeholders. They recommended that we support this agreement, even though we felt it was a sellout and was not the ideal way to rectify the situation.

The Bloc adopted that position because it is a democratic party and the consultations produced that result.

[*English*]

The Acting Speaker (Mr. Andrew Scheer): Is the House ready for the question?

Some hon. members: Question.

Government Orders

The Acting Speaker (Mr. Andrew Scheer): The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Andrew Scheer): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Andrew Scheer): In my opinion the nays have it.

And five or more members having risen:

The Acting Speaker (Mr. Andrew Scheer): Call in the members.

And the bells having rung:

The Acting Speaker (Mr. Andrew Scheer): The vote stands deferred until tomorrow at the end of oral questions.

* * *

FIRST NATIONS JURISDICTION OVER EDUCATION IN BRITISH COLUMBIA ACT

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC) moved that Bill C-34, An Act to provide for jurisdiction over education on First Nation lands in British Columbia, be read the second time and referred to a committee.

He said: Mr. Speaker, I rise today to express my enthusiastic support for Bill C-34, the first nations jurisdiction over education in British Columbia act. This is legislation that will give effect to future agreements in respect of first nations education in British Columbia. As I do so, I would like to acknowledge the support of the other parties in the House of Commons for this legislation. I know they will be speaking. My hope this afternoon is that through a display of cooperation and good faith on the part of all the parties in this honourable House that this legislation will clear the House this afternoon.

I note as well that the Chalo School of Fort Nelson First Nation, the Okanagan Indian Band school which is called Snc'c'mala?tn, and the Bella Bella Community School are with us today as the students watch the passage of this legislation.

Three parties signed an agreement earlier this year: Canada, the province of British Columbia and the First Nations Education Steering Committee, also known as FNEESC, in the province of B.C. The agreement enables first nations in British Columbia to assume meaningful control over education on reserve at both the elementary and the secondary school levels. Bill C-34 is the legislation that will give effect to these kinds of agreements.

This legislation is extremely important. In terms of the framework for self-governing first nations in this country, education is extremely

important. Legislation such as this will provide the framework for a modern legislated school system driven by first nations in Canada. I would describe this legislation as the most important bill that I will have brought forward as Minister of Indian Affairs and Northern Development. It is something that I am quite passionate about. I have spoken for some time about this subject.

Essentially, at the present time—and I make this comment in a non-partisan way; I attribute responsibility to successive governments—we have not had a system of education for primary and secondary education in this country for first nation children. First nation children, frankly, have been the only children in Canada who have lacked an education system. Instead they have had the mere legislative authority of the Minister of Indian and Northern Affairs expending a budget of approximately \$1.2 billion per year, with really a framework of only 30 employees in the department. What those departmental employees do is they basically administer one-off grants to individual schools.

What we have lacked is a school system. What we have lacked is a first nation driven school system that will provide first nations with authority over their own education which will inculcate a sense of possession on the part of the community, a sense of pride in the school system. What we have also lacked is working relationships between the respective provincial government and the first nation authorities working hand in glove to make sure that the system of education works properly and to make sure that there is provincial compatibility. That is very much at the heart of this particular legislation.

[*Translation*]

When the first nations take responsibility for developing curricula, defining educational standards and certifying teachers, I am convinced that the quality of on reserve education will only improve and that this education will also be more pertinent for the students.

• (1600)

[*English*]

Over the years, dozens of studies have demonstrated that the quality of education that young people receive is one of the most accurate predictors of the standard of living that they will experience in adulthood. I was reading a report that was published not long ago and I was struck by the fact that an aboriginal woman who graduates from high school has the same opportunities throughout life that any other Canadian would. In fact, aboriginal children who graduate from high school carry on to succeed, whether it is as lawyers, doctors, engineers, tradespeople. They carry on and succeed at rates that exceed those of the Canadian population at large.

The challenge is high school. I was struck by the fact that an aboriginal woman who gets through high school has the capacity in her life to have a normal lifetime earning span, but an aboriginal child who does not graduate from high school will make over the course of his or her lifetime less than \$100,000 of private sector income in total. The longer one thinks about these numbers, the more disturbing they become.

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The studies and pilot projects that have been done have demonstrated quite clearly that this sort of an approach encapsulated by the FNEC education system is one that will work. The pilot projects have been enormously successful. Well-educated young people will be the predictors of the increases in standard of living for those first nations that adopt this sort of report.

Recent reports by groups such as the Fraser and the C.D. Howe institutes reconfirm the disheartening truth about the majority of on reserve schools in this country and the educational outcomes of their learners. That is what we are all trying to cure, aboriginal and non-aboriginal Canadians alike.

Students who attend on reserve schools have in the past been much less likely to complete high school and to study at the post-secondary level than students who have attended provincial and private schools. I resolved and made it very clear when I became the Minister of Indian Affairs and Northern Development that this was an issue that we were going to do something about, this was an issue that I would attack personally as a minister. It was with considerable pride in June of this year with Premier Campbell at my side and other representatives of FNEC that we signed the agreement that brought into place FNEC and prepared the way for this legislation here today.

•(1605)

[*Translation*]

This discrepancy in the quality of education has serious repercussions, not only on students in reserve schools, but on all Canadians as well. For example, it is likely that students who have attended a reserve school will one day experience long periods of unemployment.

That means that society can expect an increase in the demand for social programs as well as in associated costs. Given the rapid increase in the native population in Canada, the expectation is that these problems will become more serious.

[*English*]

Currently, approximately 120,000 first nations students attend on reserve elementary and secondary schools throughout Canada. This figure represents about 60% of all first nations students. The other 40% attend provincial or private schools either by choice or because their community does not have a school on the reserve. At present, band operated schools suffer from several significant disadvantages. They do not benefit from aggregated systems of service delivery, nor do they enjoy the legislated protection afforded to provincial schools.

[*Translation*]

Basically, education of the first nations remains in a kind of legal limbo and the Government of Canada serves as the main department of education for reserve schools.

[*English*]

Given the remote location of many first nation schools and communities, there is necessarily a large disconnect between many on reserve schools and the authorities that are supposed to manage them; that is, there is not a strong link, as is required, between the federal government which is technically responsible for education on

reserve and the communities that manage the system on a day to day basis.

Bill C-34 proposes to eliminate these disadvantages for on reserve schools in British Columbia. I am convinced that the legislation will lead to significant improvements in the education outcomes for first nations students in the province by providing communities with the tools to improve the quality of education and to build on current success. As I will speak in a moment, my conviction is founded on a remarkable story of a first nation school in northeastern B.C., which I will come to in just a moment.

Bill C-34 is well drafted. It is not a lengthy piece of legislation. It establishes in clause 11 the first nations education authority to be managed by a board of directors in British Columbia.

The purpose of the legislation, as expressed in clause 4 is to allow individual agreements to be entered into between participating first nations.

I would emphasize that the first nations that decide to participate in this legislation are doing so voluntarily. They are doing so because of the strength, the wisdom and the compassion in their communities and their willingness to work toward the education of their children. They are voluntarily participating first nations.

It allows the first nations to enter into an agreement with respect to jurisdiction over education. The agreements that this legislation contemplates are agreements between Canada, the first nation and the province of British Columbia.

The fundamental concept underlying the legislation is really expressed in subclause 9(2), and it is referred to as transferability. I am going to quote this subclause, for the record:

A participating First Nation shall provide, or make provision for, education so as to allow students to transfer without academic penalty to an equivalent level in another school within the school system of British Columbia.

The underlying concept of this and the wisdom behind it is that we are trying to ensure transferability or compatibility between this first nation driven school system and the provincial system of education. The consequence is that students, upon graduation from high school, will have the same ability to qualify as other students in British Columbia for entrance whether it is into the trades, apprenticeships, technical colleges or universities. There will be full transferability. Likewise, the wisdom behind this is that the students, over the course of their high school education, for example, would be able to transfer back and forth from one school to another, maintaining the quality of education.

That is obviously not to say that there would not be unique aspects of the first nation education schools that would benefit the students. I have said myself over many years that what we need in the building of this remarkable country is strong first nation partners. We need strong first nation children who know who they are, who know their history, who celebrate their language, who celebrate their traditions and who will assist all of us in building this remarkable country. They are part of the enduring strength of Canada. This school system as envisioned will celebrate that and allow a thousand flowers to flourish and bloom across this magnificent country.

Government Orders

The legislation itself allows for the school authorities to deal with matters which are pretty crucial to a system of education. It allows them, as expressed in clause 19, to establish standards that are applicable to education for curriculum, for examinations. It allows them to provide for a teacher certification process for those teachers who will teach in the primary and secondary schools. It provides, as well, for a teaching certification process for teachers who will participate in teaching language and culture to first nation students. It also allows for a process, among other things, of certifying schools.

• (1610)

The long and short of it, as set out in clause 23, is that the Indian Act ceases to apply. This is in a sense sectoral self-government legislation. It is legislation that allows first nations to assume full control over the education of their bright, young people. It does so in a way that is compatible and jurisdictionally integrated with the adjoining public school system.

We can see in all of this something that is quite remarkable and that really holds the keys for the future of our country.

I mentioned earlier that there is a remarkable story about a first nations school in northeastern B.C., and I will share it with my colleagues in the House. It is the Chalo School operated by the Fort Nelson First Nation. It was inspired by a hopeful yet potent idea that when a community took control over the education of its children, it built a stronger future for itself, a deeper sense of community and a stronger sense of place.

For generations, the only educational option available to the children of the Chalo School was the provincially operated school system. Attending schools in town, navigated a very different world for first nation students. They were following a curriculum that was completely disconnected from their lives on the reserve. Not surprisingly, very few first nation children performed well academically.

In 1981 the Chalo School took its first humble steps toward changing these outcomes with a single teacher, a small portable classroom and a handful of elementary students.

[*Translation*]

Today, almost 200 primary and secondary students attend this school, which has become the dynamic and flourishing centre of life on the reserve.

Earlier this year, 15 students passed 24 of the 27 provincial secondary exams in basic subjects such as mathematics and English.

The bill being studied will enable communities such as the one in Fort Nelson to achieve even better results. Even though the legislation targets only students in British Columbia, the proposed approach could be duplicated by other regions of the country.

• (1615)

[*English*]

I can advise the House that in the time since June, when this agreement was executed with the representatives of FNESC and the Premier of British Columbia, I and my department have had discussions with virtually every province in the country regarding what I refer to as the model for the future of education for first

nations in Canada. I acknowledge the hard work in British Columbia.

FNESC did not come into existence accidentally. It cannot be described as something that was created instantaneously. Very hard-working people have worked for many years to give birth to FNESC and to put British Columbia in a circumstance where there is the capacity on the ground to have a first nation driven education authority for the province of British Columbia. This has taken a lot of work by a lot of very fine and decent people, and we as Canadians are indebted to them.

I salute as well Premier Campbell, who has shown leadership on this. He has ensured that we are working together in British Columbia with our first nation partners. I celebrate and salute his efforts as a Canadian in shepherding this legislation through in British Columbia and for the commitment that B.C. has shown. At the end of the day, this does not work if governments retreat to their jurisdictional compartments. It works based on cooperation and an honestly held sense of the way forward.

A similar agreement in a different form has now been signed in a tentative way in Quebec. I can assure the House that I have had discussions with virtually all other provinces to implement this across Canada.

Today members of the House have an opportunity to show support for first nations across Canada. We have an opportunity to provide first nations in British Columbia with the means to deliver a high quality, meaningful education. We have before us legislation that will inspire hope in all first nations. It is a bill that speaks to the future of Canada.

I know this if I know nothing else about my term as the Minister of Indian Affairs and Northern Development. If we can make the education system work and if we can graduate bright, young, capable, articulate, dynamic children from high school, then everything else will take care of itself and our country will be a brighter place.

I urge my colleagues to support Bill C-34.

Mr. Gary Merasty (Desnethé—Missinippi—Churchill River, Lib.): Mr. Speaker, I applaud the minister for introducing the bill. I also applaud the B.C. first nations for all the outstanding work they have done over the last number of years. I know they are going to enjoy tremendous success as they move forward.

I also see success happening in other parts of the country as well. For example, in northern Saskatchewan on reserve graduation rates have gone through the roof. In 1998 the graduation rate was 34%. In 2004 the graduation rate of students in grade 12 was 92%. It is great to see that kind of success across the country. I can envision different models being implemented across the country as we move into the future.

What kind of resources is the Department of Indian Affairs and Northern Development committing to the First Nations Education Council and how is it going to help them to support and build their capacity as we move forward?

Government Orders

Hon. Jim Prentice: Mr. Speaker, on the resources, this is the part of the agreement that has been struck. The resources have been well defined at this point and we will continue to work with FNEC to ensure there are adequate resources applied to make this work.

I spoke of the wonderful people at FNEC, and I will really emphasize this because it warrants attention. It speaks to possession of education and possession of an education system about which people feel strongly.

The wonderful people at FNEC have really achieved remarkable things with very little support from government over a long period of time, and I applaud them for that. They have achieved a level of capacity which we see in some places elsewhere in Canada, but not as consistently as we see in British Columbia. They have achieved that on their own. They have not achieved that with the assistance of the Government of Canada or anyone else. We have all worked with them. We have tried to provide resources where possible, but it really has been volunteer-driven, driven by hard-working people in the communities who are passionate about their children and passionate about education. We can all learn a lot from that.

I respect what the member has said and I appreciate that we need to apply adequate resources to make this work elsewhere. One of the challenges will be to try in some of the other provinces to get an organization like FNEC up to the adequate level of capacity quickly enough to do this. We will monitor the resourcing situation very closely.

• (1620)

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, at the outset, I too want to say unequivocally that I will be recommending to my colleagues that we support this important legislation. I am pleased to be part of a process that will facilitate the rapid passage of the bill so we can move forward.

We have all heard that the framework agreement was signed by the federal government. It is important to reiterate the fact that it was signed by the federal government in cooperation with the provincial government and the first nations in British Columbia. I too want to acknowledge that it is an important step for first nations to control first nations education in British Columbia.

The legislation outlines the process of transferring jurisdictional responsibilities to those first nations that are interested in on reserve education for children in kindergarten up to grade 12, as underlined by the minister.

As we have heard, the proposed legislation will allow first nations to design and deliver the educational programs that are culturally relevant for their communities. It is an important first step because, as the minister indicated, it comes from the community.

As we talk about aboriginal learning and in keeping with the comments above, I will put on the record the words of our newly elected leader on this side of the House. He said:

As a university professor I know as well as anybody the difference that education makes in peoples' lives. I have seen young people discover new things about themselves and the world around them, become passionate about learning, gain the confidence to take on the challenges of the world around them. We can, and we must, make sure that more aboriginal people have these opportunities and experiences.

I put that on the record to underline the importance that we on this side of the House apply to education and that all young people have access to education. Many aboriginal young people live in significant poverty and they should not have to in a country as rich as ours. For many who live in these circumstances, education is the way to a fuller and more fulsome life. The importance of education cannot be underestimated.

The standing committee indicated its priority on education by undertaking a study on post-secondary education. The Kelowna accord, agreed to by the previous government, also outlined and funded a plan to improve education. This plan was developed by the communities themselves and appropriate for their jurisdictions.

The plan included: \$100 million over five years for urban, Métis and northern aboriginal initiatives that already existed to better prepare children for school; over \$1 billion over five years to promote education innovation on reserve; \$150 million over the next five years for off reserve initiatives, including \$50 million to improve education in the north; and \$500 million over the next five years in the form of bursaries, scholarships and apprenticeships to help fulfill target graduation rates of over 14,000 aboriginal graduates in five years and 37,000 graduates in 10 years.

Clearly, everyone on all sides of the House recognize the importance of education and the need to improve educational opportunities for young people who live on reserves.

• (1625)

Much like other communities, the first nations of Canada want the ability to educate their children in the three Rs while ensuring their children learn about their own rich cultural heritage. The passing of this bill will ensure that individual first nations that so choose will have the ability to set their own curriculum, a curriculum that combines the learning that occurs in all schools across the province with their own culturally specific learning. I emphasize that because it is very important.

The act would enable individual reserves to educate their students about their own cultural traditions and heritage. This is an important aspect for first nations to have in the education of their children. Perhaps we may seize at some point some augmentation of dollars going to these communities for the aboriginal languages and the aboriginal culture that was mentioned by the minister. This is an important aspect of the education.

The act is an important guideline for the development of future negotiations with first nations regarding education: collaborative, cooperative, and with much consultation for the grassroots. It is the people who are on the ground who know the kind of education that is important for their children. This has been done in a very meaningful way in British Columbia and I commend all parties to the process.

The bill provides a new opportunity to the first nations in British Columbia and as I said earlier, those first nations that so choose to take advantage of the opportunity will be able to control the development and delivery of education in their communities, in all aspects of education from teacher certification, to school certification, and to the establishment of curriculum and examination standards. They will deliver the program.

Government Orders

This is important, but I do want to raise one or two precautionary concerns about the bill and I want to go on record in that regard. It is important to recognize and understand that what works in British Columbia may not work in Labrador, and may not work in Manitoba and may not work in Quebec or any other part of the country or any other jurisdiction. This is made in British Columbia for British Columbia first nations. What works in one part of the country or in one community may not be what is needed elsewhere.

The same steps that went into developing this act in British Columbia must be taken in other parts of the country to implement appropriate framework agreements for those jurisdictions: consultation, local input, local needs assessment, consideration of local governance models, diverse languages, diverse cultures, and socio-economic factors. It is not a one size fits all. I want to emphasize our concern that this not be regarded as the template for across the country.

My colleague previously asked the question about financial considerations and the minister responded how well the communities in British Columbia managed without any additional government intervention. I am concerned that there are no specific dollars identified for this initiative. The minister says what resources will be needed will be there, but I need further clarification. I need some understanding of what that means, what kind of support will be available for the communities there, and ultimately when education initiatives are developed across the country for others.

The other issue I want to focus on very briefly is the importance of capacity building in the communities. Capacity building may refer to bricks and mortar and supplies in the hard issues. However, even more importantly, capacity building entails the investment in individuals so that they have the resources to deliver the kind of education system required, they have the opportunities for teacher training, they have the opportunities for education in management, they have the opportunities for scientific studies, and they have the opportunities for the kind of development of leadership in educational authorities to provide the necessity for young people.

•(1630)

I had the pleasure to meet with the members of the community who have been involved in developing this plan. I know their passion. I know their commitment. I promised them at the time that we would do nothing to delay the implementation of what I view as an important piece of legislation. I stand by my word to them today. I throw the weight, I hope, of my entire caucus and certainly of my leader behind this initiative that strives to improve the education of first nations school children in British Columbia.

In doing so, I want to reiterate my concern to the minority Conservative government about not using this as a template for the rest of the country. It must ensure that there are adequate resources available so that this will not flounder, so that it will be a success and to ensure that there is the opportunity for capacity building, as I said, bricks and mortar and human beings.

I am someone who has had an up close and somewhat intimate experience in the establishment of aboriginal schools in an urban setting. I know the importance of community commitment. I know the importance of a meaningful investment in curriculum adaptation, in curriculum implementation, and the investment in the people

themselves. Therefore, I urge the minister to take these into consideration as the bill moves forward.

We all know, as we have heard, that the current delivery system of education for first nations children on reserves has many challenges. I commit personally, and I commit on behalf of my party, a willingness to work with anyone who is interested in improving the educational opportunities to make a better life for aboriginal children.

Therefore, I reiterate my support for the bill.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I wish to commend my colleague for her careful analysis of the bill and her support in meeting with the aboriginal leaders. I commend the government as well for bringing it forward. I commend the chiefs and councils, and first nations people in B.C. for all their work to make this possible.

I want to reiterate the member's concern to ensure that resources are available. The minister talked about this. We want to ensure that the message is clear. In the past when schools have failed, it was because they were getting less funding per capita than schools in the public system. We want to ensure that this new system has a fair start and has a chance to succeed by having the funding at least equivalent to other schools at those levels in Canada.

Hon. Anita Neville: I was not sure that warrants a response, Mr. Speaker, but I share my colleague's concerns. We all want this to be successful. I think that, speaking for this side of the House and I am sure for others, we want to ensure that all of the ingredients are in place and the ingredients include financial resources to ensure that this bill and this educational initiative is a success.

•(1635)

[*Translation*]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, I am pleased to see that we have visitors who will be learning another language because they have to listen to me in French, which is a good thing. I would like to welcome them to this House to witness a debate that is not really a debate.

It is rare for all of the parties to support moving a bill through all of the stages as quickly as possible. That is what is happening with Bill C-34. When political parties, including the Bloc Québécois, recognize the fundamental value of a bill, they ensure that it is passed as soon as possible and encounters as few obstacles as possible so that it can be implemented for those who need it most.

Who are the people who need this bill the most? It might seem that the Bloc Québécois has no business talking about Bill C-34, which is about first nations education in British Columbia. However, when we read the bill, we saw clearly that the department had finally done its homework, as it should. We received mountains of documentation and I took the time to look at all of the work that had been done prior to the bill coming before us. A lot of work was done, work that took much longer than two months. So we must not take two months to study this bill, which fulfills all of the conditions set by the first nations of British Columbia.

Government Orders

Who will benefit from this bill? Six thousand students in British Columbia—6,000 first nations students attending schools on reserves, and possibly 11,000 others attending schools under the jurisdiction of the Province of British Columbia.

What should be emphasized in this bill, what I think is the most important aspect, is that it is going to grant jurisdiction to participating first nations. That word is important. In this House—I will probably not be alone—I am going to invite the first nations of British Columbia to come together under the authority that will be established to carry out the program developed by the first nations. This program will be concerned with education on the reserves, from kindergarten to grade 12. It should be respectful of first nation customs and first nation languages. This is one of the things most painfully explained to the committee.

Let me explain. We are studying—and we are soon going to submit a report on this subject—first nations education at the post-secondary level. Before we can support the post-secondary level, however, we have to begin by taking care of the elementary level. We have been told that what is happening now, not only among the first nations, but also among the Inuit, is that they are at risk of losing their culture. Every effort must be made to avoid that. That is why the Bloc Québécois will support this bill, so that it can be passed as quickly as possible, because we must prevent the first nations from losing their cultures and their languages. We are well placed, we of the Quebec nation, to know that we risk losing our culture and our language if we do not take every means available to defend them. What we can do—quickly—to defend the cultures and languages of the aboriginal peoples is to pass this bill quickly.

This bill also provides for the creation of an education authority, hence an agreement between Canada and the first nations.

● (1640)

There will be a transfer.

My colleague from the Liberal Party and the members of the Bloc Québécois—and I am almost certain that my colleague from the NDP as well—agree with the transfer of jurisdiction over education with respect to the first nations. However, when we say “a transfer of jurisdiction” we also mean a transfer of the funding that goes with the jurisdiction that will now be delegated to the first nations.

In the coming months, in order to speed up the vote to implement this bill, we will make sure that this government includes in its next budget the money required to put Bill C-34 into effect.

This is essential and very important because it is all well and good to transfer jurisdiction to the first nations, but if we do not transfer the necessary funding, this has little meaning and we are talking in a vacuum. It is especially important to do this because this bill is very important.

As the minister was saying earlier—and allow me to underscore this because it is in the legislation and the government will now have to respect it—clause 9 states:

A participating First Nation has, to the extent provided by an individual agreement, the power

- (a) to enact laws respecting education on First Nation land; and
- (b) to delegate to the Authority its power to make laws under paragraph (a).

As the saying goes, the legislator does not speak in vain; so, what this very important section says is that once the participating first nations have signed an agreement, the government will transfer to them the authority to enact laws respecting education.

I believe, as does the Bloc Québécois, that this is the proof that we want and desire that the first nations will not only have complete control over their education—from kindergarten to grade 12—but that such an education will be adapted to their skills, their culture and their language.

How will this culture and language be protected within this program? Clause 9(2) states the following:

(2) A participating First Nation shall provide, or make provision for, education so as to allow students to transfer without academic penalty to an equivalent level in another school within the school system of British Columbia.

Unfortunately, we know that when first nations students arrive at another secondary school, they often have to take remedial courses. Under clause 9(2) that will no longer be the case. The school authority will be responsible for all education and will do its utmost to ensure that these students take the time they need to succeed. If there is one thing that is important and vital, it is the success of first nations students.

We have seen the statistics. They can succeed, they are capable of succeeding, they are able to take their rightful places not only within their own community, but also within Canadian, Albertan, British Columbian and Quebec society. We will support this bill.

● (1645)

We have also seen that everything has been done so that the first nations in British Columbia can establish a competent education authority capable of administering education in British Columbia for the first nations.

This bill is vital to the future of the first nations. I believe that it gives them and will give them what they want most: autonomy. It is a first step toward autonomy.

Allow me to explain. Give a man a fish and he will eat for a day. Teach a man to fish and he will eat for a lifetime.

Autonomy begins with education. With this bill, we think and we believe that the first nations are taking their first step toward autonomy.

We are going to support this bill, but we want to ask the minister and the departmental officials whether such an agreement could be signed by other provinces and especially by other aboriginal, first nations and Inuit communities across Canada. I am thinking specifically of the first nations in Quebec.

We believe that such a bill could be extremely worthwhile, and I invite the leaders of the first nations in Quebec who are watching today to look carefully at this bill and consider whether it could apply to the first nations and Inuit in Quebec.

We firmly believe that this bill is an important step toward aboriginal self-determination.

Government Orders

I will conclude, as I do not want to go on any longer because, unfortunately, I am suffering from the flu, but also because this is one of those rare bills that will receive the unanimous support of this House.

We therefore ask that this bill be passed as quickly as possible. We will support this bill.

[*English*]

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, as the member for Nanaimo—Cowichan and being from British Columbia, I am pleased to speak in support of this bill. New Democrats fully support this bill and are pleased to see that all parties in the House have come together to fast-track this important initiative.

I think it is important to put it in context about why this is such an important bill. The department's own materials show that first nations' education in British Columbia has lagged behind provincial norms and standards, not in terms of the quality of the education but in terms of results. It talks about the fact that there are currently 125 schools operating on reserve in British Columbia and the fact that the graduation rate was only 43% for grade 12 students living on reserve and 48% for aboriginal students living off reserve. This compares to statistics overall in the province where 79% of non-aboriginal students graduate from high school. I think it is important to emphasize that there is not a significant difference between on reserve and off reserve schools for first nations, Métis and Inuit students. I think it is important to talk about what needs to be done to address that gap both on and off reserve.

In addition, the 2004 Auditor General's report on elementary and secondary education talked about the fact that this gap was so serious that at the current rate of initiatives that were underway that it would take 28 years to close that gap, which is clearly not acceptable.

It has been a long-standing contention of first nations peoples that they need to take control of their education. In fact this goes back to a 1972 research paper called control of Indian education. We are talking about decades that the first nations peoples have been talking about the fact that they need to the right and the ability to assert jurisdiction over first nations education.

As a result of that document in 1972, the first nations education steering committee was established in 1992, 20 years later I might add but it did happen. From thereon in, first nations across British Columbia have been stepping in and asserting their right to control first nations education in B.C. To their credit, I must mention that the elders, the first nations' chiefs and their councillors, the community members, the students in school and their teachers, all came together to talk about how important this was and to put initiatives in place.

One of the things that people have been talking about is the importance of asserting control, not only over the schools but also around the curriculum and the delivery methodologies, and around a wide variety of tools and mechanisms that first nations know will work in increasing their success rates.

● (1650)

BUSINESS OF THE HOUSE

Hon. Rob Nicholson (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I rise on point of order. I extend my apologies to the hon. member for interrupting her but I have spoken with the House leader of the New Democrat Party about this particular point of order.

Mr. Speaker, I think that you would find unanimous consent in the House for the following motion. I move:

That notwithstanding any Standing Order or usual practices of the House, the House shall proceed with Government Business No. 12 as follows:

when the motion is called on Wednesday, December 6, private members' business shall be held as usual and the House shall sit beyond the ordinary hour of daily adjournment for the purpose of considering Government Business Motion No. 12;

after the first round of speakers, no member shall speak for more than 10 minutes and that following each speech a period not exceeding 5 minutes shall be made available, if required, to allow members to ask questions and comment briefly on matters relevant to the speech and to allow responses thereto;

the Speaker shall not receive any amendments, dilatory motions, quorum calls or requests for unanimous consent during debate;

at midnight, or when no member rises to speak, the House shall adjourn to the next sitting day; and

that on Thursday, December 7, at the expiry of the time provided for oral questions, every question necessary for the disposal of Government Business Motion No. 12 shall be put forthwith and successively without further debate or amendment.

The Acting Speaker (Mr. Andrew Scheer): Does the hon. government House leader have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Andrew Scheer): 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)

[*Translation*]

* * *

[*English*]

FIRST NATIONS JURISDICTION OVER EDUCATION IN BRITISH COLUMBIA ACT

The House resumed consideration of the motion that Bill C-34, An Act to provide for jurisdiction over education on First Nation lands in British Columbia, be read the second time and referred to a committee.

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Nanaimo—Cowichan has 15 minutes remaining in her speech.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I know that for people observing the proceedings there are sometimes important matters that need to come before the House and be dealt with expeditiously. We all try to cooperate in order to have those kinds of things happen.

Government Orders

I was starting to talk about the process. In this context, I think it is important to reiterate comments that have already been made. This is a made in B.C. solution. This is a solution that works for first nations peoples across British Columbia. It was done through an extensive consultation process. I would argue that each and every province and territory in this country must come up with its own solutions. The process must be driven by first nations communities. It cannot be a top down process.

To that end, extensive consultations took place in British Columbia. From 2003 to 2006, the first nations education steering committee held a variety of regional and community meetings. This was all part of the process to talk about what an agreement like this should look like, what a tripartite agreement should look like, what the important elements were, what needed to be included, and how the community needed to be involved. As a result, we have ended up with a piece of legislation that truly reflects a consultation in British Columbia and has ended with an agreement that is going to work for British Columbia.

Part of that agreement includes things like jurisdiction over data collection and school certification. Although that is going to meet provincial standards so that there is a seamlessness between the provincial education system and the on reserve education system, there is a recognition that some things need to be under the control of the first nations. In addition, in case people think this is something that was pulled out of the air, for seven years there was a first nations school assessment project that talked about the successes, the best practices, what was working well and what did not work.

This is a critical opportunity to integrate culture and language into the first nations school systems in order to ensure the survival of the language, which is essential for the survival of the culture.

One of the things that people are expecting as an outcome is the fact that we fully expect from assessments that have been done in British Columbia that there will be better outcomes. I know that students have travelled to Ottawa for this very important occasion. There are students from Chalo, Bella Bella and the Kamloops Indian Band who came here to observe the process.

Chalo was named one of the 10 exemplary programs for aboriginal learners in western Canada and the Yukon, based on student achievement data. Clearly when there is Indian control over Indian education we can end up with results that say these students can be successful by any criteria that is put before them. The evidence is before the House. I fully expect that we will see more students like the ones from Chalo graduating and meeting those achievement tests.

One of the things we have talked about in the House is how critical it is to make sure that there are resources and funding available, not only to provide for the per capita per student basis, but also to talk about infrastructure, teacher education and curriculum development. It just will not be good enough if the House passes this bill, as it will, but fails to provide the resources and the funding to make sure that first nations students can be the very best they want to be.

I am going to step outside of the province for just one moment and talk about a school called the Mosakahiken school. This school

burned down on February 12, 2005. The fire destroyed the Frontier School Division's Rod Martin School and left 381 students without education facilities. Now we are in 2006 and a submission will not even go to Treasury Board until 2007 to rebuild this school. There are 381 students in that community who are farmed out across the community in portables and basements. It is not an ideal situation for education.

• (1655)

We do not want to see that kind of situation in British Columbia, so I would urge all members of the House and certainly the government to ensure that appropriate resources are put into making sure that state of the art schools are available for students.

The projections for this particular school, based on student population growth, show a need for a school that will house 650 students and an allowable growth area of 5,110 square metres on a site of eight hectares. It is a significant need. I would hope that there would be a way to fast track that request through Treasury Board so that students are not treated as second class citizens in their own community.

One of the things we have been talking about in regard to the importance of first nations education is around language. We know that British Columbia has two-thirds of the first nations languages in Canada but currently receives only 10% of the national funding. If B. C. has two-thirds of the languages in Canada, surely there should be an equitable amount of funding that would support those language initiatives. I would argue that in the K to 12 system it is absolutely critical to make sure funding is there for language initiatives in a way that looks at state of the art language labs, curriculum for the teachers, teaching assistants and whatever it takes to make sure that the language stays vital and alive, because it is essential to the culture.

As we are talking about language, I want to take it up to an international context just for a second. In the preamble of the 2005 declaration on the protection of indigenous languages—and I think this is why it is so important to talk about languages in the context of the K to 12 system—it is stated that:

We, the Indigenous People of the Americas, consider our Languages to be a sacred and inalienable gift, for it is through our languages that our world view is defined.

We, the Indigenous peoples of the Americas as a collective have experienced both isolationist and assimilationist government policies which have, with the participation of all levels of government, significantly encroached on the fundamental right of Indigenous nations' languages.

I think that says it all.

Recently we have seen some funding cuts to language programs through the heritage department, cuts that will significantly impact on first nations people, Métis people and Inuit people from coast to coast in regard to making sure their languages stay vital and alive. We know the elders are passing and we must make sure that the transmission of that language from the elders to their grandchildren happens. Without some support to capture their words, we are going to lose those words.

Private Members' Business

In my own riding of Nanaimo—Cowichan right now, Halkomelem is the language of the Cowichan people, and there is a dictionary project under way. This project is happening in collaboration with the Cowichan people and the non-first nations people in the community. They are working together to make sure that they build a record of the Halkomelem language, that they have the words written down so the young people have a way to learn when the elders are not with them any more. They are recording the elders' speeches so that the young people have a way to hear the elders speaking to them, because they know that without that language they are going to lose their culture.

When we are talking about first nations education, I would urge hon. members not to lose sight of the fact that an essential part of first nations education is the language, which then helps the survival of the culture.

I will wind up here, but I want to talk about the fact that this is an example of how the House has been able to work together to support a very important initiative in British Columbia. I commend the House for its willingness to do this. It is an example of how we might look at some other very important issues like language, housing and water. I would hope that we could find some solutions that work, just as this very successful example before the House right now has worked.

• (1700)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have been wanting to ask this question for a long time. The member just alluded to it. It is about the linkage between language and culture and how important that is. We have heard that statement very often in this place with regard to many issues that have come before this place and that I am sure will come before this place in the future.

I know the member is very knowledgeable in this area. Would she give us a little more of her knowledge about the circumstances as they have evolved and about what is happening within the aboriginal communities to try to retain and to bring back or to renew the aboriginal languages so that the cultures can revive themselves?

Ms. Jean Crowder: Mr. Speaker, what we have had happening from coast to coast is a number of very good practices, but there has been no way to actually pull those best practices together and share them.

For example, in Nanaimo—Cowichan, the Cowichan people have a language lab that is set up for children under the age of six. It is a wonderful lab that has computer stations and learning tools for those kids. The problem, of course, is continuing to fund it. I also have talked about the dictionary project in the riding.

In other parts of the country, there are web based tools whereby people can log online to their language. Not only can they see the verbal parts of it, but they can also see the written parts of the language. There has been a real effort, because many of these traditions are oral. There have been many efforts to actually put these oral traditions in writing so a written legacy is left behind, because again, as I have said, the elders are passing.

Those are just a couple of examples. One of the ways in which we can encourage and support the retention of first nations languages across the country is having that repository of best practices so that

people can share the tools that have worked well in some of their communities.

• (1705)

The Acting Speaker (Mr. Andrew Scheer): Pursuant to order made on Monday, December 4, Bill C-34 is deemed read a second time and referred to a committee of the whole, deemed considered in committee of the whole, deemed reported without amendment, deemed concurred in at report stage, and deemed read a third time and passed.

(Bill deemed read the second time, considered in committee, reported without amendment, concurred in, read the third time and passed)

Mr. Paul Szabo: Mr. Speaker, I think if you seek it you would find the unanimous consent of the House to move to private members' business at this time.

The Acting Speaker (Mr. Andrew Scheer): Does the House give its consent to move to private members' business?

Some hon. members: Agreed.

The Acting Speaker (Mr. Andrew Scheer): The House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

STATUTES REPEAL ACT

Mr. Paul Szabo (Mississauga South, Lib.) moved that Bill S-202, An Act to repeal legislation that has not come into force within ten years of receiving royal assent, be read the second time and referred to a committee.

He said: Mr. Speaker, it is quite an honour to present Bill S-202 to the House.

The members may wonder why it is an S bill. This bill was tabled in the other place by Senator Tommy Banks. It went through all stages of the legislative process, a very rigorous process. It has passed in the other place and is now referred to the House of Commons for consideration. It is now brought to the order paper and is before us like any other private member's bill. We are at second reading and we will go through the normal process that we otherwise would. I wanted members to be aware of that, and certainly the public.

I find Bill S-202 to be a very constructive bill. Its short title is called the statutes repeal act. It is an act to repeal legislation that has not come into force within ten years of receiving royal assent.

Private Members' Business

The public may wonder how both the House of Commons and the other place can do all of our work, do all the due diligence, get the bill passed and get royal assent, yet the bill is not be put in force. In other words, it is not active law. It sits in limbo until a subsequent government decides to proclaim the bill and put it into force, and there are some reasons for that. However, two full bills, which are over 10 years old, have received royal assent, but they have not been proclaimed. About 57 other pieces of legislation, which are amendments to other acts, are also over 10 years old and they still have not been proclaimed in Parliament by the government of the day.

We have to ask ourselves if we should have a procedure in which we can effectively create a sunset clause, with reasonable provisions. Should there be good reason for a bill not being proclaimed, or not being put into force, there will be an opportunity to do that without frustrating all of the work that has been done.

In checking the work already done already, I must admit this is a lot more complicated than members may think. There are a lot of constitutional and procedural questions and a lot of questions about what happens if a provincial jurisdiction has enacted similar provisions, but the Government of Canada has not. For example, if we repeal provisions, will that affect the provincial jurisdiction and the application of the law? There were some excellent questions on behalf of all hon. senators who participated in the debate.

Bill S-202 received third reading in the Senate on the June 22. The bill could prevent legislation, which has received royal assent but has not been brought into force, from sitting on the books indefinitely. The bill would not apply to acts which come into force upon royal assent, which means they would automatically come into force, or acts that come into force on a day specified within the legislation.

We often have the case where it says in the bill that it will come into force upon receiving royal assent, or that the bill will come into force, or active law, on a date indicated in that bill. However, there are bills that do not say that. They in fact have a coming into force clause; that is they will come into force when the government says they will, or an unspecified time.

Unless either the House of Commons or the Senate takes action, the bill would cause these acts to automatically be repealed if they have not been brought into force within 10 years of receiving royal assent. There are exceptions for provisions that have been amended before the bill comes into force. For instance, if there has been some action on that bill within the last 10 year period, there are provisos that this 10 year period would be extended for 10 years beyond when an amendment had been made.

● (1710)

According to testimony in the Senate, the Department of Justice was very active. As I have said, there are only two statutes that are affected by Bill S-202 in their entirety. They are the Motor Vehicle Fuel Consumption Standards Act, which passed in the early 1980s, and the Canadian Heritage Languages Institute Act from 1991. However, there is individual legislation amending the other pieces of legislation. I have examples of some 57 other acts that would be affected by this, but I will not to read them into the record. I am happy to provide hon. members with copies of them. It is in the Senate record should members like to look at some of those.

The short title of the bill is the statutes repeal act. Clause 2 says that the justice minister must within the first five days that the chamber sits in any calendar year give a report to the House of Commons and the Senate. The report must list every act or provision of an act that received royal assent more than nine years before December 31 of the previous year that has not come into force. In other words, on day one of the 10th year, we would have a report to both Houses of Parliament. This means the government of the day would have virtually a full year to determine whether it better take some action, or make some changes, or supercede it, or repeal it or somehow address it. If it does not, then this bill would in fact trigger.

Clause 3 states that any act or provision, which was listed in the annual report and has still not come into force by the end of the 10th year, would be repealed as of December 31 of that year unless either chamber adopted a resolution that the act or provision would not be repealed.

Clause 5 provides that any provision that was not in force and would have been repealed under the prevailing procedure would not be repealed if it had been amended at any time during the previous nine years. Ten years after that amendment, the provisions of the bill would apply if the amendment itself was not brought into force. If there is no action on a bill or an amendment to a bill within 10 years of it receiving passage in both Houses, then the cards fall and it would be repealed.

Bill S-202 has had three predecessor bills in its life. The original hearings were back in 2002. Senator Banks confirmed that the intent of the bill was not to impair government flexibility, and that is important to note, but to ensure that any act or provision that had not come into force within 10 years after being given royal assent was revisited. That is the important aspect of Bill S-202. It would provide a period during which we would have to look at it and find out whether action was necessary one way or another. Failing that, the act or the provision would automatically be repealed.

There are four options now with the possibility of a resolution in either House for stalling the appeal.

First, some provisions that are more than nine or ten years old may have been recently amended, for example, to correct an anomaly or problem. Is the intent of the bill that a provision that Parliament has recently considered be automatically repealed? The intent is not to do that. It is to ensure that there is some activity. As the senator has pointed out, there has to be some sort of sunset provision.

Second, what happens with a provision that is partially in force or in force in some but not all provinces? The Contraventions Act, for example, requires negotiations with a province before it can be brought into force in that province. The question really is, would such acts be partially repealed with respect to provinces where they were not in force?

Private Members' Business

The third option is with respect to international treaties. They may require implementing legislation and there could be a 10 year time lapse before international ratification was actually complete. The question would then be, how would the bill deal with this situation?

Fourth, justice officials were also concerned that the bill would cause an automatic repeal with no provision for publication of the statutes or provisions repealed.

I want to assure members that Bill S-202 has addressed all of those concerns. It has done so through changes providing: first, that a resolution adopted by either chamber operates to ensure that the provision is not repealed; second, that amendments to a provision before a bill comes into force to extend the period for another 10 years; and third, that all repealed acts or provisions must be listed in the *Canada Gazette*.

● (1715)

The bottom line is Bill S-202 does in fact respond to the questions that have been raised by justice officials and others with regard to us getting ourselves into a situation where we may cause some unintended consequences. The conclusion is that is not the case.

The senators who examined the bill also raised concern with Bill S-202. Could the repeal of a list of provisions be done by motions involving a senate and/or the House of Commons or is some form of assent or approval by the Queen's representative also required?

Section 17 of the Constitution Act states that the legislative power rests in the Parliament composed of the Queen, the Senate and the House of Commons. Senators felt it might be preferable if the legislation contained some recognition of the Crown. This is where the Senate gets into some aspects, which I do not often hear in this place, with regard to the constitutionality.

Justice officials were of the view that the bill itself was the legislative mandate required for the repeals and that the process in the bill was analogous to a sunset clause, which provided for the repeal at a specific time. The officials also referred to section 2.2 of the Interpretation Act, which provided for a deemed repeal in the case of provisions that were spent or no longer operative. Thus Parliament can anticipate a repeal that takes place some time later, but according to the rules established by Parliament itself.

In the case at hand, the rules would be established by Bill S-202. In other words, the bill would provide the mechanisms in which we could deal with this problem. In the view of the justice officials, this would overcome any constitutional difficulties with the repeals triggered by the bill. As I said, there are some 57 acts which are affected, but I will not go there.

To summarize, the only way this really comes up is if the legislation says that bill will come into force on a date to be specified by order in council, that is by the cabinet. When there is no specified date or it does not say it come into force on royal assent, then somebody has to do something down the road to trigger it.

There are a number of instances where there is good reason why we would not want to make it come into force immediately. There are transitional provisions and things to get prepared for it coming into force. We understand that when we bring in new legislation, there are or can be consequences to a broad range of stakeholders.

Therefore, the form of having an enforced clause sometimes is desirable and necessary.

In the case before us now, the Senate has discovered there are bills, having gone through all of the process in both Houses, sitting collecting dust in limbo. Also some 57 other acts have all kinds of interesting amendments. I cannot imagine what those people, who thought these were important at the time, are feeling. I am getting a little worried about the whistleblower legislation, Bill C-11. It has been over a year now, in the last week of the last Parliament.

When we have done the work, when Parliament has passed it, all Houses, when it has royal assent, we want to know it has happened. If it does not happen, maybe the House has to consider another amendment, something to the effect that if a bill does not get royal assent within a reasonable period of time, reasons should be given. That is accountability.

I thank Senator Banks for all of his hard work. I commend the senators for their due diligence on this. I have satisfied myself that they have asked all the important questions and considered, as part of their review, the important questions of the day. They have referred us a bill which is in very good shape.

I ask all hon. members to support Bill S-202.

● (1720)

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I have a very short and simple question for the member. Would the provisions that this bill provides apply to this bill?

Mr. Paul Szabo: Mr. Speaker, that is an excellent question. The bill itself becomes a piece of legislation like any other. In fact, if we look at clause 6 of the bill, it says:

This Act comes into force two years after the day on which it receives royal assent.

Therefore, prima facie, it would not be subject to repeal because it will have been in force within the required period.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, if there is a problem and there are certain reasons that this could take some time, does the member think it is a problem if the bill were extended for a longer period of time? Could he find an example where if that was necessary that might be a solution?

In addition, is there any mechanism whereby the bill could be brought forward to the House on notice? That would give members a day or so to discuss it, have a small one hour debate or something, so that it does not go by unnoticed as something that was the will of the people and Parliament and would just disappear.

Finally, a thought I have had over the years, does he think it might be worth discussing whether all laws of Canada should have a sunset clause? Then they would be looked at unless it was decided otherwise by Parliament? There are many laws that are out of date, are too old, and need amending to match other bills, et cetera.

Private Members' Business

Mr. Paul Szabo: Mr. Speaker, I briefly indicated in my speech that from time to time there are good reasons. First of all, if the act or some sections of it are conditional upon other things happening, obviously we do not want it to come into force.

For instance, if we adopted the bill regarding health warning labels on the containers of alcoholic beverages, there may be provisos and transitional provisions for certain companies or whatever that until they changed their label that they would not be required to reprint all their inventory or something like that.

Theoretically, there could be things where things have to happen. International treaties is an interesting one. Something as complicated as the Kyoto agreement, if there was a need to legislate that, that legislation could not come into force until in fact all the treaties were properly ratified by all the participants, and so I can see that.

With regard to the member's question regarding sunset clauses of basically all legislation, when I look at the book that just lists the statutes of Canada, I shudder to think what would happen if all of them were subject to sunset clauses. I have a feeling that Parliament as a whole would grind to a halt from going back and revisiting things.

I suspect that the tradition in Parliament has been to respond to the work as it becomes necessary. There are people who are vigilant on every piece of legislation, not only ministries, but the stakeholders outside of Parliament who come and make presentations to say that the circumstances have changed in the way we do things since we brought this in, that the technology has changed, that kind of thing.

I think the House has been responsive to stakeholders' needs, to government's needs, and to the needs of the people of Canada to act in the best interests of the people of Canada. On that basis, although it sounds like a good idea, I would think that maybe we ought to think about that tomorrow morning and see if it still sounds like a good idea.

• (1725)

[*Translation*]

Ms. Monique Guay (Rivière-du-Nord, BQ): Mr. Speaker, I would like to begin by saying that we support the principle underlying this bill. As my colleague said earlier, 57 bills gathering dust is a lot.

I would like to go back to Bill C-11, The Public Servants Disclosure Protection Act. As you may recall, during our study of Bill C-2, the Bloc Québécois asked that Bill C-11 be withdrawn immediately. If the Public Servants Disclosure Protection Act had been enacted and implemented while we were studying Bill C-2, we would have been able to take the time we needed to study it thoroughly. If Bill C-11 had been passed before, we could have been certain that that much at least had been done rather than wait for Bill C-2 to be passed.

Bill C-2 is currently before the Senate. We do not know when it will be returned to the House of Commons. The Christmas break is approaching and we will not resume until January. It is unlikely that Bill C-2 will be adopted or withdrawn before that, and we will still have the problem of Bill C-11, which is ready and has received royal assent, but is not yet enacted. It is just one of many bills that are gathering dust on the shelf.

On the other hand, we will probably have to revise some bills, because they have been left on the shelf too long. Amendments may be needed. There will also likely be jurisdiction issues, because certain provinces, such as Quebec, have already established measures concerning some bills. We must therefore ensure that there is no duplication and that our jurisdictions are respected. Certain important changes may have already been made, which could undermine or duplicate existing legislation.

As I said, we support this bill. However, we would like to see it go to committee. We believe three amendments are important, and I will list them. We think that they will strengthen Bill S-202.

First of all, we think that the discretionary period for enacting a bill passed by Parliament could be shortened from ten years to five years. We would like to see this amended because we find ten years simply too long. We see this when we are studying a bill in committee. Indeed, most of our existing legislation is revised every five or ten years anyway. As we all know, if this measure is not in place, this could lead to some major changes. Things change with time. We must review our legislation, make it better and more modern. Furthermore, things happen outside this House. Other legislative assemblies, including the National Assembly in Quebec and other parliaments, all carry out their own measures, which could lead to amendments to one of our 57 bills.

We would also like to require the government to explain to Parliament the reasons why it does not intend to implement legislation that has received royal assent. This is unimaginable, when witnesses have been called to appear and people have worked on a bill, sometimes for as much as two years. I remember that when we revised the Canadian Environmental Protection Act, it took us two and a half years. It would make no sense to wait 10 years before looking at it again. The government therefore should report to Parliament and explain why it has decided to give royal assent to legislation but then has opted to shelve it instead of implementing it.

This also does not reflect well on parliamentarians. People say that we pass legislation but then shelve it. They find the system very cumbersome, very slow and very long. When legislation receives royal assent, the government has to be able to implement it as soon as possible.

• (1730)

It starts in Parliament, then is referred to a committee, where it is amended before going to the Senate, where more witnesses are called. It goes through all the steps needed to receive royal assent, then it is shelved. This makes no sense to us.

The third amendment we would like to make pertains to clause 3 and reflects the fact that members of the Senate are not elected. We therefore propose to amend clause 3, which reads as follows:

3. Every Act or provision listed in the annual report is repealed on December 31 of the year in which the report is laid unless it comes into force on or before that December 31 or during that year either House of Parliament adopts a resolution that the Act or provision not be repealed.

We would like to replace this clause with the following:

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3. Every Act or provision listed in the annual report is repealed on December 31 of the year in which the report is laid unless it comes into force on or before that December 31 or during that year the House of Commons adopts a resolution that the Act or provision not be repealed.

These are amendments that the committee could discuss. It could look at whether it is possible to find common ground.

In general, Bill S-202 is good because these changes are needed. We cannot allow very important bills to be shelved.

I find that Bill C-11 was extremely important and there are currently people who will not disclose any wrongdoing as long as we have not resolved the problem with Bill C-2. Repealing Bill C-11 would not have taken any effort. The legislation was ready. We could have just continued with Bill C-2. The one was not in competition with the other. They were based on each other, in any event. I still do not understand why the government refused to implement Bill C-11, which was shelved.

I also wonder what becomes of these bills afterward. Bill C-2 will likely be passed eventually. I imagine it will come back from the Senate and we will pass it. However, what will become of Bill C-11? What happens to bills that are shelved? Will Bill C-11 become obsolete and have to be repealed? We have to ask these questions.

We will therefore support Bill S-202, but the reservations I expressed must be taken into account. I think that five years is better than 10 years. When we study some acts after 10 years, there are so many changes and amendments to make that it can take two or three years to go through committee. I saw it happen with the Canadian Environmental Protection Act. I also saw it happen with Part II of the Canada Labour Code. We spent months and months amending Part II, which had not been reviewed for 15 years. We have to set limits so that, as we asked with Bill C-2, the act can be reviewed every five years to assess its effectiveness. We will strike a committee to determine whether it is working well. If it is not, we need the power to amend it quickly and ensure it does work well.

The Bloc Québécois supports sending Bill S-202 to committee, where members will discuss its application with witnesses.

• (1735)

[*English*]

Mr. Rob Moore (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I am thankful for the opportunity to speak to Bill S-202, the statutes repeal act, on behalf of the government.

This bill has been tabled several times in the other place since 2002. Its main objective is to improve Parliament's oversight of the coming into force of its legislation. The government supports this objective.

Bill S-202 would provide for the repeal of any act or provision of an act that has not been brought into force 10 years after its adoption by Parliament. Sometimes acts come into force on royal assent. It is also common to provide for a particular day on which they come into force. For practical reasons, Parliament sometimes chooses to delegate to the governor in council the power to make orders setting the day or days on which an act or its provisions will come into force. The government then has the discretion to decide when it is the appropriate time to bring the act or provision into force.

Members of the House can and do of course ask the government to explain why a particular act or provision is not yet in force. Bill S-202 would go further. It would ensure that every year a global view of all acts and provisions of an act that had not been brought into force within 10 years was presented to Parliament.

Under Bill S-202 the Minister of Justice would be required to table before each house of Parliament within the first five sitting days of every calendar year an annual report listing every act or provision of an act that was not still in force at least nine years after it had been assented to. Officials from the Department of Justice have already prepared and updated such a list in the course of reviewing Bill S-202. The current list includes three complete acts and provisions of approximately 60 other acts. It is expected that the first list will be the longest because of the long period it would cover. The list should be somewhat shorter in subsequent years.

As I have already noted, if an act or provision is on the list, it will be repealed at the end of the year unless the government brings it into force before then. However, there can be valid reasons why legislation might take a significant time to be brought into force. These reasons often have to do with the need to make administrative arrangements before implementing new programs or measures or the time required to coordinate them with provincial, territorial or foreign governments.

For example, the Contraventions Act establishes a ticketing regime for federal offences to be prosecuted under provincial procedures. Over the years, the federal government has concluded agreements with a number of provinces and territories whose regimes are then used to prosecute federal offences committed in those territories or provinces. However, if no such agreement can be concluded with the other provinces and territories, the Contraventions Act provides an alternative federal regime for those provinces and territories.

The provisions creating these alternative regimes have not yet been brought into force because the negotiations with the remaining provinces and territories are still ongoing. Clearly, the alternative regime should not be repealed because it could become necessary to implement it if the negotiations failed.

Legislation implementing international agreements provides another example where long delays are common. Implementation usually depends on the ratification of the underlying agreement by other states. This is something which Canada has no control over.

Private Members' Business

Also, circumstances sometimes change after legislation has been enacted. Such changes can pose problems for bringing it into force, requiring further amendments to take them into account. When a lengthy period has elapsed after enactment, the possibility of needing amendments to reflect changing circumstances is all the greater. In all these circumstances, it is appropriate that the House have the opportunity to review the matter as it sees fit, and if it feels necessary, defer the repeal.

If the government or indeed any member of the House were to consider that a particular act or provision should not be repealed after 10 years, then a resolution to that effect could be proposed to either house of Parliament. This would provide an opportunity for members to hear from the responsible minister on the matter and would increase the accountability of the government to this House.

Such a resolution could not, however, be used to protect legislation indefinitely. It would only remove an act or provision from the list for the current year. This means the following year the Minister of Justice would again have to include it on the list for that year and the process would be repeated. At the end of the year, the acts and provisions of acts that would not have been exempted by resolution would be repealed. During the following year, the Minister of Justice would publish in the *Canada Gazette* the list of acts and provisions of acts that had been repealed.

• (1740)

Bill S-202 contains an interesting exception in favour of legislation amended by Parliament in the nine years prior to the coming into force of Bill S-202. In the case of these amended provisions and of the provisions necessary for them to have effect, the nine year period should be calculated from the moment of their amendment and not their original adoption. This exception recognizes that if Parliament has amended a provision, it implies that the provision is still relevant and should not be repealed soon.

However, the exception applies only in respect of amendments made prior to the coming into force of Bill S-202 since it is presumed that once Bill S-202 would apply, it might be tempting to resort to minor technical amendments to reset the clock and avoid a difficult debate in respect of controversial provisions.

In order for the government to prepare a report to Parliament, Bill S-202 provides that it would come into force two years after it is assented to. It is expected that the first report would be the longest because it would include all acts and provisions of an act that have not been brought into force since the last statute revision of 1985 which repealed a number of obsolete provisions.

Another way of looking at Bill S-202 is to think of it as a tool for assisting in the ongoing revision of our statutes.

One of the functions of statute revision programs is to repeal obsolete provisions. This could also be accomplished through miscellaneous statute law amendments which the Minister of Justice introduces from time to time as the opportunity presents itself.

The advantage of Bill S-202 over statute revision and the miscellaneous statute law amendment program is that it would launch a review each year of legislation that has not been brought into force in the previous nine years.

This bill has been significantly modified since it was first introduced in the other place in 2002. The most significant amendment has established a mechanism for deferring the repeal of a particular act or provision. This would be done by a resolution of either house of Parliament to remove any act or provision of an act from the repeal list of the current year.

This process is transparent and it is flexible. It is transparent because the removal would be debated and approved by Parliament. It is also flexible because it would not require the approval of both houses of Parliament, but only one.

The resolution process is also flexible in terms of timing since a resolution could be adopted at any time during the year as long as it was done before December 31, at which date all acts and provisions of an act remaining on the list would be repealed by the operation of Bill S-202.

Another important amendment was the addition of a requirement to publish every year in the *Canada Gazette* the list of acts and provisions of an act repealed under Bill S-202 in the preceding year. This would ensure a public notice of the repeals.

Finally, a transitional provision was added. It would delay the repeal of provisions amended within nine years of the coming into force of Bill S-202. This would avoid a premature debate on provisions that Parliament had considered in the recent past.

In conclusion, Bill S-202 would put in place a fairly straightforward and inexpensive mechanism to improve our legislative process. It would increase government's accountability before Parliament for the exercise of the powers delegated by Parliament to bring legislation into force.

The acts and provisions that have not been brought into force would be brought to the attention of Parliament, and in some instances I suspect, to the attention of government itself.

• (1745)

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, this private member's bill addresses an issue which is of some significant concern to every legislator, or at least it should be. That is the constant debate we have, and I suppose it is the essence of democracy, as to whether we over-govern ourselves. Sometimes maybe we pass legislation in reaction to current incidents to deal with what is at that point a hot topic issue and then within months or certainly within years, the law is no longer necessary. The law has become irrelevant, but it sits on the books until there is a move either by the government of the day or through a private member's bill to repeal the legislation.

Bill S-202 provides a mechanism, although I have to say with some reservations that I am not sure it is the proper mechanism, that would deal with those laws that have become outdated, irrelevant or no longer necessary but are still sitting on the books.

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Every so often we will see in the popular media an example of a law, sometimes it is a municipal bylaw, other times it is a formal piece of legislation at the federal or provincial levels, that is held up to ridicule because it is so out of date. The one I always think of is the provincial law that required someone to walk in front of a horseless carriage, as it was called at that time, after a certain hour of the day waving a lantern in order to protect domesticated animals from being struck by the vehicle. That was on Ontario's books until well into the 1960s, if not the 1970s.

We hear of those kinds of examples. To some degree they hold the particular legislature up to ridicule that such an irrelevant and out of date piece of legislation would still be on the books.

I want to congratulate the member for Mississauga South who has brought this bill before the House for debate.

Having praised it to that extent, I have to express the reservation which is the risk we have of applying this bill, if it did become the law of the land, and legislation which is still relevant, necessary and useful could be struck down and made useless due to inattention by the government of the day. A law may have fallen into some lack of use, even for an extended period of time, but it may still be necessary given a change of circumstances in the country.

I am proposing how we should deal with this as opposed to it being an automatic absolute under the circumstances as set out in Bill S-202. A clause should be added that would provide some saving grace under certain circumstances. I am looking forward to the bill going to committee. Hopefully it will get through the House and will be addressed more extensively in committee so that that possibility could be addressed. The difficulty is that if the bill is approved in principle, that type of deviation from the principle may not be acceptable to the committee. It may not be acceptable under our rules and it may be ruled out of order. That causes me some concern. However, I think it is the way we need to go.

• (1750)

The number of statutes we know that are sitting on our books that should be repealed are fairly numerous from what I have been led to believe. I cannot say I have done a full study of that, but there are a number that are sitting on our books. It would be good to get them off our books.

It is back to the issue of overgovernance. Every so often when we have one of these pieces of legislation that is the law of the land that was intended for these specific purposes and was passed originally for these specific purposes, another issue arises and the law applies to that set of facts, but we end up with an unintended consequence, one that is negative and was never intended by the legislation. That is always the risk of having that old legislation sitting there.

Just on a side point, one of the tragedies of the government refusing to fund the Law Commission comes into play here. One of the roles the Law Commission could have had assigned to it is to review, either all of our legislation or at least segments of our legislation, already passed, already law, and identify those bills that were no longer necessary, had become irrelevant, were out of date, and where we could see no future use for them.

It would have been a very good task for the Law Commission to have performed. The members of the commission had the expertise

and could very well have taken on that assignment. As I said earlier, it is badly needed to be done. With the Law Commission no longer being funded, it is not something we could assign to it.

It is quite clear that we do not have the ability, and I say that within the Department of Justice, nor do we have the resources in terms of personnel to do that overall review of all of our legislation. The Law Commission would have been very conveniently available to have that task assigned to it. It is no longer able to do it, and certainly the Department of Justice does not have the resources to do it.

I want to make one final point before I conclude. One of the other flaws that I see in the legislation, and I am sure it was not intended and it may not be possible to include it in the legislation, is that we have all sorts of pieces of legislation that still do function in part. They provide a role in terms of providing legislative infrastructure for activities in the country or, in some cases, prohibiting activities, but there are other parts of the same law, because they have become out of date, that are irrelevant.

The bill does nothing to assist us in reviewing those pieces of legislation or, more specifically, those parts of the legislation that are no longer relevant. We have no ability under the bill, if it were to become law, to place in the infrastructure of our legislative system an ability to review those laws that are still valid, but only in part.

Those are some of the flaws that I wish to point out to my colleague from Mississauga South. This of course will be a free vote when it comes to second reading. I do intend to support it, but I do have some reservations regarding the bill and I hope we can resolve those problems at committee.

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, statute revisions rarely make headlines in the newspapers; however, they relate to the essence of our mandate as parliamentarians, which is to legislate. I have taken a close look at Bill S-202 and I would like to share my understandings of this initiative.

The idea behind Bill S-202 is straightforward. Any legislation that has been adopted by Parliament but has not been brought into force within 10 years would be repealed unless it can be demonstrated in this House or in the Senate that it should be preserved.

Bill S-202 would apply to legislation that does not come into force after receiving royal assent or on a particular date. It would apply when Parliament determines that the government would be in a better position to decide when it would be appropriate to bring the legislation into force by proclamation or by order of the governor in council.

The minister of justice would be required to table an annual report each year in Parliament within the first five sitting days of each calendar year. The report would list all acts and all provisions of an act that were assented to at least nine years earlier and have not yet been brought into force. This report would provide Parliament with an overview of all the outstanding legislation that could be repealed at the end of the year if nothing was done to bring them into force or to defer their repeal.

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Ministers responsible for any legislation appearing on the list would have to evaluate the consequences of their repeal. If everyone agrees that the legislation should be repealed, no further action would be required. Bill S-202 provides that at the end of the year in which a report is tabled, the acts and provisions listed in that report would be repealed. It would be repealed by the simple operation of Bill S-202.

However, there may be valid reasons why legislation might take a significant time to come into force. These reasons often have to do with a need to make administrative arrangements before implementing new programs or measures, or with a need to coordinate with provincial and territorial governments or with foreign governments. If this were the case, Bill S-202 would provide as a resolution that either House of Parliament could exempt an act or provision of an act from being repealed at the end of the year. Such a resolution might be sought by the responsible minister or by any parliamentarian who would be interested in preserving the legislation.

Unless it was brought into force the following year, the exempted legislation would appear again in the following year in the annual report of the minister of justice and the process would take place once again. Bill S-202 clearly limits the scope of such resolutions. It can only exempt legislation from being repealed in the current year. If necessary, resolutions could also be sought in subsequent years in respect of the same legislation.

At the end of the year, the acts and provisions of acts that were not brought into force or exempted by resolution would be repealed. During the following year, the minister of justice would be required to publish in the *Canada Gazette* the list of acts and provisions of acts so repealed.

Bill S-202 also contains transitional provisions for legislation amended by Parliament in the nine years prior to the coming into force of Bill S-202. In the case of these amended provisions and of the provisions necessary for them to have effect, the nine year period would be calculated from the moment of their amendment and not their original adoption.

This exemption recognizes that if Parliament were to amend a provision, it would imply that the provision was still relevant and should not be repealed soon. However, the exemption would apply only in respect of amendments made prior to the coming into force of Bill S-202. This means that for future legislation that amends provisions that were not in force, Parliament would have to re-enact them to ensure that they were not repealed by Bill S-202 less than 10 years after their enactment if they were still not in force.

In order to allow the government and other interested persons time to prepare for Bill S-202, it provides that it would come into force two years after it is assented to. This is reasonable, since the first report would likely be the longest because it would include all the acts and provisions of acts that have not yet been brought into force since the last statute revision in 1985, which repealed a number of obsolete provisions.

• (1755)

What are we to make of Bill S-202? The power to bring legislation into force is delegated to the government when the timing for such implementation requires flexibility. The bill would impose some

limits on these powers, with a view to improving parliamentary oversight of how they are exercised or perhaps, more accurately, how they are not exercised.

If Bill S-202 were adopted, we would be assured that provisions that were not in force over nine years after their adoption would come to our attention. We would be able to ask the government to explain why they were not in force. It would bring to our attention acts and provisions of acts that might otherwise be overlooked.

Bill S-202 would provide an incentive to government to carefully reconsider on a regular basis what action should be taken with respect to legislation that had not yet been brought into force. Bill S-202 appears to be a worthwhile bill. I look forward to hearing the views of other hon. members as to its merits.

• (1800)

Mr. Rick Casson (Lethbridge, CPC): Mr. Speaker, it is an honour to speak to this bill today. It is an important initiative for the member opposite and I congratulate him on it.

I come from a background of municipal government. I was a councillor and mayor for a number of years in a small town in Alberta. We went through this type of process a number of years ago. When we looked at old bylaws, it was amazing to see what kinds of bylaws were left on the books. Some of them as years went by were quite funny. We had one where a horse could not be tied to a fire hydrant. This was in the nineties and nobody was riding horses in the town anymore. That is maybe a lighter side of what we are trying to do here.

We support this legislation because it makes good sense. It also makes good housekeeping sense to be able to every once in a while stand back and have a look at what has happened. The fact that something like 65 pieces of legislation have been on the books for a period of 10 years and are not being used or have not been put into action means that we need to do a better job of looking at what we are doing. There is a listing of these acts and provisions and if that list is put forward it should be subject to automatic repeal. I believe that in the spirit of cooperation all parties have agreed that this is a reasonable thing to do. It is a good move by the member opposite to propose this bill which came from the Senate.

Keeping order in the House of Commons is the proper thing to do because we have enough trouble as it is keeping track of all of the statutes, bills and motions that come before the House. The proper thing to do would be to look over things that are redundant every once in a while.

Our party also thinks there should be a sunset clause on most legislation. Every once in a while we should stop and review legislation to ensure it is still doing the job it was originally intended to do. I believe that many of the programs that were put in place based on legislation and some other legislation that deals with specific issues that we face as a government and as Canadians, are not doing the job any more. Money has been put forward and either the need has disappeared or times have changed to a point where that particular function is no longer necessary. This kind of ties into the whole issue of this repeal of legislation bill.

This will be a very worthwhile exercise but at the same time we could be looking further to see exactly what has been put in place. I suppose we could do this through the budgetary process which allocates funds to different programs through the system we use in the House for supply. The budget process would be a good opportunity to have a look at the programs to which money is being allocated to ensure they are still of value and are necessary.

One of the questions that has been asked was whether the operation of the bill could be limited. For future statutes, it would be possible for the House to include a provision that says that the statutes in question would remain law notwithstanding the provisions of the repeal of legislation act. This would cover off any concern about moving forward and it would be particularly useful for statutes relating to international treaties.

Treaties are special issues. International treaties are negotiated by the government and then introduced in the House. However, over a period of time many may need amending or may need to be looked at to ensure they are still necessary. The House would be able to pass a resolution to keep a statute alive if needed.

I believe there are aspects of this bill that would cover off all the situations that could arise and, for statutes that are presently on the books, the House could pass legislation to keep those statutes that it deems important in effect.

• (1805)

This does not mean that one quick brush stroke will cover them all. There will be exceptions. However, we will have an opportunity

Private Members' Business

to analyze each piece of legislation to ensure each statute is still relevant and to ensure we leave the ones in place that need to be in place.

It is important that we review this on a regular basis because, as we all get busy and governments change from time to time, we need to ensure that changes are made on a regular basis in order to keep things current and to ensure there is not a huge backlog to go over at any particular time.

The member from our party mentioned quite a few of the issues that deal with legislation and ministerial issues but this is a worthwhile bill and I am glad the member chose to sponsor it and bring it forward.

[*Translation*]

The Acting Speaker (Mr. Royal Galipeau): The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the Order Paper.

[*English*]

It being 6:06 p.m., this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:06 p.m.)

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