House of Commons
CANADA

Standing Committee on International Trade

CIIT • NUMBER 019 • 1st SESSION • 39th PARLIAMENT

EVIDENCE

Monday, July 31, 2006

Chair

Mr. Leon Benoit

Standing Committee on International Trade

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● (1450)

[*English*]

The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)): Good afternoon, once again. We're ready to start meeting number 19 of the international trade committee of the House of Commons.

We have with us the next group of witnesses.

Mr. Temelkovski has asked to have a vote on an earlier motion that I acknowledged. I assured him we would do everything we could to have Ambassador Wilson appear and he would do everything he could to appear, even at the August 21 meeting, if possible. Mr. Temelkovski has asked for a quick vote on that motion. We didn't deal with it earlier, so could we just do that before I introduce the witnesses? Then we'll get right to this final group of witnesses.

This is on the motion that we have the Canadian ambassador to the United States, Michael Wilson, appear before the committee.

Yes, Ms. Guergis.

Ms. Helena Guergis (Simcoe—Grey, CPC): Thanks very much.

I'm not opposed to that in any way. My understanding is that Ambassador Wilson has actually already agreed that he would love to come to the committee and that we have had some conversations. It wasn't submitted in a list to us when we asked to put lists forward of who we wanted. That's simply all you really have to do. I don't think a motion is required for it. It's just simply asking, and then you shall receive.

The difference with the McKenna motion was that he was asked, and he declined. That's why I thought it would be appropriate that we had a motion there, but with respect to Ambassador Wilson, we simply have to ask and we will receive. I don't know if a motion is really necessary for that, as this is the first time at committee we've asked him to come.

The Chair: Thank you, Ms. Guergis, for that clarification.

Monsieur Crête is next.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Maybe the simpler solution would be to vote on the motion and to resolve the issue.

As far as we are concerned, we are in favour of this motion.

[*English*]

The Chair: Let's have a quick vote on this. Nobody has any objection.

(Motion agreed to [See *Minutes of Proceedings*])

The Chair: Now we will go to meeting number 19 again, on the softwood lumber agreement signed July 1 between the Government of Canada and the Government of the United States.

From the Free Trade Lumber Council we have Carl Grenier, executive vice-president and chief executive officer, and Bill Reedy, manager of Gorman Brothers. From the Ontario Forest Industries Association we have Jamie Lim, president and director general. And from the Alberta Softwood Lumber Trade Council we have Trevor Wakelin.

Mr. Murray Summers isn't here today, so, Mr. Wakelin, you can carry the ball for the Alberta Softwood Lumber Trade Council.

We'll go in the order that you are listed. We'll start with Carl Grenier from the Free Trade Lumber Council.

Mr. Carl Grenier (Executive Vice-President and Chief Executive Officer, Free Trade Lumber Council): Thank you very much, Mr. Chairman.

There is just a small detail. Mr. Reedy here, of Gorman Brothers, is with the Free Trade Lumber Council, but he's on his own here, speaking for Gorman Brothers.

The Chair: Oh, I see. It's listed a little differently on the notice here.

Mr. Carl Grenier: That's what I was explaining. It was explained to me by Monsieur Dupuis.

The Chair: Thank you for the clarification.

Go ahead with your presentation.

Mr. Carl Grenier: Thank you.

[*Translation*]

I thank the committee for having invited me once again to discuss the proposed Softwood Lumber Agreement with the United States.

[*English*]

I believe the final agreement impacts a great deal more than softwood lumber, or even the forest industries writ large. I believe, as does the government, that it will impact Canada-U.S. relations and Canada's place on the North American continent and in world affairs for years to come.

The government believes these impacts will be all for the good. I don't. Minister Emerson sees only good in what I consider perhaps the worst commercial deal the Government of Canada has ever signed. He thinks it improves on everything that has come before, that it is the best of all possible alternatives, but regrettably, it isn't. The government announced on April 27 that it had achieved, with the basic terms, free trade in softwood lumber. There was but one small qualifying phrase: “under current economic conditions”.

Today, just three months later, as the minister himself recognized this morning, Canadian industry operating in provinces choosing option A in the agreement would be paying 15% export tax, and option B participants would be reduced to a 30% market share cap with a 5% export tax. Both British Columbia and Alberta, under the terms of the agreement, might in surge be facing 150% penalties. This is free trade?

Jim Shepherd, Minister Emerson's successor at Canfor, has extolled the virtues of these arrangements because, he says, “at least the money would be staying in Canada”. Let's understand this reasoning.

Canadian industry today is paying in deposits about 10% to the U. S. Treasury. Had the government not interfered with NAFTA illegally and refused to appoint extraordinary challenge judges, as the law requires, that number would be dropping to about 2% about three weeks from now. The United States Court of International Trade ruled just two weeks ago that those deposits—at least all of those deposits since November 2004, with interest—belong to Canadian industry.

Industry is destined to get back all the money it is now paying, all of it, and then pay no more. Yet Mr. Shepherd and the government find some virtue in Canadian industry paying much more than they pay now, with no hope or possibility of ever getting back any of the money.

The April 27 terms called for the termination of litigation. They said nothing about preserving positions, notwithstanding the litigation of the last four years and the results. The final text does deviate dramatically from the basic terms with a colossal concession: everything we have won is to be surrendered, and we are to pay $1 billion for the privilege—actually, several privileges. We get to cap our exports, pay export taxes, have all our forestry policies scrutinized regularly and subjected to challenge on a continuing basis, before arbitrators with no particular knowledge of trade rules, or law, or forestry, or even Canada. And there is no effective way out of all this.

Policy changes in the provinces, not only for lumber but for all forest products, would be risky and could expose us to penalties at the whim of the United States. Of course, there is the most celebrated change of all, which we've discussed many times already here today, that the United States could take our money—a truly astounding sum of money—and quit after two years.

With our legal victories washed away, we would have to litigate everything all over again, so we would all be looking at four new years of litigation, where everything will have been ventured and nothing will have been gained. There is ample incentive in this scheme for the Americans to terminate, despite what Minister Emerson has asserted.

Attached to the text of my speaking notes for today are three pieces of analysis. They delve further into the infirmities, the contradictions, and commercial impracticalities of the agreement. Many of these problems perhaps could be fixed, but the Government of Canada has led the way in refusing to contemplate change, thereby steeling the resolve of the American side.

Twice in the last two weeks, the U.S. coalition has issued press releases saying it won't agree to even talk to us. Why would the Americans agree to change anything when their leading champion is the Government of Canada, promising to secure the deal that is so much in the American interest?

Industry all across affected Canada has questioned the deal and pointed out specific and essential changes needed to make this deal viable, but Prime Minister Harper and Minister Emerson refuse to change—or even to try to change—a thing. Minister Emerson has said repeatedly that this deal is the best of all possible alternatives.

Let's look at this proposition.

In the 1986 memorandum of understanding, in the midst of litigation and with no legal victories, the government negotiated an agreement that led within a year to the total exclusion of British Columbia and within three years to the near exclusion of Quebec. The agreements failed after four years, however, because managed trade never succeeds for long, and even exclusions had limitations that some could not tolerate.

● (1455)

The reviled softwood lumber agreement of 1996 was a quota system, with a guaranteed five-year term. We didn't pay for it. We could adjust forest policies and practices, but we could not find a way to make the quota allocations fair to everyone.

The 2006 vintage has none of the virtues of the deals in 1986 or 1996, and many more vices. Minister Emerson has not told us why it is better, and we will likely never know. The core argument in favour of the deal appears to be that it is better than the alternative, which is defined as more litigation. With unfinished text, incoherent running rules, and uncertain quota allocations, this deal is a recipe for endless litigation, and when it ends, still more litigation is guaranteed, stripped of the security of chapter 19, which the government is destroying rather than saving.

There is no peace in this agreement, except the piece of Canada that the coalition may come to own with the $500 million gift that legally it could not obtain. Indisputably, the agreement abandons NAFTA. Charter 19's North American trade experts are replaced with non-North American commercial arbitrators out of London, England. Canada and the United States claim, in their suspension of the extraordinary challenge committee, that they are sovereign over NAFTA and neither private parties nor even provincial governments have any rights. In fact, in a brief the Government of Canada filed in the Court of International Trade on July 21, Canada argues that NAFTA is not a commercial agreement at all, but rather a treaty with the United States, which it governs at its pleasure. Despite the negotiating history and the legislative history of its implementation, NAFTA is to this government nothing more than an act of state serving the interests of the federal governments, at the discretion of the federal governments.

The Chair: Pardon me, Mr. Grenier. We had agreed to six or seven minutes of presentation. Are you near the end?

Mr. Carl Grenier: I have two more paragraphs, then I'm done.

● (1500)

The Chair: Go ahead. I'm sorry for interrupting.

Mr. Carl Grenier: The commercial protections that private parties thought they had received are not there at all. If that view should prevail, it's the end of NAFTA.

NAFTA has been Canada's insulation against absorption by the United States. It places us, at least in one forum, on equal footing, commanding respect. This government aggressively is giving it away. What will it get us? Will we get a break on the use of passports at the border? Will it get us a better seat at the table when the United States decides whether it will shoot down missiles headed for Toronto instead of missiles headed for Chicago? Will the United States withdraw from Iraq because of our criticism?

The forest industries are being sacrificed on the altar of foreign policy, with no apparent benefit for Canada. The bravado with which the Canadian industry is being told to take this deal or leave it, and Parliament is being told to endorse it or be blamed for early elections, confirms that the deal is political, not commercial, and that the government's agenda is not focused on the softwood lumber industry at all. We only wish that, in negotiating an agreement that we all had hoped would help our industry, the government had stood up for Canada in facing the Americans instead of standing down to the Americans, with us on the altar.

Thank you.

The Chair: Thank you, Mr. Grenier.

Now, Mr. Reedy, we will correct the notice so you will come under Gorman Brothers and not under the Free Trade Lumber Council. Go ahead with your presentation, please.

Mr. Bill Reedy (Manager, Gorman Brothers Lumber Ltd.):

Thank you very much.

My name is Bill Reedy, as you heard. I am an owner and the president of Gorman Bros. Lumber Ltd. I'd like to thank you for the opportunity to speak to this committee.

Gorman Bros. is a family-owned business located in Westbank, British Columbia. We've been in business for 55 years. We employ 350 people and contract another 125 to work in the forests. We've spent the last 10 years developing an extremely high-end product and carving out a niche market for it.

To be blunt, we feel like Alice in Wonderland: all logic and reason appears to have been abandoned. This agreement is an abomination. Collectively, we have spent four years and more than $200 million to prove, once and for all, that the forest companies of Canada are not subsidized. All decisions by U.S.-dominated trade panels have unanimously stated that there is no basis or justification for the current duties on softwood lumber. It is incomprehensible why anyone would refuse to allow the final legal ruling to be made in our favour; give away $1 billion of our money, which was taken illegally; and then turn around and put an export tax on our products, effectively acknowledging that we are subsidized.

For the Prime Minister, Mr. Emerson, and this government to participate in this total capitulation to use pressure illegally is an unforgivable abdication of the trust and responsibility assumed by those taking these elected offices.

We are a specialty mill that produces only one-inch boards and the products made from them. We do not produce any dimensional lumber used in constructing wood-frame homes. Our products are used for decorative finishing, furniture, and mouldings. No mill in the United States is capable of producing spruce or lodgepole pine boards equal to our product. The demand for our boards is so strong that we have not been able to take on a new customer for more than five years, even though we have increased production every year.

Most importantly, our boards have no impact on the sales of U.S. board producers, as we sell to customers who do not want their lower-quality products. If you review Random Lengths, an independent survey of the average selling prices for boards, you'll see that our product is priced between $50 and $130 U.S. per thousand board feet, which is higher than any other product on the market. On top of this, our customers must pay significantly higher freight costs to get our boards.

This absolute fact, which can be substantiated by anyone who wishes to do so, is clear proof that neither are our boards the cause of lower lumber prices, nor are they sold at less than market value because they are allegedly subsidized. There is no reason for any of our products to be included in this dispute.

We've managed to survive because 10% of our production was excluded by law from the duty. These products were known as end-matched boards. As a last-minute strong-arm tactic, the coalition recently had the U.S. Department of Commerce drag this product from its original category into the scope of the current duty. This has been devastating for our company.

We sold about $100 million Canadian last year. In our industry, it is reasonable and necessary to make at least a 10% margin on sales. The $10 million would provide $4 million in taxes to the government and would give us $6 million to reinvest in modernizing our business. As a result of the stronger Canadian dollar and the illegal duty, we generated only $290,000 after-tax dollars last year.

If the end-matched products had not been illegally drawn under the scope of the duty, we could have earned another $1.5 million, with the after-tax portion available for reinvestment. The end-matched exclusion represented the 1.5% margin left in our business.

By agreeing to impose an export tax based on the price of a commodity such as dimensional lumber, this agreement prevents even a specialized mill like ours, with expensive high-end products, from being successful. This effectively reduces the industry's earning ability to almost zero, eliminates the capital improvements needed to remain competitive, lowers employment, and reduces the taxable wealth in this country.

While the U.S. government has stood solidly behind this industry, even in the face of the repeated defeats of the NAFTA and WTO panels, our government has not only abandoned our industry, but it has also handed the U.S. coalition everything it wanted.

I respectively request that this government set aside this destructive agreement and continue with litigation, which will invariably confirm that our industry is not subsidized and which will return all the money that was illegally collected to its rightful owners. This money will be taxed by and for the Canadian government, with the remainder going back into the economy. It is criminal to give the coalition our money to pay for their unfounded allegations and legal fees.

While I make no claims of political expertise, I am competent enough as a negotiator to know that with this complete legal victory, we'll be in a much better position to work toward a long-term, fair solution to this problem with the U.S.

I'm sure everyone is aware that when Canada won the last labour dispute, and the U.S. was ordered to return our money with interest, they simply refused to do so until we signed a quota agreement. Given the U.S. government's policy of bullying, we'll probably not see our money until a solution is found. But we will have the findings of the law on our side, we will have honoured our commitments to NAFTA, we will have complied with international treaties, and we will not have to bribe the coalition with our money. This makes considerably more sense than giving up all our legal victories and facing the same unfounded protectionist claims three years from now.

It is not the stronger Canadian dollar, but rather the imposition of duties or export taxes that makes it impossible to compete. Gorman Bros. has proven that in the absence of protectionist measures, we can successfully compete with anyone anywhere in the world.

I urge this committee, and all the political parties it represents, to do what is necessary to stop this agreement from taking effect and replace it with a sound solution, based on the principles of the NAFTA agreement, which both governments signed, and on the decisions given by both the NAFTA and WTO panels.

● (1505)

Gorman Bros. Lumber, and many other Canadian lumber manufacturers like it, can only succeed if our government will fulfill its obligation under these international treaties and insist that other signing countries do the same.

Once again, thank you for the opportunity to express our concern. We request your immediate assistance.

The Chair: Thank you, Mr. Reedy.

We go now to the Ontario Forest Industries Association and Jamie Lim. May we have your presentation, please?

Ms. Jamie Lim (President and Director General, Ontario Forest Industries Association): Thank you very much, Mr. Chair.

Ladies and gentlemen, it is an absolute pleasure to be back here again in front of the committee to address the future of my home town, my community, of Timmins, Ontario; the future of the province of Ontario; and indeed, the future of Canada. That may sound grand, but I will show in a moment that is the way Prime Minister Stephen Harper used to think of the softwood lumber dispute. I'm leaving it to other CEOs like Mr. Reedy and to other association directors to address the running rules and the woeful lack of commercial sense in this agreement. I want to focus on the situation in which our industries have been placed, the promises that have been made, and our sector's most urgent needs.

I think I can summarize the United States' strategy in six steps: file petitions demanding outrageously high duties, and the Department of Commerce will deliver them; make it exceedingly onerous and expensive to fight the duties, with endless questionnaires and intrusive and costly verifications; stall, dragging out the process, while Canadians are paying outrageously high duties, making the legal process expensive, not because we're getting fleeced by the lawyers but because the U.S. will use every procedural device to run the costs on us; exploit every possible legal ruse so that the cases cannot reach conclusion, and Canadians cannot enjoy the fruits of their legal victories; claim that it is the Canadians who are being litigious and that the U.S. wants to be accommodating, although they refuse to yield even to their own laws, and then declare that the best solution is peace through a deal; finally, with Canadian industry exhausted and many companies near bankruptcy, find a Canadian government willing to make a deal at whatever cost so that the whole thing just goes away. Some companies will take the deal because they do not believe that they can fight the U.S. and their Canadian governments at the same time.

Here's what the Prime Minister told Parliament last October 25 when he did not have all the legal victories that we have today:

> Most recently, the NAFTA extraordinary challenges panel ruled that there was no basis for these duties, but the United States has so far refused to accept the outcome and has asked Canada to negotiate a further settlement. Let me repeat what I have said before, and let me be as clear as I can. This is not a time for negotiation. It is a time for compliance.

We are still without compliance, but Prime Minister Harper gave us negotiation.

Mr. Harper also said last year:

> If the U.S. industry is able to pressure the government not to return duties when it has lost its last NAFTA appeal, it will not matter if most other trade is dispute free. If the rules are simply ignored, then the very basis of a rules-based system is threatened and the future of all Canada-U.S. trading relations could be profoundly affected.

As we all know, in the deal negotiated, the rules are indeed ignored. We do not get back all of our money, and timely payments will come as advances from the Canadian taxpayer, not—as according to the rules—from the United States. Not a single company, not one forestry interest in Canada, shares this government's enthusiasm for the deal or believes that it is good, if not perfect—not one. Minister Emerson and the Prime Minister have talked about perfect, but simply even good—not one company sincerely believes that this deal is good.

Deal or no deal, our forest industries are facing an immediate and dire need, as are hundreds of thousands of people who depend on the sector for their livelihoods. Companies are in a fiscal liquidity crisis. We've been robbed for almost five years. Two years ago, all opposition parties, including the party of the government today, agreed that the forest industries of Canada deserved help through loan guarantees—not loans, just guarantees—so the companies could borrow from banks and restore some liquidity as their profits were being illegally drained into the U.S. treasury.

Here is what Mr. Harper said, again on October 25:

> We have asked the federal government to assist companies...with loan guarantees....
>
> ... these initiatives are long overdue and the time for action is now. We need to move quickly and decisively to help our softwood industry.

● (1510)

Such sentiments were restated prominently in the party's campaign platform, “Stand up for Canada”, echoing another October 25 statement: “Now is the time to be clear and to stand up firmly for this country”. The new government did not deliver loan guarantees. Instead, it celebrates doing exactly what in opposition it said should not be done.

After the April 27 announcement, there were representations that we would start seeing the return of our illegally collected cash deposits in June; loan guarantees would not be necessary. Then came predictions about payments in July, then September, now October, maybe November. More likely there will be no money for more than a year after Mr. Harper said “Now is the time”.

Meanwhile, mills have been closing and they continue to close. People are being put out of work. The stability and predictability promised through this deal is the predictability of shuttered mills and unemployment. Even if the deal were as great as Minister Emerson says, our industries remain financially hamstrung, and loan guarantees remain an immediate need.

But it would appear the government wants to force us to take a bad deal by starving the industry into submission. There are to be no alternatives. Of course there were and there are alternatives, but not unless this government stands up for Canada.

On April 28, the final decision of a NAFTA panel was to have taken effect, ending the countervailing duty deposits. The industry should have been or would have been paying the United States $40 million per month less, but the Government of Canada joined with the United States to prevent that decision from taking effect. We, the Ontario industry, went to court in the United States to get the decision finalized. Now, instead of promised loan guarantees, the Government of Canada is using our tax dollars to hire two of the priciest American law firms to fight us, to defend the idea in U.S. courts that it does not have to obey the NAFTA rules and that it has a right when it forces Canadians to keep paying illegal duties to the United States.

The government should lift the suspension on the NAFTA proceedings and provide the loan guarantees that will save the Canadian industry and Canadian jobs immediately. Even if it were with the greatest goodwill and intention, the government has for nearly a year put off the financial help Mr. Harper said last October the industry must have. The once certain and predictable outcome of this deal is that by the time any small measure of good can come from the negotiations that replaced the promise of help months ago, the forest sector will be smaller, more mills will be closed and more people—more Canadians—will be unemployed.

Thank you.

The Chair: Thank you, Ms. Lim.

And now from the Alberta Softwood Lumber Trade Council we have Trevor Wakelin, chair. Go ahead with your presentation, please.

Mr. Trevor Wakelin (Chair, Alberta Softwood Lumber Trade Council): Thank you, Chair.

Good afternoon. Thank you for inviting me to appear before you today.

I provided a presentation to this committee on May 29 outlining the Alberta industry's concerns regarding the framework agreement that was announced on April 27. Today I will outline the Alberta industry's position with respect to the final agreement announced on July 1.

First, though, I wish to correct the record with respect to remarks made by a member of the standing committee at the standing committee meeting of July 13. At that time, a member stated that the Alberta natural resources minister had said that the Alberta industry was supportive of this agreement. In fact, on July 4, the Alberta Softwood Lumber Trade Council issued a press release stating that a significant majority of the Alberta industry opposed the agreement, finding it unacceptable in its current form. Letters to ministers of both the Government of Canada and the Government of Alberta were issued by our council, concurrent with the news release, requesting further changes to the agreement. I have been assured that the Government of Alberta, and specifically the Minister of Sustainable Resource Development, continues to support the Alberta industry in this position.

The Government of Canada has long been on record as stating that Canada will not accept a softwood lumber deal at any cost. This agreement, however, is a deal at a very high cost indeed: $1 billion. That is $1 billion worth of our duty deposits for a short-term deal that will leave us with significant long-term pain. While some say there is benefit in paying that $1 billion in order to get the remainder of our deposits returned more quickly, that benefit must be weighed against the substantive ongoing taxes that the industry will be forced to pay during the next few years, and that's based upon market projections.

On April 27, the Prime Minister announced a framework agreement that he said would result in no taxes or quotas. However, since that announcement, the random lengths composite index price has dropped from $370 per thousand board feet to $306. As a result, today we'd be paying the maximum tax of 15% and be reduced to the minimum quotas, from 34% market share to 30% market share.

Furthermore, the current exchange rate of 89¢ compared to 63¢ at the beginning of this dispute in 2001 results in a 30% decrease in sales revenues from the same product, as well as reducing the Canadian dollar value of our deposits paid in U.S. dollars.

Given the recent decision of the Court of International Trade, a U. S. court made up of three U.S. judges, that will require the Department of Commerce to revoke the duty orders and return 100% of the illegally collected duties to Canadian producers, it is, to say the least, a bitter pill to swallow to be asked to accept this agreement.

Based upon responses from Alberta industry members to date, unless there are changes to the agreement, the majority will not assign their deposits, and the 95% threshold required for the assignment of deposits to the Government of Canada will therefore not be achieved.

During the May 29 presentation to this committee, I indicated that the Alberta industry had always supported the pursuit of a negotiated settlement—that is, a long-lasting, durable solution that would be deemed fair and equitable and commercially viable. The Alberta industry continues to stand by that position. However, the very serious concerns we expressed regarding the framework agreement have failed to be addressed in the final agreement. Worse, the final agreement now has a termination provision included that essentially eliminates the long-term stability we assume we would get from a negotiated settlement with a seven-year term.

We are of the view that if this provision is included in the agreement, it will be used. We could therefore be faced with another trade dispute, Lumber V, within three years. This is obviously unacceptable, especially as we would have to revoke our legal precedents. An overwhelming majority of Alberta producers are of the view that, at present, continued litigation would be preferable to accepting the proposed agreement.

As was also stated on May 29, the Alberta industry was deeply troubled by the possibility that we could find ourselves faced with a perpetual surge tax under option A. The basis for our concern was the likelihood of increased harvesting levels resulting from the implementation in Alberta of an emergency strategy to combat the spread of the mountain pine beetle. Quite clearly, if Alberta is unable to control the spread of the beetle, as B.C. has been unable to do before us, then the infestation is very likely to become a national problem, and the beetle will advance unchecked through the boreal forest right through to the Atlantic coast.

● (1515)

With the increased harvest levels in Alberta that will be necessary to avoid this scenario will come increased U.S. shipments and therefore the potential to exceed the Alberta market share. If this were to occur, the Alberta industry would be faced with a perpetual surge tax of 150%, making us unfairly disadvantaged and uncompetitive compared to the rest of the Canadian industry.

When the base period for determining market share for option A was changed in the framework agreement to accommodate B.C.'s mountain pine beetle problem and increased harvest levels, it resulted in a considerable negative impact on Alberta's market share. The resulting loss was approximately 90 million board feet for Alberta producers, making it much more difficult to manage the surge mechanism under option A. If we let this stand, the impact of this on Alberta producers will be dramatic.

The Alberta industry had considerable discussion with federal officials leading up to the finalized agreement, and we were advised that the negotiators would make every effort to ensure the provision be incorporated in the agreement, allowing for a choice between whichever was the greater of the base periods of 2001 to 2005, or 2004 to 2005. Allowing Alberta to choose the 2001 to 2005 base period would be consistent with the base period in option B, and while it would not necessarily prevent us from being hit by the surge mechanism, it would at least lessen the mechanism's impact on Alberta.

As we understand it, this provision was tabled but was rejected by the U.S. coalition. The response from our negotiators was that they had done their best and that the agreement was now a take-it-or-leave-it proposition. Unfortunately, we cannot measure success by effort but must measure it by results, and in the end, Alberta became the only province that did not have any of its specific concerns addressed.

In the final agreement announced July 1, under option A, the proposed surge tax is to be applied retrospectively instead of prospectively. As we stated on May 29, a retrospective tax makes it impossible to effectively manage shipments to meet customer needs. If indeed it is the intent to manage shipments to the proposed market share, then a prospective application of the surge tax is the only practical business solution.

As also stated on May 29, the Alberta industry strongly advocated the continuation of litigation before entry into force of the agreement. It is important to set legal precedent to prevent further trade cases against Canada; namely, Lumber V. Since we have received further important legal decisions since April 27, it is essential that the agreement now preserve these new legal precedents.

Since all of the provincial associations have rejected the agreement in its current format and all have recommended a resumption of talks so that changes to the agreement may be incorporated, a pan-Canadian position is being developed through the Canadian Lumber Trade Alliance. The intent is to provide the Government of Canada with a list of changes required to make this agreement palatable for all industry across Canada; not necessarily a great deal, you understand, but something that the industry can live with, can survive with.

The Alberta industry is fully supportive of this process and expects that the federal government will use the CLTA's list of issues to derive an agreement that can be accepted by the entire industry. If, on the other hand, the agreement is left unchanged, as has been indicated by the minister and the U.S. coalition, then we can expect that the 95% threshold for the assignment of deposits will not be achieved and that the entire withdrawal of litigation will not occur either.

As stated earlier, the Alberta industry remains hopeful that a commercially viable agreement can be achieved. We look forward to continuing to work with our federal and provincial governments to that end, so we offer the Government of Canada the following recommendations.

One, incorporate a provision in annex 7, paragraph 4, of the agreement under Canada's softwood lumber national export monitoring system for a choice between whichever is the greater of the base periods of either April 1, 2001, to December 31, 2005, or January 1, 2004, to December 31, 2005, as was tabled by the federal government during the negotiations.

Two, extend the termination provision in article XX from 23 months to 48 months and extend the written notice from one month to six months.

Three, ensure that all legal precedents from NAFTA and the United States Court of International Trade are preserved in the agreement.

And lastly, ensure that the Government of Canada incorporate the CLTA settlement issues list into the agreement.

● (1520)

In conclusion, I wish to state emphatically that it is unreasonable for our government to expect the Canadian industry to accept an agreement that has such potential to cause a devastating long-term impact on our businesses and negative consequences for the economy as a whole. We cannot be asked to pay too high a price for too little certainty.

Thank you. I'll be pleased to answer questions.

The Chair: Thank you, Mr. Wakelin.

We'll go now to questioning, and we'll start with the official opposition, the Liberal Party.

Mr. Maloney is first.

Mr. John Maloney (Welland, Lib.): As you're aware, one of the contingencies for this agreement to proceed is that 32 private litigation actions would have to be withdrawn.

Ms. Lim of the Ontario Forest Industries Association, I believe, has four of these. What is your position?

● (1525)

Ms. Jamie Lim: We haven't crossed that bridge yet because we are hopeful that the Government of Canada will recognize, when you've heard so many people say this deal is not commercially viable, that it needs to be reopened, be amended, and be made a commercial agreement, not just a political agreement.

I can tell you that I have some members who are being forced to accept the deal because of their cash liquidity issues—they're being left with no choice—and I have other members who would never accept the agreement as it's written right now. So we still haven't crossed that bridge.

What I am doing on my members' behalf is advocating for a change of Government of Canada priorities. That change needs to be that we initiate a loan guarantee program ASAP, so that while we're having these discussions, we can ensure that Canadians keep their jobs, that they keep working, so that we're still going to be around by the time we do get to maybe munch on the carrot that's being dangled in front of us late in the year. Without the loan guarantee program, you're going to see more of what we've been seeing week after week across this country. It's devastating Canadian families. You just have to spend time in northern Ontario and you'll feel the devastation. That's one priority we're advocating.

As I said, the text has to be amended. We're also asking that the Canadian government stand up for the Canadian industry, just as the U.S. government stands up for its industry. Those are the things we would like to see happen right now. I wouldn't underestimate the tone that I'm hearing. On the conference calls that Mr. Wakelin referred to, I've never seen so many companies participating. There is a lot of unrest here.

Mr. John Maloney: Mr. Wakelin, would that sort of logic apply as well to the 95% threshold that you mentioned? Are you prepared to say no?

Mr. Trevor Wakelin: It's each company's decision as to whether they are going to sign the deposits. Obviously there's a lot of discontent; we're deeply disappointed that some of our concerns have not been addressed and that the minister and the Prime Minister seem adamant that they're not going to open this up for issues that we feel are fundamental to ensuring a commercially viable agreement. Seeing that, our members have indicated to us that if we don't see these changes, it would be highly unlikely that they would sign the deposits.

But I can't speak for each individual company, only to what they've indicated at this point.

Mr. John Maloney: So in effect, the industry has some significant influence on whether this agreement goes forward. I think everyone would agree that an agreement is certainly better than continuing and constant litigation.

The minister indicated this morning that perhaps there was a window to continue negotiations on the agreement. If that were to be the case—and I'll put it to all panellists, and, Mr. Wakelin, you've already started on this—what do you say are the three or four top doable changes you would like to see implemented in this agreement, so that you would have the confidence to support it? You've started, Mr. Wakelin, with your four points.

Mr. Trevor Wakelin: Clearly, from our perspective, it's interesting that the minister has said that there might be an opening. On the other hand, he says the agreement is done, is negotiated, is complete.

Mr. John Maloney: But the agreement can't be done if you people don't go ahead with the 95% threshold or don't withdraw those 32 actions—so you have some influence. We all want an agreement, but you people—

Mr. Trevor Wakelin: That's correct, but we are concerned that if in fact we make a statement that doesn't result in the 95% threshold, then the government will not pursue those changes we think are necessary to make this agreement viable. I think it's critically important for the Alberta industry to ensure that we get the market share that is necessary.

We're certainly disadvantaged by the change in the base period, in the initial discussion, under the basic terms. In fact, the day before the basic terms were announced by the Prime Minister, we understood that the base period was going to be 2001 to 2005. However, B.C. stood up and said that they could not agree to that and got it changed. That had a profound effect on Alberta. We were not consulted during those final hours in spite of the fact that we had made valiant attempts to make our concerns known to the government. That is probably our top issue.

Our next issue is termination. Unlike the minister, who commented that this deal will probably be a seven-year deal, we don't believe that's the case at all. Seeing as there is a termination provision, it will be used. We have had 25 years of ugly negotiations with the U.S. We've just now armed them with half a billion dollars to get their war chest ready for the next round, which we believe will be in three years, and to us, that is absolutely unacceptable. So clearly, that's the next issue.

If I can thus characterize it, the legal precedent is absolutely critical. We cannot sign over our deposits knowing that all we've fought so hard for in the last four years will be down the drain and that we will be faced with a Lumber V. Interestingly enough, we have come to the conclusion that we will get a Lumber V. It's guaranteed. It's just a matter of when, and we believe it's going to come at the same time, whether we sign off on the agreement or have continued litigation. It will be three years from now, because they can't launch a new trade case against us until the litigation is over. So as long as they drag out the litigation, there will be no Lumber V. But as soon as it's over and we get the win that we anticipate, they will launch the next case—that's true—but we also believe that if we sign off on the agreement and it enters into force in October, let's say, we will get a Lumber V three years after that. Only time will tell, but that's what we believe.

● (1530)

Mr. John Maloney: Ms. Lim, Mr. Grenier, do you—

The Chair: Thank you, Mr. Wakelin.

Mr. Maloney, your time is more than up.

Monsieur André, you have seven minutes.

[*Translation*]

Mr. Guy André (Berthier—Maskinongé, BQ): Good afternoon. First, I thank you to be here on this fine July 31. I know that it is not easy for everyone to travel, but we know that you care about this agreement. So your presence is very valuable.

Since July 1, we saw in the media that several industries are unsatisfied with the present proposed agreement between Canada and the united States. Faced with this situation, it seems that the government threatens industries by implying that if they don't accept the agreement, it won't commit to defend them. It considers that he has done his job and that the agreement is final. It will be this agreement or nothing at all. It seems therefore to suggest to the industry representatives to go back home.

This puts pressure on industries. I imagine that, in the field, among the companies, this situation also exists. The government, which had committed itself to put in place loan guarantees and other means to support the industry, disengaged itself since last election. This creates therefore a very difficult situation.

Coupled with that, we heard that some Canadian and U.S. industries are still discussing among themselves now. They would perhaps be still prepared to make some concessions to improve the agreement, namely on the cancellation clause and the matter of the surge mechanism. This morning, the minister told us that he wasn't willing to share information on this with us. He seems to disengage himself to support you, the industries, and to improve this agreement.

My question is first for Mr. Grenier, then for Ms. Lim and Mr. Reedy and Mr. Wakelin.

Mr. Grenier, what is your reaction in regard with this situation and what actions do you expect from this government in the future?

● (1535)

Mr. Carl Grenier: Some members of our industry and some members of the coalition had informal contacts a few weeks ago. The purpose was to see whether, in spite of the fact that the agreement was initialled on July 1, it was still possible to improve it and make it commercially viable. This would also be in the interest of the United States because, if the agreement is not commercially viable for Canadian businesses, it will not last very long.

My colleague, Mr. Wakelin, confirmed that an effort is made from sea to sea to get to a list of issues on which we would like some improvement. However, as I mentioned in my remarks, the U.S. coalition issued a very short but very clear press release twice over the last two weeks, stipulating that even if its members were not entirely satisfied with the agreement, it was out of question to reopen it, since they support their government and the Canadian government. It is interesting to see that the Canadian government is now serving the interests of our U.S. opponents by supporting the agreement in the way you described.

Will there really be an informal reopening of the negotiations? I don't know. However, it should be reminded that it would be very risky to reopen informally the negotiations in the absence of both governments, essentially because of competition laws which are in force both in the U.S. and in Canada. The U.S. law is very strict in this regard. Criminal charges could be laid against people who would take part in such discussions without the support of the governments. I was therefore a little surprised to hear Minister Emerson tell us this morning that he would encourage industries to talk to each other even if, for both governments, the deal was done.

On the other hand, your questions led the Minister to say that there was a possibility to amend the agreement if both governments agreed. Thus I imagine that there is a theoretical possibility, but it was rather clear that the Minister didn't want to do it.

[*English*]

Mr. Bill Reedy: In terms of what the government should do, or what I expect them to do or would like them to do, I'd like them to acknowledge that the negotiations are not over, that in fact industry is not satisfied with what they've done, and that we want them to go back to the table to negotiate something better and, during that process, to continue with litigation to build a stronger legal position from which to negotiate with the United States.

I have to agree with Mr. Grenier that the chance of getting the coalition to make any changes now is very difficult, because we've given them what they wanted. Why would they go back to the negotiation table, unless that were in the face of going back to litigation—which they knew they were losing?

Ms. Jamie Lim: As I mentioned earlier, what we expect from the government is certainly a loan guarantee program to keep your industry healthy while you still can. Why would you want to see more shuttered mills, more unemployment? It doesn't make any sense.

Initiate the loan guarantee program. We've been talking to the government about it for two years at least now. Mr. Grenier says four years. Get it done; initiate the program tomorrow, and allow your industry some strength so that they can go to banks and take out a loan. It's not a bailout and it's not at the expense of the Canadian taxpayer; it's just a guarantee so that a company can go to a bank and access money to replace the money that's been stolen from them over the last five years.

The other thing I would like to mention is that the whole idea of an agreement is that it's supposed to bring certainty and stability. We were told it was supposed to bring growth and prosperity. That's how it was sold back on April 27—growth and prosperity. Well, ladies and gentlemen, at $302 at a 30% market share under option B in Ontario—and if there are MPs here from Ontario, you'd think they'd be concerned about this—we don't have enough quota to operate our mills even near capacity. That represents over a 10% reduction for us in the board feet that we can export—that's bigger than one of our larger mills. That's a considerable chunk of board feet to take out of your province—and then you turn around and tell the citizens not to worry, because the agreement's going to bring growth and prosperity?

Well, I'm sorry, ladies and gentlemen, I can't do that. When I go home to the north, I have to tell them exactly what this agreement will deliver unless we listen to the changes from the businessmen who operate these mills every day, who employ Canadians, who sustain their families. Why would we not listen to business people who have been running our economy for years?

The other thing is that we have to be careful because financial analysts—and I have all the newspaper stories here—have made it quite clear that the agreement as it's written right now will certainly favour the largest companies. What happens to the ma-and-pa companies? I have members in my association who have been operating the same sustainable licence in the same family, into the fifth generation, for 150 years; what happens to them? Analyst after analyst has said this agreement favours the largest of the large.

● (1540)

The Chair: Ms. Lim, I have to cut you off there; we're out of time, and then some.

We'll go to Ms. Guergis, from the government party.

Ms. Helena Guergis: I'm going to share my time with my colleague Mr. Hill.

I have a number of questions and comments, so I'm hoping I can get them all in to provide you an opportunity to respond.

First, my honourable colleague across the way, Mr. Maloney, said that the minister said there was an opportunity to open up negotiations. In fact, he did not say that. You were here this morning, and he did not say there was an opportunity to open up negotiations again. The deal is done, and there will be no more negotiating at this point. It is finished. At some point negotiations do have to end.

Taking a look at the section he was referring to, the meritorious initiative and the binational council, he did refer to that in his comments. I'll remind you that it does provide an opportunity for industry from both Canada and the United States to come together to work to make improvements and strengthen the North American lumber industry.

In addition to this comment, Ms. Lim talked about business people making these decisions and why we wouldn't listen to them. Minister Emerson is someone who comes from the industry, and I would say he's an expert and knows it inside out. I saw you here this morning, and we talked about the fact that he knows not only the business side of it, but the human impact we've having here. You've alluded to that many times in the past in your comments and suggested that if six months were to pass without companies getting the money they needed they would be "facing bankruptcy, issuing lay-off notices, and closing operations outright".

I just want to say to all of you at this point that all of the predictions you've given me here are things that will happen without the deal.

The previous Liberal government was not able to negotiate a deal after years. You were highly critical of anything they brought to the table at that time. This government and this minister are very dedicated to not only the industry but the people who've been affected. The minister has seen the devastation and the job losses over the years. Our main focus here is to ensure that we not only get the duties back, but that we have an industry that's viable and survives.

Let's always remember that we're not out here to do a bad thing. It's not our focus to have a bad deal or to try to hurt anybody. That's not where we're headed. We want to do the best thing we possibly can, especially for the little people. They are the ones who need it most.

Did you know we had the idea in there or had changed the mechanism to get the duties back instead of having loan guarantees, that we had developed a process that would get the money back in six to eight weeks...and the Export Development Corporation and the return of the money? I think this is better than a loan guarantee. The Canadian government has stepped up and decided that we're going to actually give them the money back and not have them wait for two years. It's my understanding that if we have to wait for the Americans to return the money to Canadians, that's how long it will take. So I applaud the government for stepping in and ensuring the duties are returned immediately. I think that's a positive move.

Now I want to talk a little bit about NAFTA. A lot of people have criticized NAFTA in the past, but now we're being told that we should focus on it and continue to use the NAFTA process that's in place, completely ignoring the fact that the dispute mechanism that is set up within this agreement is going to be focusing on international law rather than U.S. trial law. So why would we not be considering that? I'm interested to hear some of your comments about that process.

This is something the United States almost refused to do. They conceded and gave in on this because Canada really pressured them to have this dispute mechanism in the agreement. In addition, when Gordon Ritchie, one of the originators of free trade, gave his testimony, he was very clear that the United States did not want softwood lumber to be included in NAFTA. You've acknowledged that. So why would we not think that this dispute mechanism in the new agreement would be an excellent opportunity to go forward?

I think I'll leave it at that.

Jay, do you have some comments?

● (1545)

The Chair: Mr. Hill, please go ahead.

Hon. Jay Hill (Prince George—Peace River, CPC): Mr. Chairman, I'd like to point out, because there seems to be a bit of misinformation here, that the only alternative to this deal is continued litigation. We should all be very clear on that. The minister was extremely clear on it this morning.

I think quite rightly the companies you people represent are going to have to make a tough choice. They're going to have to look at this agreement and make that decision, because as has been pointed out by colleagues across the way quite rightly, the companies themselves, if they so choose, can scuttle this deal.

But let's be very clear, because the minister was clear this morning, that if this is no deal.... It's fine to sit here and theorize that maybe we can reopen negotiations and get a few of these things fixed that we don't want, but both sides have to be willing to come back to the table, ladies and gentlemen. I don't believe for a minute, if you look at the record, that the Americans are going to be coming back to the table in the near future. So what we have is this deal or continued litigation for any number of years into the future. That's what I would submit.

Furthermore, just so that we're very clear about the termination, because this keeps coming up over and over again, only the Government of Canada or the Government of the United States can terminate this agreement after the 23 months plus the one-year freeze on litigation and trade action. So I don't think we need to continually raise this, that somehow the U.S. industry is going to suddenly get nervous and trigger the cancellation. It's only the government that can do this, and I would submit it's highly unlikely that either will, certainly within the three years.

Ms. Jamie Lim: In response to the comments, I'd like to point out that we are all quite familiar with Minister Emerson's background. Having said that, his is one voice, and you've heard voices today from industry leaders who have said quite the opposite.

Also, according to a financial analyst, Mr. Mason, “If the deal goes ahead, large producers such as leading exporter Canfor Corp. are better equipped to cope”—not even thrive, let's make that clear —“with the deal's complexities, compared with smaller operators...”, and it goes on.

I think it's important for us to recognize that the second largest company, West Fraser, has released a statement saying they need changes in this agreement. They know the industry, they know the people, and they've made it clear.

Also, Ms. Guergis said they are looking after—and this is what she said—“little people”, and that's important to this government. Well, I can tell you that had you implemented the loan guarantee program—because in opposition you fought for it, you thought it had to be implemented ASAP—

The Chair: Time is up. Could you finish in short order, please?

Ms. Jamie Lim: —then the people who are without their jobs today might still be employed.

The Chair: Thank you.

We'll go now to the second round.

No, pardon me. To complete the first round, how could I forget—wishful thinking—Mr. Julian?

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Chair, I appreciate that. I don't want to be forgotten.

The Chair: Mr. Julian, seven minutes, please.

Mr. Peter Julian: Thank you very much.

Thank you, particularly Ms. Lim, Mr. Wakelin, and Mr. Grenier, for coming again today. You've been canaries in the coal mine, I think. You flagged concerns as this process started, and unfortunately, many of the concerns you raised the last time you came to the committee have come true, as we see the botched negotiation and this badly flawed agreement that was initialled on July 1.

I have a general question, which you can choose to answer or not, and then I have specific questions for each of you. I'll get those out and let you come back to them.

It is inconceivable to me that a government would refuse loan guarantees—especially a political party that promised them prior to being elected—and that this same government would suspend an ECC judgment that's non-appealable and would lead to an end of the illegal tariffs. So I'd like each, or all, of you to comment on what the government strategy seems to be, because it seems to be holding the softwood industry by the neck over a cliff and saying, you are not going to get any support unless you do our bidding.

Regarding the specific questions, Mr. Grenier, you mentioned the cost of the four years of litigation to date—we're in the final lap—where there are only two judgments, two hurdles, to get across. How much has this litigation cost, and how much would it cost if we started over with these various panel processes that we've gone through?

Mr. Reedy, you used the words “total capitulation”. I've certainly heard that from other industry sources. I've also heard from the industry, from smaller companies, how impractical this is and how it is commercially absurd. I'd love for you, as a manager in the business, to comment on how this could even be commercially implemented.

Ms. Lim, when you appeared before us, you flagged concerns about the direction the government was taking and that you thought 20% of mills could close if the government continued along those lines. I'd like to know whether you still feel that way about the job losses from this badly botched negotiation.

Mr. Wakelin, you raised concerns about consultation when you appeared before us the last time. I'm interested in knowing if the industry in Alberta was consulted at all in the days leading up to the infamous agreement that was initialled on July 1, when the industry in other parts of the country was flagging the fact that this was a bad deal and should not go forward.

I'm also interested if you're equally concerned about the termination clause in article XX, which specifically states that the United States has the right to terminate the agreement if Canada is not applying export measures under articles VII and VIII. In other words, all they have to do is allege a circumvention and they can terminate the agreement, take the billion dollars, and run.

Thank you.

● (1550)

[*Translation*]

Mr. Carl Grenier: Thank you, Mr. Julian.

It is obvious that the fact that the government did not accept what they had proposed themselves - the loan guarantees we have been asking for four years - makes the alternative almost impossible. In many cases, people are, financially speaking, at the end of the tether. If they don't have some financial support which would enable them to get across the river, they are obviously going to be forced to accept the deal.

The suspension of the NAFTA Extraordinary Challenge Committee is, in my view, an accident. According to me, the U.S. government pulled a trick to the Canadian government in this matter, since in all the other cases, nothing has been suspended. Everything rolls as foreseen since it is the cautious way to go. There is no way to know whether the agreement will be approved or not in the end.

I think that this particular case is absolutely deplorable. It is linked to the original complaint of the United States, which claimed that we were subsidizing our industry, which is not the case, as recognized by NAFTA authorities.

[*English*]

On the cost of litigation, I testified here some time ago, along with some of my colleagues from the industry associations, about that. It's hard to pin down, but it was estimated that it was easily in the order of $100 million. Of course it's been some time since then.

The cost of going on for another year or so would obviously be quite small compared to that. The cost of doing it over again under the conditions of the deal would be greater because indeed some of the mechanisms that we have now solidified through these victories would simply be gone. So it would be more expensive the next time. This is another reason why it's such a tragedy under this deal to let all these results go.

The Chair: Just for your information, there is less than two minutes left for all of you to answer. I will cut you off after seven minutes, so go ahead and use that time.

Mr. Julian, because you've asked so many questions of so many witnesses, I'll allow you to direct traffic here for the next minute and a half.

● (1555)

Mr. Peter Julian: I'm a temporary chair, Mr. Chair.

Mr. Bill Reedy: You asked me about how impractical this is. Of course, you have the issue of retroactive duties and how you price to your customers, but more than that, the way this deal is set up, there is no margin for the companies. So how is it practical to run your business when you have no margin?

The export tax also takes the money away forever. At least in fighting the U.S. we have the hope of getting it back one day.

I'd ask questions about this deal such as these: It's so poorly negotiated; why is $500 the cap when $355 is the benchmark? Why don't we have no taxes, no exports, no duties over $355?

I want to leave time for other people.

Ms. Jamie Lim: Mr. Julian, you asked about the 20% reduction that I spoke of the last time I was here. BMO analyst Stephen Atkinson confirms that. He says you could easily see a further—and bear in mind how much has happened already—10% to 20% reduction over the next few years in eastern Canada.

Furthermore, and I think this is critical, value-added products like engineered wood would be taxed at full value of the product. He suggests that those jobs will go south, so we'll also see an export of high-paying, value-added jobs.

Also, concerning the loan guarantees, earlier it was suggested that the Government of Canada is going to ensure that our money is returned to us immediately—eight weeks—but that's eight weeks from when the agreement comes into force. Right now, we're looking at maybe October 1, so eight weeks means close to the end of the year.

We're also told that U.S. Customs must provide to the Government of Canada the interest rates, the complexities, of each of those transactions over the last five years. You can imagine the amount of information. That's going to take months and months to calculate and it might not be ready. So we might have a government that's ready, but we might not have the information, which is why we need an immediate low-cost to no-cost solution, such as loan guarantees, that could be implemented tomorrow, so that we're around to enjoy what the Government of Canada would like to implement, for which they would like to be the banker for the U.S. and give us our money.

The Chair: Thank you, Ms. Lim.

Mr. Julian, I've allowed you to go an extra half minute.

Go ahead, Mr. Eyking.

Hon. Mark Eyking (Sydney—Victoria, Lib.): Thank you, Mr. Chair.

I know we can't have another round, but just on a little bit of a point of order, many of us at the original motion were under the understanding that we'd be done at 5 o'clock here today, and many of us around this table have flights. I'm suggesting, if we may, that we move on to the next set of witnesses so we can wrap this up in a timely fashion.

The Chair: I have had several people make that point, and we don't want to have a table with MPs gone to catch their flights, so we will end this meeting now. It's just a little bit earlier, but we'll get a three-minute break and go to the last round. We'll sure try to wrap it up so you can catch your plane. I wouldn't want to interfere with that.

I'd like to thank you all very much for your presentations here today. I know it's not much time, but I do appreciate your presentations.

We'll adjourn this meeting, have a three-minute break, and then come back for the last meeting of the day.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

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