



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Tuesday, November 3, 1998**

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**Speaker: The Honourable Gilbert Parent**

## CONTENTS

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

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# HOUSE OF COMMONS

Tuesday, November 3, 1998

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

• (1005)

[*Translation*]

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to seven petitions.

\* \* \*

[*English*]

### COMMITTEES OF THE HOUSE

#### FISHERIES AND OCEANS

**Mr. Charles Hubbard (Miramichi, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Fisheries and Oceans.

In accordance with Standing Order 108(2), the committee undertook a study of fisheries issues throughout the west coast of Canada.

Pursuant to Standing Order 109, the committee requests a comprehensive response to this report within 150 days.

\* \* \*

### ISSUE OF CEREMONIAL STATEMENTS OF SERVICE ACT

**Mr. Réginald Bélair (Timmins—James Bay, Lib.)** moved for leave to introduce Bill C-453, an act to regulate the issue of ceremonial statements of service and recognition of duty.

He said: Mr. Speaker, having been involved for some 20 years in federal politics, I have, on many occasions, encountered veterans who were not wounded in any conflict that Canada was involved in and therefore have nothing to show in terms of a card. On the other

hand, those who were wounded are carrying a health card which they cherish.

Therefore, today I am proud to introduce this bill proposing a certificate of service and duty to all war veterans and civilian groups who served in support of the armed forces in such organizations as the Red Cross and the Merchant Seamen, as well as United Nations peacekeeping units.

This certificate will recognize and honour their significant participation in any armed conflict or war in which Canada took part. They are all responsible for the freedom we enjoy today.

[*Translation*]

Over the years, I have on numerous occasions met veterans who had nothing to show for their participation in world conflicts. I am therefore extremely pleased to introduce this bill today, which will enable them to carry in their wallets a mark of recognition by the Government of Canada.

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

\* \* \*

[*English*]

### PETITIONS

#### COPYRIGHT BOARD

**Mr. Jim Abbott (Kootenay—Columbia, Ref.):** Mr. Speaker, I have three sets of petitions to present. The first petition is signed by 59 Canadians who are concerned about the Copyright Board and the recent decision of the Copyright Board concerning commercial television royalties which will retroactively reduce the royalties of Canadian music creators and adopt the American practice of enforcing individual music composers to negotiate directly with large broadcasting corporations.

The petitioners are requesting that parliament strongly affirm this commitment: That the Minister of Industry immediately appoint a judge to chair the Copyright Board in respect of parliament's intent that the board be competent and objective as a quasi-judicial tribunal.

#### MARRIAGE

**Mr. Jim Abbott (Kootenay—Columbia, Ref.):** Mr. Speaker, the second set of petitions concerns marriage and contains 325 signatures. The petitioners stated that the majority of Canadians understand the concept of marriage as being only the voluntary union of a single, that is, unmarried male and a single, that is, unmarried female. The petitioners pray that parliament will enact

*Supply*

Bill C-225, an act to amend the Marriage Act and the Interpretation Act.

• (1010)

## IMPAIRED DRIVING

**Mr. Jim Abbott (Kootenay—Columbia, Ref.):** Mr. Speaker, the third petition is a gathering of four separate petitions, all on the same issue, containing a total of 1,060 signatures.

The petition pertains to the work of the Reform Party and others who are trying to bring in the philosophy of zero tolerance relative to drunk driving. The petitioners state that victims of the crime of impaired driving must be given the highest priority, as reflected by their impact statements, and that in cases of impaired driving causing death or injury sentencing must reflect the severity of the crime.

It is my pleasure to present this petition on behalf of 1,060 signatories in memory of Norm and Shawna.

[Translation]

## TRANSPORTATION

**Mr. Raymond Lavigne (Verdun—Saint-Henri, Lib.):** Mr. Speaker, I have the honour to table, in both official languages, at the request of the Comité des citoyens pour le monorail, a petition signed by over 6,200 of my constituents. They are asking the government not to transfer the infrastructure of the Champlain Bridge to the Quebec Government until the latter issues a total ban on its automobile, bus and truck traffic.

The petitioners are calling for a monorail project to the downtown area, which will use the bridge structure without any noise or other pollution.

I am totally in agreement with this petition.

[English]

## MULTILATERAL AGREEMENT ON INVESTMENT

**Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP):** Mr. Speaker, it is my pleasure, pursuant to Standing Order 36, to present a petition on behalf of Canadians who are very concerned about the multilateral agreement on investment. They are worried that this agreement, if signed, will hamper our sovereignty and will limit the social programs that we have.

Obviously they are very concerned that Donald Johnston of the OECD, who is the Canadian heading up that organization, is trying to get this agreement signed on behalf of very large multinational corporations which will negatively affect Canadians.

They are skeptical of the assurances that the MAI is dead and, therefore, are asking parliament, if the MAI is resurrected, to not sign as a country.

## HEALTH BENEFITS

**Mr. Allan Kerpan (Blackstrap, Ref.):** Mr. Speaker, I have the honour this morning to present a number of petitions to the House dealing with two different subjects.

The first petition, which has many names on it from people in my riding and from right across our province of Saskatchewan, calls upon the Parliament of Canada to provide relief by not implementing a tax on health benefits.

## NATIONAL HIGHWAY SYSTEM

**Mr. Allan Kerpan (Blackstrap, Ref.):** Mr. Speaker, the second petition is signed by a large number of people in my riding and others who call upon the government to join with the provincial governments to make national highway system upgrading possible.

\* \* \*

[Translation]

## QUESTIONS ON THE ORDER PAPER

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

**The Deputy Speaker:** Is it agreed?

**Some hon. members:** Agreed.

## GOVERNMENT ORDERS

[English]

## SUPPLY

## ALLOTTED DAY—CANADIAN FARMERS

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.)** moved:

That, in the opinion of this House, the government should move immediately to defend the interests of Canadian farmers from the unfair subsidies and unfair trading practices by foreign countries, which have changed the problem of stagnant farm incomes to a full-blown farm income crisis, and in the event no immediate progress is made on this front, introduce emergency measures to provide tax relief, lower input costs, reduce user fees and address the inadequacies of the farm safety-net programs.

• (1015)

He said: Mr. Speaker, I will be splitting my time with the Leader of the Official Opposition. Reformers will be splitting their time throughout the day.

*Supply*

I will begin by reading some headlines as they have been appearing in the papers out west. Since the minister of agriculture has been denying there is a farm income crisis, I can only surmise he is only reading the newspapers from Toronto.

Here is what the newspapers are saying. From the Calgary *Herald* on October 31, "Outlook cloudy for agriculture sector". From the Regina *Leader Post* on October 30, "Farm crunch looms". From *Agri-Week* on October 26, "No government aid for farm income crunch". From the Winnipeg *Free Press* on October 30, "Farmers turn up heat on Ottawa as farm income plummets". From the Saskatoon *Star Phoenix* on October 22, "Subsidy wars killing farmers". From the *Western Producer* on October 22, "Net farm income needs attention" and "Prairie pools demand feds respond to farm crisis".

Need I go on? Do the Liberals read the papers outside Toronto? Apparently not. The minister of agriculture has been responding to opposition questions about the farm income crisis since September 24 and has yet to acknowledge there is a real problem. On September 24 the minister said:

The disaster relief program and the farm safety net program for Canadian farmers are already in place.

On October 28 the minister repeated his mantra by saying:

We have one of the strongest safety nets in the world.

On behalf of thousands of farmers in Canada, if Canada has one of the strongest safety net systems in the world, why are we having a farm income crisis? Why are so many farmers in trouble? I ask the minister to acknowledge at least that NISA is totally inadequate in helping farmers compete with unfair foreign subsidies.

I want the minister of agriculture to listen to the words of just one of the many farmers coming into my office and phoning me. I spoke to this gentleman last week. He has been farming for 33 years. Here are his own words:

I feel so terrible. I can't even put money on the offering plate Sunday morning. I'm probably worth more than most people in Canada—I farm seven quarters, fifty head of beef cattle, I got seventy bushels of barley and 35 of wheat per acre. An average calf crop. Productivity is good, but prices aren't. I haven't replaced my equipment in seven years and it wasn't new then. I'm repairing and patching but I can't anymore. Farming is not like other businesses—we don't want to make a lot of money, but we can't keep going, and we have no alternatives. We have no alternatives! Farmers have something to offer the country—it's being eroded—it's not just dollars and cents. It's a sin that raw food has no value in exchange for goods and services. Why does our nation have a different view from the Europeans on this?

I share this with the House of Commons because this farmer expressed better than I the real pressures farmers are feeling on a daily basis. It takes a special kind of person to be a farmer. It is not an easy life. They only want to make a living. The minister should come with me to the restaurants in my riding and listen or take some of the calls I get into my office.

No matter how one calculates farm income, total net income or net cash income or realized net income, farm incomes have been flat on the prairies for at least 20 years. These farmers have managed to survive year by year in spite of stagnant incomes, but they are in no position to withstand a real income crisis such as we are experiencing today.

The indications of the crisis are varied. It is taking its toll on farmers. Record numbers of Saskatchewan farmers are calling the farm stress line this year. In September the stress line received 147 calls. The program co-ordinator for the line said:

There's been twice as many calls in September compared to other months. The hope is going. If you don't have hope you don't have much to look forward to. You can only struggle for so long.

● (1020)

Last Friday the Debt Mediation Service said that inquiries for help were already up 22% over last year in Saskatchewan and Manitoba. It estimates that 600 producers will use its service this year alone. These are real people behind the statistics that the minister of agriculture is ignoring. These are not the only people the minister is ignoring.

The Canadian Federation of Agriculture says farm income is likely to drop by more than 40% this year, due largely to the collapse of the Asian market. Wheat prices have fallen by more than 40% over the last 12 months while another hard hit sector, hog farming, has seen a price decline of 28%. Meanwhile total federal funding for agriculture sits at \$670 million, down from \$2.5 billion a decade ago.

Saskatchewan agriculture minister Eric Upshall said:

We have about a 10% subsidy according to the OECD analysis, the U.S. has roughly 30% and the Europeans are at 36 to 37%. So there's a tremendous difference. We're caught in the squeeze. We've been the good guys on the block. We've cut our subsidy.

The world market has been hit from two sides. On the one hand there is a huge grain crop this year made larger because heavily subsidized European farmers decided to produce more wheat. On the other hand the booming Asian market is one big bust.

According to Statistics Canada, Canadian farm cash receipts in the first half of 1998 were 5.1% lower than the same period last year. In Saskatchewan they dropped 8.9% and 12.5% in some areas of Manitoba, blamed largely on a decline in wheat prices brought about by record world-wide production and dampened demand.

Canadian wheat, barley and livestock revenues were all down during the first six months of the year. Some Saskatchewan hog producers say that they are losing between \$30 and \$40 on every hog they sell. They are asking the province for a bailout.

*Supply*

The price of finished cattle, animals that have been fattened at the feedlot, is dismal as well. Saskatchewan farmers will likely see their realized net cash income less depreciation drop by more than 60% this year to less than \$300 million. Meanwhile there has been no dropoff in freight rates or the cost of chemicals, fertilizer and farm machinery. There has been no dropoff in fuel and debt servicing.

From 1995 to 1997 gross operating expenses for Saskatchewan farmers have risen from \$3.9 billion to \$4.36 billion according to the province. The total debt held by farmers has risen from \$4.48 billion in 1993 to \$5.11 billion in 1997. Last year farm debt jumped 7% alone.

Finally last week *Agri-Week* reported:

Never before have prices of almost every major commodity class been down at the same time. This is the first time that the agricultural economy has been on its own through the down phase of an economic cycle.

The prairie pools are calling for an elimination of foreign subsidies, a reduction or elimination of cost recovery programs which the pools say cost farmers \$138 million in 1998, and the development of a national disaster assistance program. Why is the minister not listening?

What can we conclude from all this? Our farmers could compete if only our government had not mismanaged affairs so badly. Our tax burden makes input costs for farmers very high. Some have estimated that for some items the farmer must purchase the input costs may be almost 50% tax.

The responsibility for the mismanagement of the agricultural portfolio rests squarely on the shoulders of the government and the last two ministers of agriculture. If the Liberal government and the bureaucrats were doing their job, agriculture would not be in this crisis. With the big bucks that are being poured into the department of agriculture bureaucracy, they should have been on top of this situation and had it solved before it became a crisis. Other countries did.

• (1025 )

We live in a wonderful country. We all enjoy high quality food and a high standard of living. Farmers have contributed a great deal to it. We should hang our heads in shame for the little regard we have for them and the value they are to us.

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP):** Mr. Speaker, I join today with my colleagues in the House in saying that what we are facing in agriculture is a real emergency.

In my province of Saskatchewan the statistics show that in 1997 net farm income has dropped by 84%. People are suffering because

of that. This is no surprise. If your income, Mr. Speaker, was to drop by 84% you would be in the House probably asking for an emergency injection of cash because you cannot survive when your income goes down by 84%.

This is compounded by the fact the United States about two weeks ago passed a farm bill in Congress to subsidize its farmers by \$6 billion. There are subsidies in the European market of approximately \$200 a tonne for wheat. Because of that our farmers are caught in a terrible cost price squeeze.

Recently the Saskatchewan legislature passed a motion, I believe it was unanimously, calling for an emergency farm package. We are dealing with a situation where there is to be a small surplus next year. The House should look at investing part of that surplus into an emergency farm package for farmers so that they can survive. In the meantime it would also stimulate the economy by creating jobs.

Does my colleague who just sat down agree that we need an emergency injection of cash, an emergency aid program of several hundreds of millions of dollars, so that farmers, particularly grain farmers, can survive?

I once again remind the House and the minister of agriculture that net farm income in Saskatchewan has dropped by 84%. That affects everybody in our province and everybody right across the country. When the farmer is worse off the small towns are worse off, the cities are worse off, the unemployment rate goes up, and people stop spending money. There is a cyclical effect which affects absolutely everyone.

I hope the Reform Party will join with us today in calling for an emergency farm package of several hundred million dollars to inject some cash into the pockets of farmers within the next few months to seed their crops next spring and so they can survive.

**Mr. Garry Breitkreuz:** Mr. Speaker, I appreciate the support that I am getting with regard to the motion we have put forward.

I reiterate what I said in my speech in case people missed it. First we have to acknowledge that there is a crisis. The minister has yet to do that. We cannot begin to solve the problem if we do not first acknowledge that there is a crisis. That is where we should begin. If we are to solve that crisis we have to go to the root of the problem.

Farmers know the root of the problem. For us to sit in the House and try to dictate what the solution is to the farmers in Saskatchewan, Manitoba, Alberta, Nova Scotia, Ontario or wherever a crisis is being experienced, will not work. The bureaucrats here have mucked it up so badly that they will not do a better job, in my estimation, if we continue along this way.

I saw statistics a short time ago where if we took the salaries of all the bureaucrats—there is one bureaucrat for every 5.7 farmers

*Supply*

and they do not work for peanuts—and divided it among farmers, we would probably not have a crisis.

We have to look at the big picture. We have to look at what farmers are telling us. If the solution comes from Ottawa it will distort the market even more. We need to have the solution coming from farmers. We have to do it soon. The crisis is here. We have to address it right now. That is where we begin.

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, I represent an urban riding, Calgary Southwest. To the best of my knowledge all my constituents are in the habit of eating three times a day. Thus all of them, as indeed all of us, have a vested interest in the financial health of the agricultural sector, which is the subject of the motion before the House.

• (1030)

I believe I am now the only party leader in the House who was actually raised on a farm. I urge the other leaders to join in this debate in recognition of the importance of agriculture to us all.

The first purpose of the motion before the House is to draw the attention of the House and the media to what my colleague from Saskatchewan has rightfully called the farm income crisis.

Some of my other colleagues will describe the nature and extent of this crisis by reference to its impact on particular producers and their families in rural ridings. But the basic facts are clear, some of which have already been cited. Farm income is likely to drop by more than 40% this year as grain, beef and pork producers all face declining prices. This is in addition to a steep price decline last year.

Wheat prices have fallen more than 40% over the last 12 months while hog farmers have seen a price decline of 28%. On a provincial basis, to cite only two examples, the realized net farm income of Saskatchewan farmers is expected to drop by more than 60% this year to less than \$300 million, and Prince Edward Island's realized net farm income for 1998 is expected to be 87% less than the 1992-1996 average.

I suggest that if the prices or incomes in any other industrial or commercial sector such as the auto sector were to drop by 30% or 60% or 87% we would immediately recognize and acknowledge a crisis. That is what this motion now calls on the government to do with respect to agriculture.

The second purpose of this motion is to urge the government to respond to this crisis with more than empty words and assurances that what it has been doing is good enough. We are all familiar with the government's standard excuse for non action, the tiresome argument that the general slowdown in the Canadian economy and

the particular income crisis in agriculture is all due to factors beyond the government's control.

The official opposition takes a different and more proactive approach. We divide the causes of our current economic difficulties into two categories. One category identifies factors beyond our control which we ought to monitor like the Asian downturn and the worldwide downturn in commodity prices. But the other category includes factors contributing to the economic downturn and the crisis in certain sectors which are within our control and which we can and should be doing something about. It is to this category of factors that we draw the attention of the House and the government.

The slowdown in the Canadian economy in general and the farm income crisis in particular is aided and abetted by high debt and taxation levels at home and by the slowness of the Liberal government to attack domestic and external barriers to trade. Every Canadian producer, including every Canadian agricultural producer, has a domestic monkey on his back that negatively affects his ability to compete internationally. That monkey is the excessive levels of taxation in this country.

In the case of agricultural producers the tax component of input costs, in particular fuel and fertilizer, reduces disposable farm income year after year. Broad based and immediate reduction of taxes including taxes masquerading as user fees is therefore one measure the government should employ to deal immediately with the farm income crisis.

If the federal government had followed the fiscal plan first advocated by Reform which called for a balanced budget early in the 1990s and tax relief and debt reduction immediately thereafter, the disposable income and savings of agricultural producers for the last five years would have been significantly higher than they are today, thereby putting them in a much better position to withstand the current downturn in commodity prices. In other words, the best income support program is not some government safety net after the fact but tax policies that leave more dollars in the pockets of Canadian producers and consumers to start with. How many income crises will it take for this government to learn that lesson?

Second, every Canadian agricultural producer has another monkey on his back in the form of unfair subsidies and unfair trading practices by foreign countries.

In Canada's case the most damaging of these foreign monkeys has been the excessive agricultural subsidies paid to European Union and American farmers, subsidy levels in the order of 30% to 37%, and recent attempts by several U.S. states to blockade shipments of Canadian livestock and grain in complete violation of the spirit and the letter of the free trade agreement.

*Supply*

• (1035)

As everyone in this House knows, the Liberal Party of Canada has a checkered record with respect to both subsidies and free trade. Throughout the 20th century Liberal administrations have instituted far more subsidies than they have removed, which makes them very poor champions of subsidy reduction on the international stage. Because it bitterly fought the Canada-U.S. Free Trade Agreement in 1988 and even promised at one time to revoke it, Liberal Party protestations against violations of that agreement are treated with extreme scepticism in Washington.

That is why this motion calls for more vigorous action by this government to defend Canadian farmers from unfair subsidies and unfair trading practices by foreign countries.

I have one final observation. When we ask Canadian farmers to evaluate this government's performance on agriculture more and more of them are responding by saying it is like what it has done to their taxes and health care. What they mean by that is mismanagement, mismanagement that is leading to a lower standard of living.

Many Canadians will be judging the government's ability to respond to the general economic slowdown by how it responds to the immediate income crisis in agriculture. That is why this debate is so important. If the government cannot respond more quickly, more positively and decisively to the downturn in one sector, the agriculture sector, who will believe that it is capable of responding quickly, positively and decisively to the general economic downturn which the finance minister himself is predicting?

If the government wants to restore some measure of confidence in its ability to manage economic crises other than by resorting to denials, excuses and diversions, let it respond positively to the motion before the House. I urge hon. members to support the motion.

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I would like to pose a couple of questions for clarification to the Leader of the Opposition.

In his comments a minute ago he accused the Liberal government of giving a lot of subsidies to farmers in Canada. I am just wondering if what he is saying now is that he feels we should do more. I will address how I think we can assist farmers in the future but I want to ask him if he would square that. He contradicted himself fairly severely.

I wonder if he would comment about the fact that in the lead-up to the last election his party said it would take \$640 million out of a number of ministries and another \$690 million out of regional agricultural support. If we add the two together it comes to a sizeable number, about 80% of the agriculture and agri-food

budget, which includes the funding of \$600 million a year at the present time to agricultural support to Canadian farmers. I wonder how the hon. member thought he could remove that much money, add more subsidies and do it with only 15% of the agriculture budget we have now.

**Mr. Preston Manning:** Mr. Speaker, I thank the minister for his questions. Let me deal with them in the order in which he raised them.

First, my general point was that in the 20th century the record of the Liberal government has been to grant far more subsidies than to grant subsidy relief. The minister can check that out and go through all the subsidies. I am not talking only about agriculture. I am talking about the Liberal government's general record in subsidization. Yes, there has been some removal of subsidies in the agriculture sector in the last number of years. But the overall record of the government has been to resort to subsidies time and time again. My point is that when it is a government with a reputation for subsidization it makes it a poor advocate for subsidy reduction in other countries because they simply point to the government's record and say "you guys are great people to talk".

• (1040)

The second point with respect to this subsidy question is by leaving NISA, the net income stabilization account, as the primary farm support program we would think the government would be more interested in increasing net incomes during the times when prices are good. If we are to rely on a NISA type program it is stronger when prices are low if we leave more dollars in the pockets of consumers when prices are high. Net income stabilization works better if we leave more income in people's pockets during the boom time. That is why I hope minister would be an advocate of tax relief with the finance minister because that would make the one program he is relying on work better.

The second point the minister made is typical of the questions and reactions of Liberal ministers, half the story. The minister referred to our proposals for reductions in some government spending, including reductions in his department. What he forgot to mention was the tax relief that those reductions when added up across all the departments made possible. Yes, we advocated reductions in some of the overhead spending of the agriculture department, but the net effect to doing that over five years was to deliver \$20 billion in tax relief to Canadians, including significant tax relief to Canadian farmers, tax relief greater in its aggregate than any reduction to agriculture.

I suggest the minister read both sides of what we are talking about, the pain of reduction but the benefit of tax relief. We end up with a net benefit and a net benefit to Canadian farmers.



*Supply*

**Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP):** Mr. Speaker, I went to the Council of Europe, an organization which meets quarterly in Europe. It is members of parliament from all European and eastern European countries. They have a number of committees which discuss the various issues, including economics and agriculture.

I asked the agriculture committee about three years ago what it was planning on doing with subsidizing agriculture in its countries. This was the year when the Liberal government eliminated the Crow benefit to Canada farmers. The Crow benefit was a transportation rate, a subsidy which provided producers with an opportunity to sell their products to market under the old Crow benefit.

It was eliminated by the government because it said WTO warrants the elimination of this subsidy. So it is gone. It has been gone for three years.

The Europeans told me they would never sacrifice their farmers for the U.S.A. with respect to subsidies. They also told me they have five years under WTO to address the subsidy issues. We are three years down the road and subsidies in Europe are as high as they have ever been, rightly or wrongly. We have in our country abandoned our farmers. We have no national agriculture policy.

Because the Americans and the Europeans have not sacrificed their farmers by eliminating subsidies, would the Leader of the Opposition support subsidies for our farmers now in view of the fact that there is a crisis in our farm communities?

**Mr. Preston Manning:** Mr. Speaker, I know the instinctive gut reaction of the NDP to any economic crisis is to yell for a subsidy. We are open to listening to the arguments members are putting for emergency aid.

I suggest that the long term strategy of the government should be to do what we can to reduce and eliminate those subsidies by our big competitors, particularly with respect to the United States. I suggest three things that are more practical than anything I have heard from this side of the House or that.

First, the government should use that dispute settling mechanism more actively and quickly. This crisis was seen coming. It took six weeks to activate that mechanism and it should not do that.

Second, the government should move more actively to lobby U.S. consumer interests. Our allies in this fight with the U.S. are American consumer interests gouged by the U.S. subsidization programs and protectionism as much as our farmers.

Third, get into this European-American dialogue which is going to put great pressure on reduction of European subsidies. Those are

three things that can be done on a proactive side to reduce and eliminate the subsidies.

• (1045 )

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I welcome the opportunity to discuss the concerns that are being debated here today on the very serious situation of farm income for this year. I remind members that every time I have stood in the House in the last number of weeks to discuss this matter and answer questions, I have fully recognized the unfortunate situation of the farmers. I share with the farmers and members of the House their concerns over the difficulties of many of Canada's farmers today.

Today I hope to leave hon. members with a fuller appreciation of the situation which is without question a complex one. I know that they read the newspapers. And yes, I read the newspapers. Yes, I hear what is being said on TV. I want to show how closely the provincial governments, producer organizations and the federal government have worked over the last decade to put in place a pretty good system of safety nets to protect farm income.

With that I will say that there is no absolutely perfect safety net system in our lives, whether it be personal, or business or in government. That is why it was discussed at the federal-provincial ministers meeting this summer. That is why we have moved forward even faster. We saw what was coming with the financial situation of too many Canadian farmers this year. We moved forward and fast tracked the process of review of Canada's safety net system.

We have taken a pragmatic approach and will continue with a strategic approach to fiscal challenges across the country. As a result, Canada's economic fundamentals are sound and should we not all be thankful. As Canadians we are better able to address the worldwide financial situation than most other countries.

Canadian farmers have made a big contribution to that. They have made a big contribution in putting the federal books back in the black. That was the first step we had to take. We have recognized that as a result of the contributions from farmers and all Canadians we are all reaping the benefits of lower interest rates and low inflation. That certainly has an effect.

We are all aware that global markets are going through a period of incredible turmoil. This has affected the income of farmers. We plan to continue on the course we have charted for the future. We will continue to target our resources, to reduce taxes as we have in the past, to pay down public debt, to invest in the knowledge of our people and to safeguard and improve our health care system. All of these, including addressing the unfortunate situation of many Canadian farmers today, have to be our priorities.

*Supply*

There is no question that farm producers are dealing with the fallout from fluctuations in foreign markets. For example, in Asia and Russia less buying power translates into much lower sales of our food exports. It is higher with grain and lower with dairy products, but I remind the House and everybody watching that on average 48% or 49% of the farm gate income comes to Canada and those producers. We are in the export business. We have a tremendous ability to produce. We have to export the products or drastically cut our production, eat the products here at home and hope that nobody wants to compete with supplying that market. That is not the way to go. We have to work with the industry, and we do, to find the markets where the products can be sold at a profitable level or at the best price attainable at that time.

As we know, many prices are set by the world. All that is happening in the world translates into lower sales of food exports. It is affecting the income of many of our farmers. Combined with this is the reality of a cyclical downturn in prices for some commodities which always happens in agriculture. There are pockets of poor production in a country this size. There are not going to be top yields in every hectare or portion of the country every year. It means some farmers will have significant reductions in their income this year.

I stress that this situation is not universal. Not all regions or sectors are affected to the same degree. At the national level, recent numbers indicate that without question farmers will see a decrease in their income compared to the average over the last five years. I stress that is not the same in all regions and all sectors.

In particular the situation in Manitoba and Saskatchewan is severe because of the low prices for hogs, cattle and grains. We are all concerned about what lies ahead next year for these producers. Nobody is more concerned than I am.

• (1050)

I have said a number of times that I have asked all the farm leaders to come to Ottawa tomorrow. I am pleased that all the provincial ministers of agriculture will be here to discuss the nature and extent of the difficulties.

Our forecast was done in conjunction with all the provinces. When the final, most accurate numbers do become available, which are numbers that have been put together with the co-operation and agreement of the provinces, I will remind members that some of the numbers they have been stating in the last half hour in this House are incorrect. I hope they will look at those numbers when they become available.

I am not diminishing that there are some very severe areas. These forecasts will indicate what the market price picture is in affected areas. We have to also be aware that it may worsen in 1999.

That is the bad news. The other news is that because of the unfortunate reality that many farmers, including myself, went through in the 1980s, farmers are better prepared. They are not necessarily totally and fully prepared. That does not always happen as much as it should or as we would like to see, but they are better prepared for this cyclical downturn we are in at the present time. They have had a number of years of pretty good prices.

Farmers are very smart business people and many of them have been able to put their money to good use. They have looked at their balance sheets, have seized new ways of doing business, have learned to manage their operations better, have worked hard to get their costs down, have increased their productivity and have invested in new technology when the money was available so they could be prepared for the reality that is in agriculture. I hate that reality but it is there. I farmed for 25 years. Some years were better than others. Some commodities were better than others in some of those years but it goes up and down.

The farmers have taken advantage of this. They have used a lot of tools that the provincial and federal governments have helped them to put in place. They have diversified their operations and have been paying closer attention to market signals. They have been making decisions on growing what they know they can market and not trying to market what they like to grow. We know that and they know that. They have to look at the market and use their crystal ball the best they can.

I do not want to underestimate or not give enough credit to farmers. They deserve a pile of credit for the tough decisions they have made over the last decade. They have used their wisdom and most important their foresight after the disaster of 1980s. In doing so, on average the net farm worth in Canada is significantly higher than it was. Assets have reached historical highs and debt to equity ratio has been declining since 1991.

Many small farmers have sources of income outside the operation of their farm. This certainly helps. People will say that should not have to happen and I agree with them fully. However, I say to opposition members everywhere that it does not matter what business one goes into today, because of the overhead in starting up a business or however the finances are, many people need to address having other sources of income.

As I said, I farmed for 25 years. My wife taught school for a few of those years. My wife worked off the farm for a number of those years. One thing farmers know, is that it is a risky business. It is a business that is always at the mercy of global markets and mother nature. Unfortunately, that is not going to change.

What has changed is the way we deal with that. We have a number of tools in place. We are reviewing how they are being used and how they can be used. Each year the federal government has put \$600 million into the safety net package. The provincial governments have put in another \$400 million. We have crop

insurance, companion programs and the NISA. As has been said, our safety net advisory committee is looking at how we use those and how we can maybe put in place a national disaster program in order to assist those farmers who need it right now.

There has been a lot of talk about this issue. I will leave no stone unturned as we go forward. I look forward to the contribution of members across the way. I know collectively we can turn every stone possible in order to assist those farmers who are suffering at the present time.

• (1055 )

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, I have just one question for the minister.

In the minister's remarks there was not one single reference to tax relief as a possible tool for dealing with this problem. I wonder why that is. The government has a surplus, so at least tax relief is a live option; it is not something that is academic. The federal government is one of the greatest imposers of taxes on agriculture that there is, so it is not as if it is not in the taxation game.

The NISA program is a net income dependent program. If the minister would calculate what the amount of the NISA might have been if there had been five years of tax relief prior to this particular period, surely he would see that that program would be stronger than it is.

Why does the minister not, for the sake of his producers, become an advocate of tax relief as at least one of the measures that would have helped this situation and still could help?

**Hon. Lyle Vanclief:** Mr. Speaker, I remind the Leader of the Opposition to go back and read *Hansard* because I specifically stated that we are continuing to target resources, reducing taxes, paying down public debt and investing in the knowledge of people and safeguarding and improving our health care system. If I am not mistaken, a number of those are goals of the official opposition as well.

With reference to the NISA, when there is a safety net put in place there is always the challenge of distribution. Some producers made a business decision not to take part in the NISA. Some people said it was a decision that they could not take part in the NISA as beginning farmers or whatever their reasons might have happened to be.

Let us look at the size of the NISA in Canada, its value, the total amount of money available. I have repeatedly said that we are looking at how we can do other things, use other resources, how our producers can use all of the tools presently available in the toolbox. Let us compare the value of the NISA to the United States industry which is between eight and nine times the size of ours. Eight to nine times \$2.5 billion would mean that our NISA funds are

### *Supply*

equivalent to over \$20 billion relative to the United States. That is a considerable sum of money.

**Mr. Dick Proctor (Palliser, NDP):** Mr. Speaker, as an aside, I am very appreciative, as I think all members of the House would be, to see the Minister of Agriculture and Agri-Food here for this very important debate. I know we are sometimes out of order when we try to say who is not in the House, but I think we are probably in order when we recognize that people do take the time to come and listen to the debate. I want to say very sincerely that I appreciate that.

I listened attentively to the minister and I noted that he did not make any reference to cost recovery. We have seen that rise dramatically in recent years. I think Canadian farmers are paying something in the order of \$134 million per year in cost recovery. This apparently is a decision to reduce the debt and deficit situation. It is not a countervail against the WTO or GATT. I would like the minister to comment on that and see whether we could do something to bring some of those costs down.

**Hon. Lyle Vanclief:** Mr. Speaker, as I said earlier, I am pleased to be here. There is a cabinet meeting going on at the present time and I will not be able to stay for all of the morning or all of the day, but I can assure hon. members that I will be following today's debate.

There has been a freeze on cost recovery. That commitment was made by my predecessor and by the Canadian Food Inspection Agency and the department. The approach to cost recovery in the future is another one of those stones that we are not going to leave unturned. We are looking at that.

• (1100 )

That is why it is so important that we take a look at absolutely everything. We have these tools. We have to ask: What can we do here and what can we do there? If we could do something more, how would we do it? How would we fund it? Are we prepared to shift resources from here to there in order to do it at the present time? What are the repercussions of doing that?

The bottom line is that whatever we do we have to do it in a different way than the United States. The \$6 billion put into agriculture last week by the United States goes to producers whether they individually need the support or not. There will be large producers in the United States who do not need support who will get millions of dollars. That support is not targeted to the producers who need it. I think members opposite will agree with me that whatever we do in our safety net system, the system must target those who need it. It must not be a system in which we simply throw out money on an ad hoc basis, as some people think we should do. That will not do the job. We should invest that money as it should be invested.

*Supply*

**Mr. Garry Breitkreuz:** Mr. Speaker, I rise on a point of order. I appreciate the fact that the minister of agriculture is here and there are a couple of things which should be clarified. I would ask for the consent of the House to extend the time by a couple of minutes so that I might ask the minister a question.

**The Deputy Speaker:** Does the House give its consent to extend the time for questions and comments to the minister for five minutes?

**Some hon. members:** Agreed.

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, I want to express my appreciation to the minister for taking a few more questions. I realize he has a meeting to go to, so I thank him very much for his time.

Four items were raised in the minister's speech which I would like him to clarify.

First, he said that our economic fundamentals are sound, that they are in good order. Would he not admit that our debt load is twice that of the Americans, our nearest competitors, and that because of that we have a much higher tax burden which puts our farmers at a distinct disadvantage? As the minister knows, I quoted some figures in my speech that show our farmers are experiencing a much higher tax burden than American farmers.

The minister said that it is a business decision not to participate in NISA. It has not been a business decision by farmers not to participate in NISA. It is because they cannot. Farm incomes have been so low that they have been unable to contribute. Those farmers who are being hurt the most have been unable to put funds away in NISA so the government could match those funds and they could withdraw them at this point. There are farmers who are well off and there are certain sectors which have not been touched or hurt by this crisis, but others are unable to contribute. Would the minister not agree this is the case?

It almost shocks me that the minister would say that farmers need other sources of income if they want to continue farming. Is the minister saying that farmers should not expect to make their living from agriculture? That is a serious matter.

My final question is: Did the minister's bureaucrats not see this coming?

**Hon. Lyle Vanclief:** Mr. Speaker, if the member wants to take five minutes to ask his questions, I need equivalent time.

With respect to the debt load, this government has been very clear. We agree that personal income taxes in Canada are too high. We have taken steps to address that. Last year 400,000 Canadians were taken off the tax rolls. I could go on.

As far as NISA is concerned, I made it very clear that it is a business decision or an economic decision. For whatever reason, some people made that decision. Eighty-five per cent of participants with eligible production are covered. Well over 85% of producers in Saskatchewan are enrolled in NISA.

As I said earlier, I do not like to see farmers searching for other sources of income. I do not like to see somebody starting up a manufacturing business in the industrial park in Belleville who has to ask one of his family members to provide another source of income.

I will bring it closer to home. My son bought the farm from my wife and I. He is farming 800 acres. He is heavily in debt. He made a personal decision to burn the candle at both ends.

• (1105)

I do not like to see that happen, but he is working off the farm full time. I asked him why he is doing it and he told me he wants to pay his debt and mortgage down sooner. He said that if he did that for a while he would be in a better position to be able to be on the farm full time. That is decision. He made that for his own personal reasons. I do not like to see it happen.

I would like everybody who wants to farm, be a doctor, run a garage or start up a small manufacturing business to be able to do it. I would like to see them all succeed. Unfortunately that is not reality. There is competition out there. There are expenses.

Yes, there is a big debt, but we are now paying down the debt. We reduced the deficit from \$42 billion to zero much faster than Canadians thought it could be done. We now have very low inflation. Our interest rates have been below those in the United States for a number of years. Nobody in the world denies that the economic fundamentals in Canada are the best they have been in many, many decades.

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, the minister mentioned NISA many times and said that we hang our hat on the NISA program. The minister also mentioned that there is \$2.5 billion in NISA. Would the minister agree that it is an accumulated amount which is sitting in accounts and that, in fact, NISA contributions are not made specifically by the federal government? There is a contribution from the producers, from the provinces and from this government.

When we compare the \$2.5 billion in Canada to the \$20 billion in the United States, that is an unfair comparison. In fact, the Americans right now are acknowledging that they will put \$6 billion into support programs and an immediate \$2.9 billion will be in cash.

Would the minister please correct the impression that in fact the \$2.5 billion came from the federal government and that it is enough to combat the \$6 billion in the U.S.?

*Supply*

**Hon. Lyle Vanclief:** Mr. Speaker, if we put the forward thinking of the producers, the provincial and federal governments into the perspective of any good group of people in business, they plan for a time down the road that might not be as good or might not be as bad as today. That is forward thinking.

I commend the industry, the provincial governments, my colleagues on this side of the House, and those who sat before us on this side of the House for putting in place a system to prepare the industry for those future times.

Yes, it is a joint contribution, in comparison to the United States, but it is very significant. I said very clearly that it is not the be all and the end all. It is one of a number of tools that we have which we will continue to address and adjust in co-operation and in partnership with producers and the provincial governments.

[*Translation*]

**Ms. Hélène Alarie (Louis-Hébert, BQ):** Mr. Speaker, the Bloc Québécois supports the motion of the member for Yorkton—Melville.

The agricultural sector in general is experiencing a major crisis and much of the blame for this lies with the federal government, which is providing the sector with increasingly less financial support. In addition, the federal government's inaction in this period of budget surplus does not help resolve the problems facing farmers.

What is the situation in the agricultural sector right now? There are crises that cannot be ignored. Let us look first at the Asian crisis, whose effects are being felt worldwide. Demand for all farm products is down, and grain and meat prices, including and primarily that of pork, are down. World demand for wheat and pork has just about evaporated.

This drop in demand means that farmers can no longer sell their products and accordingly find themselves more often than not in an income loss situation.

• (1110)

Income for the first half of 1998 was down by over 5% compared to the first half of 1997, which means a drop of some 7% in crops and 4% in livestock.

The figures obtained by the Canadian Federation of Agriculture indicate that net farm incomes could drop by as much as 40% this year. The Asian crisis is not an isolated event. Canada's exports of farm products for the country as a whole increased by over 65%. They reached a record level of \$22.3 billion.

The agriculture and agri-food sector alone will account for nearly a third of Canada's trade balance in 1997. But a downside of

this success is the increased dependency of Canadian producers on international markets to earn a living.

At the same time, we have been witnessing the federal government's withdrawal from agriculture. Since it took office, the Liberal government repeatedly cut funding and services to farm producers in Quebec, while making them foot a larger part of the bill for whatever services are still being delivered.

As a result, Quebec producers have less and less money to operate. Government support has dropped by more than 60%, from \$2.8 billion in 1993 to approximately \$1 billion in 1997, in spite of the fact that, under international rules, \$4 billion could be made available to further support the agricultural industry.

Cost recovery fees have been imposed on no less than 42 industries over a three-year period according to Agriculture Canada's estimates. And what about privatization efforts, where, once again, the farming community, the producers have to pay for services they are entitled to and used to get for free.

In its 1996 budget, the federal government announced the elimination of all dairy subsidies. For our producers in Quebec, this represents a \$107 million loss they are still suffering from.

When the Crow rate was abandoned in 1995, the government granted \$3 billion in compensation to western producers, but there are no plans to compensate our producers for the loss of the dairy subsidy. Only \$66 million was paid in Quebec in adjustment measures after the Crow rate was abolished.

Once again, there is a double standard in which Quebec is the big loser. In this respect, I could give you an example I have often used in this House: the scrapie crisis in Quebec. Not only have 11,000 sheep been put down—on the basis of a mere 38 screening tests, which raises serious questions—but active measures to support this industry have yet to be put in place.

Of course, the government mentioned a few measures to increase maximum compensation to \$600 per animal, but this is not enough. The whole industry must get back on its feet, and all these measures must be retroactive, because the people most affected are those who got involved and who tried to solve this problem from the very beginning.

Is the government obsessed with the idea of complying with the new WTO rules? Is this why it stopped helping farmers over four years ago and why it gutted out these various farm support programs?

Let us not forget that while the American government reduced its global support for agriculture by 23% over a seven-year period, the Canadian government cut its support by 21% over three years. What do our farmers have to gain by complying with the WTO rules before their main competitors who, incidentally, often enjoy a better climate than we do?

*Supply*

• (1115)

The situation in the farming industry is such that it is now essential to reinvest in basic support structures to secure long term sustainability.

Meanwhile, what are the Americans doing? They are supporting farmers. According to the figures released by the American Farm Bureau, subsidies in 1998 will total \$15.2 billion in the United States. This unfair competition raises legitimate concerns among farmers in Canada and elsewhere. While the federal government is abandoning our farmers, the U.S. government is helping their American counterparts to keep their heads above water. Faced with this unfair competition, what should our farmers do?

Are there solutions? I think there are. The first one is very simple. The government must wake up to the seriousness of the situation farmers are facing. Second, the government must sit down with the industry and its representatives to discuss better ways of at least alleviating the effects of the present crisis and, finally, other measures will also have to be taken, which will undoubtedly mean that the federal government will have to increase funding to the farming sector. We cannot stay competitive if we are at a disadvantage.

I will conclude by saying a few words about the situation in Quebec. Obviously, this issue brings home to me all the more clearly the need for the people of Quebec to attain sovereignty because, in continuing to pull out of the farming sector, the federal government has not acted in the interests of Quebec farmers, as I have shown with respect to the sheep and dairy industries.

A Quebec government that was master of its own destiny would have worked exclusively in the interests of Quebec farmers. That is what we did in the case of hogs. We sorted out the situation ourselves, as we are doing with our crop insurance, farm income stabilization insurance and CNRS programs.

Members often do not understand that these companion programs are applied differently in Quebec than in the rest of Canada. The reason for that is that my country, Quebec, takes an interest in farmers.

[*English*]

**Mr. Joe McGuire (Egmont, Lib.):** Mr. Speaker, I congratulate the member for her speech. There are a few things I think should be clarified when it comes to the scrapie situation. The standing committee had extensive hearings on scrapie.

The minister and the department had very close productive discussions with sheep producers in Quebec on the situation they had and the situation with scrapie as far as improvements made to the program being very substantial.

In addition to that, I think something we always forget is that the federal government has transferred \$200 million to the province of

Quebec which chose to spend that money in a different way. Rather than have it for disaster relief, Quebec chose to spend it on price support. When there was nothing to sell because of the disease, the producers were not getting anything.

We have to put some blame on the producers themselves and on the provincial government, which chose to spend the transfers from the federal government in a different way.

If that had been spent differently or if the provincial government now decides to maybe reconsider how to dispense with the transfers, not just in sheep but in hogs and in other livestock, we could have a better program, a NISA type program for the province of Quebec.

[*Translation*]

**Ms. H el ene Alarie:** Mr. Speaker, I am pleased to respond to my kind colleague.

We have indeed had great co-operation from the Standing Committee on Agriculture and Agri-Food in connection with scrapie, but there are two things I need to point out.

First, we cannot accept the lack of retroactivity for those sheep farmers who were the first to subscribe to the wholly federal program of a wholly federal agency, and who in so doing had the honesty and courage to, perhaps, save the Canadian sheep industry. We expect them to get the same compensation as others who will come along in future.

• (1120)

The second question raised by my colleague—and I am glad he raised it because that was what I was saying at the end of my speech—is that, unlike the other provinces, Quebec does not have the same measures for its farm safety-net programs, its companion programs, and does not apply them in the same way.

This is so much the case that a departmental employee—Mr. Richardson, if I remember correctly—told the committee that, even if Quebec wanted to take the famous \$200 million—and Minister Julien wrote to the Minister of Agriculture to this effect—this would be impossible because the rules established with the federal government are different for Quebec than for elsewhere in Canada.

[*English*]

**Mr. Dale Johnston (Wetaskiwin, Ref.):** Mr. Speaker, my colleague talked about a compensation package offered sheep producers who have problems with scrapie. It seems she suggested that the \$600 a head offered in compensation to those sheep producers is not adequate.

*Supply*

As a cattle producer I know that when someone slaughters a cow toward the end of her useful life they may not get much more than \$600 for her.

I was wondering if the member could explain what she thought would be reasonable compensation for victims of the scrapie outbreak.

[*Translation*]

**Ms. Hélène Alarie:** Mr. Speaker, I was probably misunderstood. The \$600 figure was discussed and accepted by industry. We are very much in agreement on this amount.

Our major problem is that the 10% production loss in Quebec will never be properly compensated for because the measure is not retroactive. If the agency cannot allow retroactivity, the minister can create retroactive compensation through an ad hoc program.

I wish to state before this House that Quebec is currently the hardest hit province. Our sheep came from all over Canada and were sold all over Canada. What is happening to us today I would not wish on any other province. No one is exempt from this, however, because there is a very strong genetic link where this disease is concerned.

[*English*]

**Mr. Dick Proctor (Palliser, NDP):** Mr. Speaker, I too am very pleased to take part in this important debate today on the crisis in farm income.

I was looking through notes yesterday and we first started to raise these questions in February of this year, continued on through the spring and we certainly have focused on since parliament has come back on this very important crisis in rural Canada in general, in western Canada in particular.

As colleagues have mentioned, net farm income declined by some 84% in my province of Saskatchewan in 1997 and it looks like it is going to fall by another 40% this year.

My colleague, the member for Regina—Lumsden—Lake Centre, attempted to have an emergency debate on the crisis in farm income on October 5. That was not successful. My colleague, the member for Regina—Qu'Appelle, and I held a news conference in Regina on October 16. We invited some farmers who were particularly hurting from this crisis. Lloyd Pletz who farms north of Bell Prairies was one of those individuals. He told the assembled media that day "I'm finished. I have no way to hang on". Donnett Elder, who was also attending, has worked in the farm stress area answering phones for the past 10 years and she reports that it has never been worse out there with the phone ringing off the hook from farmers who are terribly concerned about the situation. She is looking at a \$40,000 shortfall in 1998.

I mention people like Lloyd Pletz and Donnett Elder because we are attempting to put a face on a very serious and growing crisis.

• (1125 )

I know the word crisis is a frequently overused word but it is a word that certainly applies in this instance. The Canadian Federation of Agriculture has noted that net farm income will decline by 40% overall and we are even looking at worse numbers on the prairies. It is incredible when one adds in the 84% loss in Saskatchewan and then add to that 40% to 45% this year. For farmers in Alberta it is 35% and in Manitoba it is 40%. Hog farmers virtually from coast to coast are looking at losses of \$40 per animal when they get them to market.

This crisis is largely as a result of economic and trade conditions over the last couple of years. The economic meltdown in southeast Asia has been a large part of it. However, other countries have the same problems, not just Canada. Farmers in European countries and in the United States would face similar problems but their governments have taken steps to cushion the blow and reduce the impact on farmers in those communities.

In Canada we are left with the situation where so far the minister of agriculture agrees that there is a crisis but nobody is yet prepared to do anything about it. It reminds me of the old tea ad "only in Canada, you say".

The U.S. administration is kicking in \$2.857 billion under market loss payments. It begins today to help offset heavy losses resulting from historic low commodity prices, the very same problems many Canadian farmers are facing. European farmers are receiving a subsidy for wheat of up to \$205 Canadian a tonne, well above the current projected world price.

We have been told by our senior international trade negotiator that in the United States the subsidy support for wheat farmers is some five times higher for American wheat than what is available to their Canadian counterpart. The bottom line is that Canadian farmers simply cannot compete.

Canadian farmers are as good as any in the world. We hope we have a goal in to double our agricultural exports by 2005 but there is no way Canadian farmers can do that without some help soon from their governments.

I asked yesterday in the House when help was going to be forthcoming to ensure that farmers were planning to plant a spring crop in 1999 rather than planning for an auction sale in the same year.

The United States is pumping up farm subsidies which are not countervails by the WTO or the GATT. Europeans are pumping up, as I noted a minute ago. Here at home help for our farmers has been slashed significantly.

*Supply*

In 1993 when the WTO was negotiated, Canada agreed to reduce its subsidies on agriculture by about a billion dollars over five years. In other words, we are going from \$5 billion to \$4 billion over the course of five years. In the usual boy scout way that Canada often operates, we have done much better than that. We have slashed some 60% of farm subsidies. We have gone from \$5 billion to perhaps \$2 billion and some people insist that it is probably less than \$1 billion in subsidies at the moment.

We look good on the international stage but our farmers are really in dire straits. They have paid more than their fair share on the war on the deficit. It is time for a reinvestment in agriculture.

In Saskatchewan net farm income is forecast for this year to be \$320 million less than it was last year. Just in passing, that is almost exactly what Saskatchewan farmers used to receive from the Crow benefit.

• (1130)

Another aspect of this argument is that Canada has been assisted greatly by Canadian farmers in balancing the books because of our agricultural exports. If there is not some action taken quickly I am very concerned there is a great danger we will end up killing the goose that laid the golden egg.

The minister continually relies on the net income stabilization account and crop insurance. He says that they are very good programs. For the sake of argument I will not disagree with that except to say that they are not answers to the problems we are facing now. NISA and crop insurance were not designed to look after low commodity prices or the ice storm of last year.

Another point the minister makes constant reference to is that most farmers in NISA—and we heard him say that again this morning—on average have some \$18,000 in their accounts. I saw some numbers recently in terms of NISA which I would like to share with the House.

Farmers earning between \$10,000 and \$75,000 per year gross income on their operations account for some 62% of all farmers. The average amount in their NISA accounts is not \$18,000 a year. It is not \$12,000. It is not even \$6,000. The average in the NISA accounts of the smaller farmer is \$5,925 per year. It is scarcely worth talking about. It certainly is not a program that can be relied upon to assist farmers in the emergency they find themselves in now.

My time is just about up. We are seeing farm costs increasing sharply. There has been a 21% increase in machinery over the last five years. Fertilizer is up 57% and chemicals, 63%. I asked the minister what he was doing about cost recovery, about the \$138 million more that Canadian farmers are paying for things that are not counter to GATT or the WTO.

We in this corner of the House are very concerned that the Liberals are continuing to dismantle rural Canada. The rail system,

the transportation system, is in sad shape. The costs are three times higher for shipping grain to the coast.

We are asking for help for the farm sector. We feel that the minister could redeem himself and his government by announcing today that he is prepared to help out farmers with long term disaster relief.

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, I have a question for the hon. member for Palliser. He talked about the NISA program and how the minister of agriculture basically held it up as being the be-all and end-all of the farm crisis. Today we heard the Leader of the Opposition suggest that support mechanisms should not be put in place but that it should be long term tax breaks.

Could the member for Palliser give me some indication as to what his party would actually like to see with respect to farm support programs? Does he have any idea how they should be delivered to agriculturalists or producers that will have some difficulty putting crops in this coming spring season?

**Mr. Dick Proctor:** Mr. Speaker, we certainly do not have a problem with some long term tax breaks for farmers. Our concern is that we have to do something immediately because it will take some time. This is a crisis situation that demands an immediate response.

We have to support Canadian farmers as the Europeans are supporting their farmers and as the Americans are supporting U.S. farmers, or we will see such an exodus from the land that it will scarcely be believed.

There is no question we are witnessing the end of the family farm. We are moving to agribusiness and corporate farms. Perhaps a few new generation co-ops will be sprinkled in, but by and large we are seeing a real revolution in agriculture which will be hastened without help from the government.

• (1135)

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, I listened to the NDP member describe how we need relief and how we need it immediately. I agree. It is a desperate situation and we have to do something right now.

The devil is in the details. How would members propose to deliver this relief? How would they make sure that it gets to whom it belongs?

**Mr. Dick Proctor:** Mr. Speaker, there is no question that the government could very quickly ascertain who requires relief. I notice the U.S. secretary of agriculture is saying that the \$2.857 billion support program coming into effect today will go exclusively to farmers who need it.

I disagree with the minister of agriculture when he says it will end up that millions of dollars will go to big farmers who basically do not need it. The Americans know which farmers require help



*Supply*

and which farmers qualify. I am sure the Canadian department of agriculture can devise ways to ensure it goes without any great difficulty to the folks who really need it.

**Mr. Allan Kerpan (Blackstrap, Ref.):** Mr. Speaker, certainly over the last days, weeks and months there has been a call from throughout Saskatchewan and western Canada for some type of farm support program.

The hon. member for Palliser, by the way, has become the member of parliament for a large part of my old riding of Moose Jaw—Lake Centre. How much does he think needs to be put on the table as part of a farm support program? What percentage would need to go to Saskatchewan or any other particular area, given the fact that the numbers we have heard this morning certainly vary from area to area? Some areas are in much worse conditions. Obviously Saskatchewan is one of those areas that is in very dire straits.

**Mr. Dick Proctor:** Mr. Speaker, I appreciate the question. I think we are talking in the hundreds of millions of dollars, somewhat under \$1 billion.

In terms of what would go to Saskatchewan and Manitoba, which everyone recognizes are the two provinces under the most stress at the moment, I would not be able to hazard a guess. I would assume they would take a significant portion of that money.

When the hon. member for Regina—Qu'Appelle and I met with the media a few weeks ago, we talked about somewhere between \$500 million to \$700 million to deal with the situation.

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, the issue on the floor of the House of Commons today is a very important one. It is more so important perhaps to my constituents and me than to a lot of other members on either the government side or the opposition benches.

I will clarify that by simply saying that coming from Brandon—Souris the economic backbone of my constituency is without question agriculture. Both from a direct and indirect standpoint the total economy developed in my community is based on agriculture. Therefore I feel very comfortable and very privileged to speak in the House, hopefully with some ability to convince the government the situation we are facing right now is one of crisis. That word has been used substantially today. I cannot help but use it again to identify the total crisis in the farm economy today.

I would like to thank the Reform Party, once and probably the last time in my illustrious political career, for putting the motion on the floor today so that we have an opportunity to debate it.

**Some hon. members:** Hear, hear.

**Mr. Rick Borotsik:** I do not think those members should get on their high horse just yet because there is a but here. I find it ironic that a party which obviously comes from the grassroots of Alberta, Saskatchewan and British Columbia would not make it a votable motion so that the government's feet would be held to the fire. Then government members would have to stand and indicate which way they voted on the motion.

• (1140)

As the Leader of the Opposition mentioned, the motion speaks more to long term tax relief. As was mentioned earlier, I do not think there is as member on this side of the House, and perhaps on that side of the House, who does not agree with long term tax relief. However long term tax relief does not solve the problem we face today.

Being that I come from the wheat city I get an awful lot of people coming through my constituency office. I can honestly say—and I am pleased to say it—that many of the people who are coming through my door now perhaps would not have come through my door a year or two years ago.

These are farmer producers who have suffered in silence throughout the decade or the numbers of years of downturn in the farm economy. Quite frankly there is no more suffering in silence. They are coming through the door and saying “Rick, this is not good for agriculture”. They are saying that if something is not done within the next three to six months they will not be able to put in a crop this spring.

They are saying that they have suffered in silence and have done all they possibly could. They have taken the equity out of their land. They have taken the equity out of their farms. Their operating lines are to the maximum right now. Unfortunately there is no more help on the horizon. If they try to go to their suppliers or if they try to go to the banks to get more money to put in their crops, they will be told to sell their land, that there is no hope.

If we as Canadians want to get farmer producers off their land, we are heading in the right direction. My party and I say that help should be put in place today. We should not look five or ten years down the road when we can in fact bring in tax reforms and give them some relief from their taxes. The producers I talk to do not pay taxes because they have no income. They are not generating income and therefore are not paying taxes. Tax relief will not help them. They need support programs to offset the American and EU support programs that are in place.

Let me give some examples of what is happening out there. It is not simply the producers who will be affected. It is the community that producers support on a regular basis. I am talking about the industries that will be affected such as bulk fuel dealers, implement dealers, grocery stores and people who sell goods and services to farm producers. The economy goes around. If there is no income in

*Supply*

the farm economy there is no income in the communities. When those industries stand up and do not suffer in silence the government may well get the message.

Let me give some examples of what is happening in the farm economy. I have received a number of letters, but I pulled this one from a farm wife. She sent me a copy of the grain receipt statements she received when her husband delivered his wheat quota for this spring. They sent in \$19,677 worth of grain or almost \$20,000 worth. The deductions for elevation, transportation and cleaning were \$6,281. They received approximately \$12,000 from \$19,000 or \$20,000 worth of grain.

That would be fine if that \$19,000 worth of grain could have been \$40,000 or a reasonable amount to compensate them for putting the crop in the ground. It is not. It is \$20,000 and a third of it goes to other uncontrollable costs. The \$12,000 they received is not sufficient to be able to break even with their inputs and what it cost them to produce the commodity.

Another gentleman walked into my office and gave me a complete financial statement of what it cost him to put in 160 acres of crop and his return.

• (1145)

These are producers who are good managers. These are producers who have done everything right. The problem they found is that they cannot sell the commodity for what it is worth.

An individual producer walked in, showed me his financials and said for every quarter section of land that he puts in right now, he is losing \$115. That does not include the debt servicing of the land. That is strictly the input cost and the revenue that is coming off the land.

Would anybody here stay in business and produce a commodity that will be less than what it costs to grow or produce? The answer is that it cannot be done very often unless the equity comes out of the land. That is what they are doing right now.

When our government was in power we supported agriculture. Currently we have the ability under our trade agreements to have support programs in place that would equal \$3 billion to \$4 billion annually.

Currently that contribution is less than \$1 billion, so there is room within the trade negotiations that we have already entered into but the government in its wisdom has decided that the agricultural producer is to take a great deal of the burden when dealing with the deficit that it so gladly says it has brought under control.

Let me give an understanding regarding what we did for agricultural producers. We have a record of stating quite emphatically that we will support agriculture.

Between 1984 and 1985 support for our farmers was greater than ever before. Crop and income insurance totalled \$21.7 billion. The PC government eased the burden of borrowing from the Farm Credit Corporation by setting up new programs like low interest refinancing of loans with the size of payments tied to price of products.

Farmers were also helped by a one time interest rate cut for those locked into long term loans with high rates. Farm debt review boards were set up to help farmers in financial trouble make arrangements with their creditors. A special fund was set up to help restructure debts.

We eased farm input costs with rebates on gasoline and diesel fuel bought for farm use. We doubled the ceiling for advance payments under the Advance Payments for Crops Act. We changed the Farm Improvement Loans Act so that farmers could borrow money not only to improve their farms but to diversify and develop new marketing ideas.

Grains and oilseeds farmers hurt by the 1988 drought received \$850 million in emergency help. In 1985-86 and 1986-87, \$146 million helped farmers through another season with no rain. A \$15 million rural water development program was set up in 1988-89. I could go on and on.

We were there when farmers needed us. All I am asking is that this government be there when producers need it today. It is very difficult to say what has to be said in 10 minutes, so I ask for questions and comments. I would love to have more time.

**The Acting Speaker (Mr. McClelland):** There is a lot of interest in questions and comments. We will do it very quickly. The questions will be one minute and responses will be one minute. I will be on my feet in 60 seconds. Make sure you have framed your question and your response. That is what you will get, not one second more.

**Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.):** Mr. Speaker, I have not spoken on this issue yet and I hope to do a five minute but I do want to ask the hon. member a question. He said his party has a record of stating it would support Canadian farmers.

The hon. member should know that in the last election, under the famous Tory blue book, the Tories wanted to take \$600 million out of the ministry of agriculture. It says: "The first is to merge four existing federal departments: Agriculture and Agri-Food, Environment, Fisheries and Oceans, and Natural Resources. A Jean Charest government will continue to expand the practice of cost recovery. With the trend of these negotiations, a Jean Charest government will be moving to reduce and eventually eliminate all farm subsidies. Since agricultural subsidy programs will inevitably be phased out around the world, there is a distinct advantage to Canadian farmers of making this transition as soon as possible".

I want to ask the hon. member how he can—

*Supply*

**The Acting Speaker (Mr. McClelland):** The hon. member for Brandon—Souris.

• (1150)

**Mr. Rick Borotsik:** Mr. Speaker, it is nice to see that the member can read another platform. It is too bad that they cannot put into place their own platforms right now to support agriculture.

What we did say emphatically is that there would be an amalgamation of a number of departments. The money saved from the administrative function of those departments, however, would go back to the people who really deserved it, the producers. That was the premise of that policy.

With respect to the hon. member's position as to whether subsidization should be stopped, times change. It is unfortunate that the government cannot deal with the change in what is going on around us right now in the global economy. Those negotiations were in place and subsidies were to be reduced from the EU and the U.S. It is not subsidies—

**The Acting Speaker (Mr. McClelland):** The hon. member for Regina—Qu'Appelle.

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP):** Mr. Speaker, my question to the member is based on the emergency we face today.

Net farm income in Saskatchewan fell by 84% in 1997. It has gone down again in 1998. What we want in our party is an emergency aid project or program now for the farmers, some emergency aid to the farmers who really need it.

I want to know whether we can count on the Progressive Conservative Party of Canada to support an emergency aid program now. I know it is in the midst of a leadership race. I think Joe Clark is very understanding of that. If I were a Tory, by the way, I would support Joe Clark, but I am not a Tory.

My concern is that I hear that David Orchard is coming on like gangbusters in the Conservative Party. With David Orchard coming on like gangbusters, can the hon. member assure us that if David Orchard is the new leader of that party he would take a stand on supporting emergency aid? I know Joe Clark would but I am worried about David Orchard.

**Mr. Rick Borotsik:** Mr. Speaker, I am very surprised actually because David Orchard espouses the policies of the NDP. It is nice to see that the hon. member would support Joe Clark, as I have done right from the beginning.

I do not like to refer to it as emergency aid. As the minister has rightfully said, we do not want ad hoc programs. We have always said in this party that what we need is a crisis program, a natural disaster program to deal with crises, the ice storm, the Red River flooding, the commodity crisis in the marketplace right now. Yes, we need a program in place to provide the necessary financial

resources for farmers to put in the spring crop. I cannot say that any more emphatically. That is what we would support and I would be more than happy to put our vote on the table.

David Orchard, fortunately for our purposes, will not be in our party much longer. I am sure he will be embraced by his previous party, the NDP.

**Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.):** Mr. Speaker, I am glad the member for Brandon—Souris would like to see this motion votable. He must know that it is a longstanding policy of the Reform Party that we want to see all motions votable. I hope his party would support us in that initiative.

He said he has farmer members in his constituency who do not pay any taxes because their income is not high enough to get them into income tax level. These people must not buy anything because everything they buy contains an enormous tax component. The taxes paid by everybody else get passed down to them through their purchases.

I did some calculations a few years ago and worked it out that 50% of a farmer's input costs were taxes paid by other people. Would the hon. member please explain?

**Mr. Rick Borotsik:** Mr. Speaker, it is very laudable to suggest that every motion should be votable, and we agree. Had the Reform Party felt that this was a very serious issue, I am sure it could have made it one of its votable supply days.

As for taxation, I agree with the member that producers pay taxes as do every other sector of society in Canadian life. What I said was that the tax relief program put forward by the official opposition will not resolve the problem we have today. A five or ten year tax regime ultimately is the best thing for Canadians. It will not resolve the problem of those producers who cannot put a crop in this spring. That means there has to be support programs put into place.

If the Reform Party wants to hang its hat on a five year program of tax relief, then unfortunately the people now finding themselves in difficulty will not be around in five years to support its tax relief program.

• (1155)

**Mr. Garry Breitkreuz:** Mr. Speaker, I rise on a point of order. The member for Brandon—Souris was interested in more time. We got unanimous consent in questions and comments earlier to extend that. I wonder if we could extend it for a few more moments. Many people would like to address some of the concerns he raised.

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

**Some hon. members:** Agreed.

**An hon. member:** No.

*Supply*

**Mr. Jake E. Hoepfner (Portage—Lisgar, Ref.):** Mr. Speaker, this is an interesting debate as the debates usually are when we talk about agriculture. It is a very sad day when we get up in the House and talk about the problems on farms. Our producers put food on the tables of everybody in Canada and supply that same commodity to millions of people around the world. It is not just a tragedy but a crime that they cannot maintain a lifestyle where they can put food on their own tables.

I will tell the House of the kinds of subsidies we farmers have to put up with. The European farmer gets \$175 an acre to sow his crop and grow it. That is right off the start. Then he is guaranteed that if there is a surplus they will at least pay \$2 a bushel to the exporter to get rid of the product. That is what Canadian farmers are dealing with. It is disastrous out there in farmland today.

When the World Trade Organization was negotiating, our trade negotiators agreed to a 15% reduction in subsidies on farms. That is what everybody was supposed to follow. We reduced subsidies by 85%. We gave them an unlevel playing field that would break every single farmer in western Canada. This put the feed prices down to such a level that every farmer who had a buck went into a livestock operation. Governments encouraged that. Today the hog industry in Saskatchewan alone is losing \$20 million every six months. How long do we think that industry can survive? It is impossible.

I was astounded when I picked up a paper with a backgrounder about what was going on. The Canadian Wheat Board suddenly realized that they are the lowest prices in the last four years. Where was this organization in 1995-96 when prices were the highest in the world? Instead of selling our grain the board allowed it to back up in our bins. It had a million bushels of wheat left over which was more wheat than it had the previous year.

Finally Mr. Beswick got fed up with this type of marketing and quit. He told western Canadian farmers that in the last year the board had lost western barley producers \$180 million. That kind of marketing system does not work. The wheat board is there for a purpose. It is supposed to get us the best price, not the worst price. That is why farmers are in trouble. Did the Liberals know about this? I think they did. I think they had a policy in 1993.

No matter what happens with commodity prices, the Americans and the Europeans are going to look after their farmers. This is what the Americans have done so far. They just passed a bill that will give \$3 billion in market losses to farmers in the U.S. They have agreed that law makers will give a tax break worth around \$4 billion for farmers and small businesses.

The hon. gentleman from Brandon—Souris said farmers do not pay any taxes. I paid my property taxes last week. Grain prices in wheat and barley markets have been dropping by 40% to 70% but

my property taxes have gone up by 9%. That is what happened to my input costs. That is what we are dealing with. Not only that, but look at the parts prices. If we want to fix a combine, a tractor, a lawnmower, the prices have escalated to points where we just cannot afford to operate these things any more.

• (1200)

**An hon. member:** We have to buy them from the U.S.

**Mr. Jake E. Hoepfner:** That is another thing. My hon. colleague remarks that we have to buy them from the U.S. in Canadian dollars and we know what they are worth. There is a tragedy out there.

When the American government negotiated at the World Trade Organization meeting it maintained at that time 24% of its subsidies in a green box which is allowable. Our Canadian government only maintained 8%.

That is what is going on in western Canada today. That is what we are dealing with. I do not know what I can say to impress upon people how serious it is.

I came through the crisis in commodity prices in 1969-70 when farmers were forced to sell three bushels of barley for \$1. Seventy cents would buy any amount of wheat to put into a feedlot.

When the Liberal government came to power in 1970 or 1971, western farmers asked the Prime Minister who had created a just society to please help them sell their wheat. What happened? He gave them the finger. That is how the Liberal government looks after farmers and agriculture.

I am told here today that the agriculture minister said farmers should not be able to farm as an occupation, that they should have a job off the farm. Is this government trying to create an industry like the one there was in the Soviet Union? People worked at a full day's job and then grew their food. Using a small spade in their gardens they supplied one-third of all the food that was produced in the Soviet Union.

If we want to see what can happen to a country where the farmers are protected and where farming is not profitable, just go over there. Pay them a visit. Today, if the American government does not give that country free grain, people will starve to death because they cannot afford to buy it. That country owes billions of dollars to other countries. That country was number one in 1981 when I visited there. That country was the mightiest power in the world. Because that country did not look after its economy in the local market and its farmers, it is now the world's biggest basket case. From 1912 to 1917 it was the bread basket of Europe. That country

has half of the agricultural land in Europe and today it is begging other countries to give it food so people will not starve to death.

That is how serious the situation is in western Canada. The majority of farm families today have one of the partners and in many cases both partners out working. They cannot survive even if they get other jobs. That is why this government has to look at what these farmers need.

The Liberals promised in the 1993 election that they were going to come in with a whole farm support program that would look after us if we had to fight the European subsidies. They have reneged on that. Not only have they reneged on it, but they have also done away with the programs we had. On the NISA program, which they brag about, we were just told today in West Block by witnesses who were appearing that out of 140,000 NISA accounts, 42,000 have less than \$1,000 in them.

Young farmers cannot survive today. If we want the young farmers on the unemployment line, they will be there. Very soon it will not just be Case or Flexi-Coil that shut down their lines of production. There will be shutdowns in other industries.

If we want to have people stay in their jobs not just in the farming industry, it is important that we make the farm viable. Today in western Canada 45% of all jobs have some link to agriculture. If that is not maintained, the \$7 billion surplus in the EI fund will be eaten up and will disappear.

• (1205)

The government has a choice. It should help make farmers viable and give them support until the markets again give them a chance to operate on their own. Tax relief is important. When I look at the taxes I pay on my property and I lose anywhere from \$30 to \$50 an acre, that is unfair. That should not be happening.

**Mr. Rick Borotsik (Brandon—Souris, PC):** Mr. Speaker, as a point of clarification, when I said the tax relief situation was not sufficient to make sure producers were back on the land this spring, what I said was that they do not pay enough personal income tax or corporate income tax, that any type of tax relief would make the difference.

The hon. member talks about property taxes. I am sure he recognizes that is not a jurisdiction of the federal government but in fact is the jurisdiction of municipal government whom he should probably talk to if his property taxes are too high. Any tax relief would not relieve him of anything on his municipal property taxes.

I listened to the Leader of the Opposition say let us negotiate, let us get out of the subsidies with the EU and the U.S., let us make sure that there is tax relief. He did not mention the fact that there has to be support programs today. The member said that there have to be support programs. Would the member please clarify that the

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Reform Party is advocating relief and support programs right now for this year's agriculture.

**Mr. Jake E. Hoepfner:** Mr. Speaker, I appreciate that question from the hon. member.

I want to point out to him that about 60% of my property taxes are education taxes. Part of that comes from the federal government in transfer payments so it does affect me on my property taxes.

Look at the farm input costs on fuel. The tax on that is almost prohibitive not just to the farmers but to the railways and truckers for delivering the product. That is where we can reduce the taxes.

If we were to take away all the hidden taxes I would bet there would not be 10% of the costs. On a combine that costs \$130,000 I am told there is only \$13,000 of physical property costs in that. The rest is all taxes and labour. We are paying a lot of tax and we are not getting anything in return for it.

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, what is it the Reform Party would like to see done first? Its motion reads that Canada should defend the interests of farmers by challenging the unfair subsidies and unfair trading practices of foreign countries, and that failing that it should come up with emergency measures to provide tax relief, lower input costs, reduce user fees and address the inadequacies of the farm safety net programs. Before the hon. member answers, I would like to know which one the party wants first. I would say that if there is no emergency relief right away, it does not matter about the first suggestion.

I do wish to remind the Reform Party as it so eloquently fights for farmers on the central Canadian plains, as does the NDP, we also have a crisis in farming on the east coast in Nova Scotia, particularly in the Annapolis Valley and the Musquodoboit Valley.

I wanted to remind the member of the crisis we are facing as well. I would also like him to answer the question I asked.

**Mr. Jake E. Hoepfner:** Mr. Speaker, I thank the hon. member for the question.

In 1993 our trade negotiators knew what kind of subsidies we were fighting and what had to be done to get a market that would be fair and provide a level playing field to farmers in North America. That was not done. That was neglected. We were sympathetic to what had to be done. Instead of reducing our subsidies 15%, we reduced them 85%.

• (1210)

Farmers were willing to do that because they knew what the problem was. As long as there was a market and decent prices, we did not complain about losing the extra profit. Today that has to be returned to the farming sector. The unfairness of the deal negotiated by the trade negotiators was not the fault of the farmers. It

*Supply*

was the government's fault. The Liberals are the government. We as the opposition can only point out to them what the problem is and what funds are needed.

The government does the books and it has to make sure that the money is somewhere. I do not think farmers care from where it comes, whether it is out of NISA or out of the GRIP program which was dissolved in all three prairie provinces. Farmers have to have some support to tide them over until we get a level playing field and prices improve. And they will.

In 1971 the government gave us \$6 an acre to summer fallow and we had a billion bushels of wheat that we could not sell. By 1974 we could not find a kernel of wheat in a granary anywhere because the demand was there. When millions of people are starving to death—

**The Acting Speaker (Mr. McClelland):** Resuming debate.

**Mr. Rick Casson (Lethbridge, Ref.):** Mr. Speaker, I would like to ask for consent to split my time with the member for Dauphin—Swan River. This is an important issue to many of us and he would like a few minutes to voice his opinion.

**The Acting Speaker (Mr. McClelland):** The hon. member for Lethbridge would like to split his time. The member would have five minutes on debate and two and one-half minutes for questions and comments. Is it agreed?

**Some hon. members:** Agreed.

**Mr. Rick Casson:** Mr. Speaker, we have talked about a lot of issues today but the main thing which was pointed out by the member from the NDP is that this is a Canadian issue from coast to coast. All farmers are being affected by this. The problems as we see them are that we are facing the lowest commodity prices in years and farm incomes have dropped right off the table. There are some reasons for this.

We have border disputes which are mainly due to poor regulations and losses at the trade table. Farmers are not allowed to compete fairly with choice in the market. We are facing unfair subsidies by the EU and U.S. governments. The government has not helped, as I mentioned, at the trade tables. The NISA program is not sufficient and was not designed to handle this magnitude of a problem across Canada. This government has been unprepared and unwilling to come forward and admit that there is a problem. There are high freight costs across the country and our transportation system is in disarray.

Our motion points out some things that the Reform Party proposes could be done to rectify the problem.

Canadian farmers are facing some of the toughest times they have seen in 30 years. Farmers are accustomed to having to deal with the cyclical patterns of the markets. However, prices of nearly

all major farm commodities are down drastically and not just down seriously.

Farmers are worried about the border trade disputes, whether they will have enough cash to seed next spring, even whether they will have enough cash to pay their bills at the end of this year. When farmers cannot pay their bills, it has far-reaching effects right across our economy. Gross farm income continues to decline yet input prices continue to rise. How are our farmers supposed to survive? What is at the root of these problems? There are many things but I will try to elaborate on a few.

There are American and European farmers who seek massive subsidies from their governments. European farmers are having a record year. American farmers are in line for nearly a \$6 billion handout and they will receive tax breaks, something that we have been requesting for many, many years. Give our Canadian taxpayers a break.

This government has not offered Canadian farmers any of these things. Canada has been very diligent in cutting off its subsidies when it comes to agriculture. The government has repeatedly thrown Canadian farmers to the wolves, all in the name of WTO.

This government has not protected our farmers. Our farmers are the ones who put food on the table for every Canadian and they do it with a passion. Canadian farming is not just a business, it is a way of life. It is a way of life that is unique and important to Canada.

As a result of cutting the Crow rate, producers have had to absorb the full cost of freight which is sometimes as high as 33% of the cost of production. Railway lines have been abandoned. Producers who 20 years ago had to pay for the upgrading of railway lines are now facing the prospect of these same lines closing. The government is so short-sighted that it does not realize the implications of this. It does not understand that a huge increase in truck traffic will require a huge increase in road upkeep.

• (1215)

The Canadian government collects \$2.7 billion in fuel taxes from the four western provinces, yet it only returns \$35 million. These taxes are supposed to be used for road maintenance, but most of it disappears into general revenue. The roads in this country will be ground into dust if the government does not return the money that has been sucked out of the provinces.

In my area, the intensive livestock area, the fact that the infrastructure cannot handle the switch that the farmers have made into intensive livestock is the subject of much debate. They are paying money every time they start their vehicle through fuel taxes, but that money is not being returned to upkeep the infrastructure.

The government has no comprehensive plan to deal with this situation. NISA is not the answer. As has been pointed out, many

*Supply*

of the NISA accounts have \$1,000 in them and the average account is \$18,000. That does not go very far in paying a farmer's bills.

The Reform Party supports our farmers. It has consistently been the voice for the man in the field. This government has shown that time and time again it does not care about farmers. It has been in power for over five years and has done nothing to improve the lot of our agriculture community. This government is in control of the next budget. When will it make agriculture a priority?

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, the west coast fisheries report came out today and there is one statement in it that applies very equitably to agriculture and farming in this country. It says "Our fisheries and marine policy on the west coast is a perfect example of how Canada does not work, how unaccountable and dysfunctional our system of government can be". If we get rid of the words "fisheries and marine policy" and replace them with "farming and agriculture policy" would the member not agree that statement is accurate when it comes to farming and agriculture in this country?

**Mr. Rick Casson:** Mr. Speaker, the basis of the problem is receiving fair value for the product produced, whatever that product may be.

The agriculture community is one of the only areas where farmers have no influence over their input costs. They have no influence over the taxes they pay and somebody else tells them how much they are going to get when they sell their product.

Speaking personally, I have a small farm. I hauled in my crop this year and sold it through the board. It was durum wheat. I had 100 tonnes of crop off a quarter section of dry land and I received \$7,300 net in my pocket. It does not matter how many quarter sections there are, that is not going to cut it. That does not pay the bills and it does not put food on the table. It does not keep the economy going.

We could apply that to any industry, whether it be fisheries, farming, forestry or our retail sector. Anybody who is in business, and farming is a business, has to receive a fair price for the product they are producing. That is what we are after.

**Mr. Inky Mark (Dauphin—Swan River, Ref.):** Mr. Speaker, first I would like to thank the member for Lethbridge for splitting his precious time with me.

My riding is Dauphin—Swan River and it certainly is a rural riding. Farming is the backbone of the riding. There is no doubt that the health of all the communities in my riding depends on the cash in the pockets of farmers.

There is a real farm crisis whether the government realizes it or not. It is impacting farmers, and certainly farm families, as many

of them are going broke and they rely on farming for their livelihood.

I have received a countless number of calls on this issue. At times as a member of parliament I feel very helpless. All I can do is bring the messages to this House and I am very glad to have the opportunity to relate those messages to members of this House today. Hopefully the government will listen to the real people in the ridings.

I would like to put some face to the concerned farmers and farming families and tell the House what they have asked me to do. I will begin by saying that the president of KAP, the Keystone Agricultural Producers Inc., has talked to me about the crisis in farming. This organization represents many farm producers in Manitoba.

• (1220)

Those producers are very concerned. This is not only a crisis in Manitoba, it is a crisis in all of western Canada. In the upcoming months KAP will host meetings throughout the province to listen to farmers.

A lady by the name of Audrey Warkentin from Fork River called me. She is concerned that their family farm is at risk of going under. She is concerned about the prices at this time because they cannot meet cash requirements.

David Hanlin from Miniota in my riding wanted to talk about the low prices of grain and the high prices of chemicals and machinery. The price of grain has bottomed out. He tells me it will eventually put him out of business.

Stan Yaskiw of Birtle, Manitoba, is very concerned about the farm economy as it has been impacting his life and his family.

Bert Stewart of Benito, Manitoba, is concerned about the farming economy and low prices. The cash crunch is impacting on his family farm. He has farmed most of his life.

Don Ray from Russell, Manitoba, called about the low grain prices and his farm income, which is in jeopardy. He told me that he has 1,500 acres and that it requires \$250 an acre to maintain equipment and pay for fuel. He has also experienced a crop loss due to flooding, not from a flood like the one in Winnipeg, but from too much rain. Part of my riding received too much rain over the past summer. In his area there were numerous fields which were flooded. There was a 50% loss due to excessive moisture. He wants to know how the government can help him survive as a farmer.

Bert Stewart from Benito has the same concerns. In fact, 55 cents per bushel of barley puts him at great risk. He told me that 333 bottles of beer are produced from one bushel of barley. He would like to see some of those returns.

*Supply*

Cam Mateika from Swan River is paying more for freight now and he is getting less money for his crops. He cannot survive. He says that many farmers are talking the same way. There certainly is a crisis out there.

David Wilson from Rapid City has a problem surviving. He says that GRIP has been a total disaster as far as he is concerned. Farmers were counting on it. He has also heard many horror stories about NISA.

Barry Durston, another constituent of mine, is concerned about commodity prices, freight rates and NISA. He is not happy with the whole business of NISA and how it has been dealt with.

There is a crisis out there. People are pleading for help. These are real people. The government needs to be accountable to these people. We help people in crisis situations like the ice storm and floods. This is a time when the government needs to help people who farm for a living because their livelihood is at stake.

**Mr. Joe McGuire (Egmont, Lib.):** Mr. Speaker, I thank the member for Dauphin—Swan River for his remarks.

The member comes from a province with the most diversified agricultural base in western Canada, and people have done a lot in that regard. They do not rely on one or two crops. They are very diversified these days. They are even growing a lot of potatoes. They are in competition with my province.

He has brought up individual situations. I would like to have his comments on the fact that the government has to take into consideration the suffering of all farmers and the different commodities across Canada. We cannot take an ad hoc approach and simply write a cheque today. We have to look at the statistics and we have to look at individuals on an individual basis to ascertain who is most in need and who has been taking advantage of the NISA program.

• (1225)

This is going to take a little time. I do not think the hon. member wants us to sit down tonight, write a cheque and send it to Manitoba. The government has to get in touch with its provincial counterparts, with the producers in those provinces and in those commodities and do what is right.

I would like to know if the member agrees with that way of doing things.

**Mr. Inky Mark:** Mr. Speaker, I appreciate the comments of the hon. member opposite.

The difference here is that farmers in the west are open to the global impact of markets and farmers down east do not have that. We do not have the protection of marketing boards.

Yes, we are talking about farmers who diversify. They grow different crops, and not only cash crops, they also have cattle and

hogs. But the whole bottom is falling out because of what is happening on the international markets.

The domestic market in eastern Canada is protected by marketing boards, but western farmers do not have that protection and safeguard.

I would state at this time, because of the circumstances, that the farmers out west do need help. It is a time of crisis for them and their livelihood totally depends on that help.

[*Translation*]

**Mr. Denis Paradis (Brome—Missisquoi, Lib.):** Mr. Speaker, first of all, I would like to inform you that I will be sharing my time with one of my colleagues.

I think it is indeed worthwhile to take whatever time is required to look at the situation of the agricultural industry across Canada. Needless to say it is an industry of vital importance. The agri-food industry accounts for about 9% of Canada's gross domestic product, employs nearly two million people and generates almost \$91 billion a year in sales on the domestic market. It is appropriate to take stock of what is going on in the industry and paint a realistic picture of the current situation.

Nationally, net farm income is expected to drop from the 1997 record level, given the prices of major commodities like pork, cattle and grains, which undergo cyclical downturns, and the fact that some of our best foreign markets have been affected by the so-called Asian flu.

In addition, depreciation expenses will grow in 1998 to take into account the substantial capital investments made in this industry in recent years. It is also to be expected that Saskatchewan and Manitoba will be particularly hard hit. However, I want to make it clear that this is not a widespread situation. Cyclical downturns do not affect all industries the same way.

For instance, income from dairy, eggs, poultry and horticulture will remain stable. Farm cash receipts in a number of industries have actually been good these past few years, resulting in record revenues in 1997. However, it is important to recognize that the difficulties experienced in the agricultural industry are part of a much larger economic problem. Indeed, no one is immune to the Asian flu.

As the finance minister indicated in his economic and financial update last week, most countries in the world are experiencing a recession, and the International Monetary Fund now predicts 2% economic growth worldwide this year, instead of the 3.1% growth forecast just months ago.

Stock markets around the world have plunged, and commodity prices have dropped nearly 30% from the peak reached at the end of 1996. In absolute terms, they are now closer to their all-time low since the early 1970s.



But the global economy will recover from this difficult period, as it has in the past, and Canada is in a particularly good position, because it has put its fiscal house in order.

In the agricultural industry, the price of most of the products that we sell has always been determined by world markets. When commodity prices go down, farm income does also. Conversely, when the global economy is on the upswing and commodity prices bounce back, farm income follows the same trend.

● (1230)

Farmers will tell us that cyclical downturns are unavoidable, that they often anticipate them, and that they do their best to cope with the situation.

As a government, we have done our best to help farmers prepare for cyclical downturns and we continue to do so. The Standing Committee on Agriculture and Agri-Food is currently hearing representations from those concerned, so that, together, we can find solutions to provide greater security to our farmers.

Each year the federal and provincial governments invest \$1 billion in farm income protection programs. This money is in addition to the contributions made to the various programs by the farmers themselves.

The result is that farmers have now accumulated over \$2.5 billion in net income stabilization accounts, which are the cornerstone of our national income security program. According to preliminary studies conducted by Agriculture and Agri-Food Canada, the majority of those contributing to net income stabilization accounts have enough money in their accounts to meet their needs during the winter.

Moreover, crop insurance will probably make payments of about \$430 million this year to help farmers who have suffered a shortfall. The government also set up services to help farmers who, for one reason or another, could not meet their cashflow requirements.

Most farmers remain optimistic about the future. The primary production industry is in most cases in a good financial position and things look very positive. In fact, levels of investment in the industry continue to increase.

Long term positive outlooks for the sector are in fact one of the reasons for this situation. The healthy cash flow and credit positions of many farm operations is another reason.

The other important factor is the general good health of the Canadian economy, characterized by a lack of deficit, low interest rates and relatively low inflation. As the minister mentioned, the government has taken a pragmatic and strategic approach to the financial challenges. We have set guidelines. We have followed them and will continue to do so in the future.

### *Supply*

I will give members an example. At one point, as tangible support, the Farm Credit Corporation initiated the agristart plan. The agristart program provides a new range of farm loans to ensure the future of farmers expanding their operation and to help pass on farm operations from one generation to the next.

There are three types of loan. There is the family farm loan, which enables the developing farmer to finance the purchase of farm assets, or transfer shares in a family farm business. The 1-2-3 grow loan permits farmers starting or expanding an enterprise to defer payments over three years or longer in order to accommodate the drop in their income. The payday loan is for people wanting to start a farm or people with off-farm employment wanting to expand their operation.

This government is continuing to work closely with farmers and the provinces to set up an income protection program that meets the sector's current and future needs.

[*English*]

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, if we listen to the conversation in the Liberal Party we would think there is nothing wrong with our farming communities and farm families.

Unfortunately the fact is that farmers are in a crisis and need help now. They do not need further consultation with industry leaders and Liberal backbenchers or government people. They need emergency assistance now, and not just on the prairies but from coast to coast to coast.

The hon. member mentioned that some industries and some parts of the farming practices were doing well. I remind him that the farmers and agricultural producers of the Annapolis Valley, as well as the Hants East area and the Musquodoboit Valley in my area, are suffering due to weather droughts and everything else that is happening.

● (1235)

Members of the federal government are downloading responsibility on to the backs of the provinces. It is similar to what they did in health care. It is similar to what they did in the fishing industry.

We do not have a national agricultural policy. That is one of the main reasons we have such a crisis today. If the government had paid attention to rural Canadians and their needs, we would not be having this discussion today.

[*Translation*]

**Mr. Denis Paradis:** Mr. Speaker, if my hon. colleague listened carefully to what I was saying earlier, he will realize that we have many existing programs to serve farmers' immediate needs. As for the future, and this is important as well, there are the upcoming negotiations with the World Trade Organization.

*Supply*

As for the present crisis and farmers' reduced incomes, we all listening to communities from all provinces. Their spokespersons are appearing before the Standing Committee on Agriculture and Agri-Food and together we are trying to find the best solutions possible.

At the same time, we are preparing Canada's position for the upcoming negotiations with the WTO. An important fact that I did not raise earlier, but one which I would like to mention to my hon. colleague, is that the present state of the Canadian dollar allows us to increase our exports.

I come from Brome—Missisquoi, a riding bordering on Vermont. Because the Canadian dollar is weaker than the American dollar, farmers in my riding can cross the border, sell more on the American side, as well as diversify our farm economy.

These are positive measures that farmers themselves are taking, which result in a favourable balance of trade.

[English]

**Mr. Joe McGuire (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I would like to comment on the Reform member's answer to my question that this appeared to be a western Canadian issue. I remind the official opposition that there is a beef industry in the rest of Canada. There is a hog industry in the rest of Canada. There is also a wheat board in Ontario. To say this is strictly a disaster for western Canada is misplaced.

The government supports Canada's agriculture and agri-food industry in a way that works for industry shareholders and for all Canadians. We have not abandoned our agriculture industry and we will not abandon the people who feed our nation and our planet.

The Government of Canada invests \$600 million each year in safety nets for Canadian farmers. The provinces add another \$400 million to that total, which means that Canada has one of the most stable and reliable farm safety net systems in the world. It is not perfect but it has been working, helping farmers to achieve stable incomes by banking money in the good years to use in the bad years.

I will not minimize the challenges facing some of Canada's producers today. Some are dealing with the fallout from fluctuations in foreign markets. Some are dealing with normal cyclical downturns in prices for some major commodities. Some are dealing with poor yields. That is why the Minister of Agriculture and Agri-Food has called together farm group leaders and provincial ministers of agriculture for a meeting tomorrow in Ottawa.

For the past several years governments and producers have worked closely together so that today we can manage the challenges facing us. That partnership will continue at the meeting

tomorrow. The current situation will be discussed as will the tools government and producers have worked to put in place to deal with this kind of situation. There are \$2.5 billion in the net income stabilization accounts of farmers. These accounts were put in place to help out in situations like the one facing farmers today.

In addition to the net income stabilization account or NISA farmers can take advantage of crop insurance which protects them against losses from hail, drought or other natural disasters and is expected to pay out about \$430 million this year. Farmers can also use province specific programs to which the federal government contributes \$200 million. That will not stop the government from working with farmers and the provinces to explore what else can be done for farm income protection programs.

• (1240)

Just as we began preparing for this situation five years ago, we are preparing for the future today. We have positioned ourselves through our safety net programming to meet and manage both the foreseen and the unforeseen blips that show up from time to time on our radar screens.

The advance payments program also helps farmers manage risk by providing loan guarantees so that farmers can receive cash when they need it but still have the flexibility to negotiate the best possible price for their crops.

This program kicked in for the benefit of grain producers earlier this summer. Given the early harvest and the resulting need for cash, federal government and Canadian Wheat Board officials worked to get cash advances issued two weeks earlier than normal, a full four weeks earlier than last year.

It is important to note that farm safety net programs are not the only way in which we are supporting the agricultural industry. The government is making a number of strategic investments to help Canadian producers be competitive. These investments help to improve access to the latest technology, access to up to date and relevant industry information, and access to new markets abroad.

Our agriculture and agri-food minister was a farmer himself for many years. He knows how important research and investment are to Canada's agriculture and agri-food industry, important enough that as a country our total spending per year on research in the sector amounts to about \$1 billion. The Government of Canada is the largest single contributor, investing more than \$350 million annually. Much of the research is done in partnership with the private sector in programs like the matching investment initiative which helps to ensure we meet the industry's research priorities.

As a result of our activity Canada is a world leader in innovative agri-food research and farmers reap the rewards from that. Because of research producers have access to new and better crop and livestock production techniques, more environmentally and economically sound ways to manage disease and insect pests, and

cutting edge technology. All these add up to a more competitive industry.

We further enhance our competitiveness through trade agreements, export and marketing programs, and export credit facilities that help farmers not only satisfy the domestic market but expand into markets abroad as well.

We are also investing in the sector in other ways that encourage farmers to diversify production and adapt to changing consumer demands. The Canadian adaptation and rural development fund is a \$60 million a year fund designed to help farmers and others in the agri-food industry adapt to changing market conditions.

Farmers and other agri-food stakeholders are able to take a very hands on approach to this program. Through their participation on councils in each province and their involvement in national programs, they help to decide on the priorities and expenditures for CARD related activities.

On another front the Minister of Agriculture and Agri-Food has been working with provincial agriculture ministers and deputy ministers to develop an investment strategy designed to improve the investment climate in Canada. This summer they agreed to focus their efforts on promoting Canada as an investment location and on securing increased investment in Canada's agriculture and agri-food industry.

Short and medium term work plans will be implemented to increase investment activity. Departmental officials will establish performance targets so that we can track progress and make sure we provide top quality service to interested investors.

The Federal-Provincial Steering Committee on Investment is continuing to work to ensure that our investment strategy is implemented and that the Canadian agri-food industry is duly consulted. I am confident that these efforts on the investment side will also contribute to a stronger agricultural sector and a better livelihood for Canadian farmers.

Farmers have made tremendous progress since we last experienced low commodity prices in the mid-1980s. They deserve credit for working hard to embrace new ways of doing business, to manage their operations better and to take advantage of the tools that governments have put in place to help them manage risk.

As a result the net worth of farmers on average has gone up. Farm assets have reached historical highs. The debt to equity ratio has been declining since 1991. This is good news. It indicates that most of our farmers are in good shape as we enter this period of depressed income in certain areas. In short, the system we have may not be perfect but an ad hoc system like the one in the United States is not the answer. Our farmers want a system that is reliable and predictable.

### *Supply*

Our challenge now is to continue to work together to refine our system so that it meets the needs of Canadian farmers now in these difficult times and long into the future. That is exactly what we intend to do.

● (1245 )

**Mr. David Chatters (Athabasca, Ref.):** Mr. Speaker, I will speak on this motion soon, but I could not help but react to the parliamentary secretary's comments that our farmers are in good shape going into this crisis. He is certainly living in a different world from where I live. He quoted NISA as the answer. Perhaps his part of the country is different, but in mine the average NISA account will not pay the fertilizer or chemical bill for one year. In my part of the world farmers when they have a good year invest it in their operation to improve it and not into an RRSP for their retirement.

The member talked about the advanced payment scheme as a safety net program. What good is an advanced payment scheme when the cost of the commodity they are selling is lower than the cost of production?

I cannot believe this member would stand there and throw out these systems in place as the answer or even anywhere near the answer to the problems facing agriculture. Farmers are producing hogs at \$30 less than the cost of production. How will those programs help those farmers?

**Mr. Joe McGuire:** Mr. Speaker, the hon. member for Athabasca quoted me out of context. What I said is that farmers are in good shape as we enter this period of depressed income in certain areas. That means we are in better shape than we would be if we had not put the programs in place that we have.

The Canadian farming community is coming off the best five years on average in the history of the country. That is not saying that all this money is in the bank waiting to be spent. But there is \$2.5 billion in the NISA accounts which is put there specifically for this purpose, to access in times of a downturn in the economy whether it is a collapse of markets or a collapse of price.

We have these programs like advanced payments for crops in place. The situation would be much more difficult if these programs were not in place and if farmers had not been saving and putting money into the NISA accounts.

**Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.):** Mr. Speaker, I thank the parliamentary secretary for his words today.

I note that opposition members keep trying to suggest this is somehow a western Canadian problem. As usual they always try to pit the west against the east.

*Supply*

The hon. member is from Prince Edward Island which is also one of the hardest hit areas in Canada. I wonder if the hon. member can bring us up to date as to the situation in his home province which I know he is very concerned about.

**Mr. Joe McGuire:** Mr. Speaker, in Prince Edward Island we have a hog industry that is in very poor shape, as it is right across Canada. As was indicated earlier, we do have a supply managed system in dairy and in other areas. This is why the marketing boards were put in place in the first place. They put order into chaos. Canadian farmers are benefiting from the forethought and the planning of previous Liberal ministers in the Government of Canada.

The situation is not as difficult as it may be in areas where a supply managed program would not work. It is difficult to have a supply managed program for grains. It is a crop that relies on exports.

In this case there is a downturn because the markets for exports in grain have diminished. The demand for pork in the Asian markets has collapsed. Therefore there is a more serious problem in the western provinces than there may be in the east. There are a lot of producers in the east, in Prince Edward Island, New Brunswick, Nova Scotia and in Quebec. We can look back to a few weeks ago when there were hog farmers blocking the Trans-Canada Highway.

• (1250)

There are problems in eastern Canada with the same commodities as there are in western Canada, even though we are more diversified. However, the west is becoming more diversified in agriculture and that is because of the programs put in place by the Liberal government.

**Mr. Garry Breitkreuz:** Mr. Speaker, on a point of order. Before we continue debate can I get the consent of the House to ask the member a couple of key questions?

**The Deputy Speaker:** Is there unanimous consent?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**Mr. David Chatters (Athabasca, Ref.):** Mr. Speaker, I appreciate being part of this debate. From my point of view and my constituents' point of view this will be one of the most important debates in this session of parliament. Farmers across the country who are certainly listening as we discuss this issue in the House will hopefully get some indication of where the government is coming from on the issue.

In order to have a productive and useful debate, the members opposite must be open to the arguments put forth by the opposition parties. That does not appear to be what is happening today. This is the case, of course, in all debates but it is particularly crucial when debating an agricultural issue.

Farmers from across Canada are suffering serious economic hardship. Unfortunately few are represented by Liberal government members in this House. Outside of Ontario the Liberal government holds very few rural seats. It is extremely difficult for rural farmers to make their voices heard when dealing with an urban based government. It is for this reason that debates like this one are so important.

As a rural Canadian third generation farmer, I am especially close to this issue. I am extremely troubled by the government's dismissive attitude toward the issue. Thus far the government has done little more than minimize the magnitude of the problem. We heard just that from the previous two speakers.

Government ministers have not even gone so far as to acknowledge there is an income problem let alone a net farm income crisis. Whether the government has acknowledged it or not, the farm income crisis is very real, painfully real, for farmers feeling its effect.

**Mr. Wayne Easter:** Mr. Speaker, I rise on a point of order. The minister fully admitted there was a problem this morning in his remarks. Maybe the members opposite should be a little more truthful.

**The Deputy Speaker:** The hon. member would not want to suggest that anybody was not being truthful, but I think he would also know that what he is really raising is a point of debate. I am sure he will get ample opportunity in questions and comments to make his point.

**Mr. David Chatters:** Mr. Speaker, in recent months I have sat around the kitchen table with farmers and their families who are feeling the real effect and it is extremely painful.

From 1996 to 1997 farm income declined by a whopping 55%. This decline was especially felt in the west where farm net income dropped by 35% in Alberta, 40% in Manitoba and 84% in Saskatchewan. Farm income will likely fall another 40% across the country this year. Like last year, this decline will be felt more severely in the west.

I am dumbfounded as to how the government can deny there is a crisis in light of these statistics, especially in light of the fact that other governments have responded to this problem. The United States has already announced a \$6 billion package for agriculture producers. This package includes \$3 billion in market loss payments to offset low prices and \$2.5 billion in disaster relief for crop loss.

The measures taken by the U.S. are significant for two reasons. First, the U.S. government has not only acknowledged the crisis but has responded to it. Already our government is two steps behind. Second, further subsidization in the U.S. can only worsen the crisis in Canada. It is imperative that the Liberal government deal with the issue of trade distortion and foreign subsidies.

*Supply*

It is also important that the government take these issues seriously. I have little confidence that this government will do that.

This fall when mid-western states began disruptive actions barring the entry of Canadian livestock and grains into the U.S., some government ministers dismissed these actions as election year nonsense.

• (1255)

Election year nonsense was not the problem. Falling commodity prices are at the root of the dispute and they will not disappear after the U.S. election. That is just one small example of the way the agriculture portfolio has been handled over these years.

In each of the three generations of farming in my family there was one or more income crises, although perhaps varying in degrees of intensity. In each case the government went through a period of denial before taking action. This denial stems from fear as the government has never had a comprehensive plan to ensure secure future for the agriculture industry in Canada.

In response to questions about this crisis, the minister of agriculture has repeatedly stated that the net income stabilization account will adequately address the current situation.

NISA was never intended for a crisis of this magnitude. NISA accounts contain an average of only \$18,500 per account which is not enough to cover the average fertilizer or chemical bill for even one year.

The program has not had enough time to accumulate adequate funds and the government is partly to blame for this as there were years of delay in making the decision to implement a farm safety net program.

Many businesses will not have enough money to finance the upcoming season and many more will go bankrupt if the crisis is permitted to continue even longer. This is an urgent matter. Measures must be taken now so that farmers can make decisions about the upcoming spring.

As part of its election platform the Liberal government committed to a whole farm safety net program to see farmers through such crises. Now the crisis is here. Nothing has been done and the government is poorly prepared to deal with it.

This government must make modifications to the existing safety net program such as NISA and follow through with promises to develop a whole farm safety net program that includes disaster relief.

The government must also address trade issues. When the world trade agreement was signed in 1994 the intention was to level the global playing field for Canadian farmers. If anything, the playing field has grown steeper with Canada at the bottom of the slope.

Canada is fighting an uphill battle against heavily subsidized American and European producers. American farmers will receive billions of dollars in extra assistance this year. Americans also have emergency aid for natural disasters. In addition, the Americans have income support to offset depressed commodity prices.

According to the Canadian Wheat Board Americans receive \$2.68 per bushel in direct subsidies. Meanwhile their competitors in Canada receive a subsidy of less than 40 cents per bushel. This difference is nothing when compared to the difference between Canadian and European subsidies.

European grain farmers receive direct area support payments of \$175 per acre just for being farmers. European farmers also receive intervention support that creates floor prices for grain.

OECD's analysis of this situation shows that Canadians have approximately a 10% subsidy, Americans 30% and Europeans 36% to 37%.

Canadians have upheld their commitment to reduce subsidies and have proceeded quicker than required. Now it is the responsibility of the government to address foreign subsidies.

The government must ensure that our foreign competitors are meeting their commitments and trade responsibilities. No one can know how long this crisis will continue or how serious it will become.

Asian economies represent approximately 20% of Canada's agri-food exports and there is no way to know when these economies will recover.

Livestock and grain sectors are the most susceptible to declines in income and will be most severely impacted by the collapse of world commodity markets. Something must be done.

I am truly shocked that the government is so dismissive of an industry so central to our nation's existence. One of the fundamental factors determining the success or very existence of a nation is its ability to feed its people. A country becomes vulnerable once it is dependent on other countries to feed itself.

By allowing American and European competitors to provide unfair advantage to producers through subsidies and refusing to provide additional assistance to farmers, this government is jeopardizing the future of agriculture in Canada.

My colleagues and I are not asking for retaliatory subsidization. Canada has been moving toward production and trade based on competitive advantage, a steady progression we support.

However, global free trade must also be fair trade. At this point Canada is getting the short end of the stick.

I implore the government to address this problem immediately. There are a number of measures that could be taken, including eliminating or placing a moratorium on all cost recovery programs,

*Supply*

eliminating the excise tax on farm fuels, improving transportation to help farmers in the long term, introducing general tax reductions for Canadians, and introducing some flexibility to enable the Farm Credit Corporation to deal with the crisis in agriculture.

• (1300)

It is imperative that the government push for reductions to foreign subsidies and for the elimination of trade barriers which continue to depress the prices our producers receive. The first step is acknowledgement of the problem and that has yet to happen.

It is my sincere hope that by the end of the day the government will be able to admit that Canadian farmers are in crisis and that the farm income crisis is an issue worthy of its immediate attention. Ignoring this crisis amounts to jeopardizing the backbone of Canadian society.

**Mr. Julian Reed (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, was I mistaken or did I hear the member for Athabasca say that the governing party was largely an urban based party? Did I hear that correctly? If I did, do I have to remind the hon. member that the government has probably more rural based members than the official opposition. I suggest the hon. member take a look at the province of Ontario and what rural members have accomplished in that province.

I realize the member for Athabasca resents the ethanol biomass program. However, I would point out that if he makes a speech that is on record and goes to the people of his constituency, he should put it in the proper perspective.

**Mr. David Chatters:** Mr. Speaker, I stand by my comments. The governing party is largely an urban based party. I did not say it did not have any rural representation. It certainly has no rural representation in Saskatchewan or Alberta, but it is well representative of the legal profession.

All those things aside, I am not here to debate the percentage of farmers or farm based people in my party or in the governing party. I am here to debate the crisis in agriculture. That is simply a diversion from the issue that we are here to debate.

**Mr. Garry Breitzkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, my colleague in the Reform Party makes an excellent point. The government is trying to paint this as a partisan issue of some sort. It is not a partisan issue. If we wanted it to be a partisan issue, we would have made it votable. We could have done all kinds of things.

Everybody is trying to take shots at everybody else here. We are trying to highlight the fact that the government has bungled this portfolio badly. We need to address these issues now.

I find it unbelievable that the parliamentary secretary continues to defend NISA. We are here to try to debate the issue. NISA is not cutting it. Farmers have to contribute to it and many farmers have not.

To demonstrate how out of touch the government is, I take one phrase the parliamentary secretary used. He said that it has been the best five years in the history of agriculture. Where do these people live? I concur with what my colleague said. They must be living in downtown Toronto to make a statement like that. They cannot live in rural Canada and maintain that stand.

Then they went on to talk about advance payments. Farmers do not want to borrow more money. That is not why we are bringing forth the motion today. We have to walk and chew gum at the same time, I guess. We have to look at the long range and we have to look at the short range. We have to fix what is broken and help them out in the meantime. That is what has to take place.

I conclude by going back to one thing the minister said. If this is his answer to the whole crisis, we are in big trouble. He said that they wanted to show farmers how to use all the tools in their toolbox. They should not throw a wrench in the gears and bring the whole agricultural machine to a grinding stop and then make that kind of statement. This is ridiculous.

• (1305)

The government ripped out the Crow subsidy. It did not have time for transportation costs. It did not provide for any competition and so on. There has been so much misrepresentation on the part of the government in this debate that it needs to be corrected.

**Mr. David Chatters:** Mr. Speaker, my colleague demonstrates the passion with which some of us view this issue. He is very correct.

As I said in my presentation, I am the third generation on my family farm. When my grandfather arrived in this country he just barely settled on the farm and had to face the depression of the thirties. That pattern has repeated and repeated itself and every time the government came up with some emergency measure and promised a long term whole farm program of some sort to deal with the problems in agriculture, the cyclical nature of prices. Every time it has failed to do so.

We are asking the government to live up to the commitment it made in the election campaign and sit down with the stakeholders in this business to develop a long term whole farm program that will work, not to continue with ad hoc emergency programs that it keeps coming up with.

**Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.):** Mr. Speaker, my colleagues have spoken at some length on the big agricultural picture. Others will probably do so. I will address a

very specific problem which the government could solve quickly with a few strokes of the pen at no cost to the general public.

If the government would remove some of the obstacles it has created to value added activity, there would be immediate measurable benefits to prairie agriculture. I am not referring only to the onerous payroll taxes. These are not specific to agriculture when they are the bane of all entrepreneurs, not just farmers or farm enterprises.

I am referring to the requirement that grain used in production of food for export out of its province of origin is subject to the same freight and elevation charges as grain shipped to port position. This bizarre situation is actively hindering economic diversification and benefiting overseas processors of our grains.

Excessive freight and handling charges are the largest single component of a grain farmer's production costs. With the Crow benefit gone the prairie grain industry's best hope for long term survival is to get away from the century old mentality of exporting, to process more grain at home and to export more finished product.

Paying \$30 or \$35 a tonne to move a lesser quantity of high value finished product makes a lot more economic sense than shipping raw material to port position. The federal government does not force mining companies to ship unmilled ore or logging companies to ship only logs, although I would say that with the abysmally stupid softwood lumber agreement they are not allowed to add value beyond sawn lumber for the U.S. market. Sometimes I wonder whose side the government is on, but that is another debate for another day.

After a producer has paid the cost of trucking grain to a miller or maltster, which in some instances may be 200 or 300 kilometres from the farm, there is no logic or justification for hitting him with freight, elevation and terminal charges. Where is the incentive to deliver to a domestic facility when merely delivering the grain to the local elevator through the CWB for export, as is, gives the same net return?

The government rationalizes that the price received, for example, at the malting facilities at Biggar, Saskatchewan, has all the freight and handling charges built in and that the deduction is therefore only a bookkeeping exercise.

• (1310)

That is utter nonsense. To be sure, without government intervention through the board the market price in Biggar would probably, as the minister loves to reiterate, be lower than the Vancouver price including freight and elevation. Would it be \$45 a tonne less? The maltsters' freight costs for exports are based on the quantity of product, not on the quantity of raw barley used in the process.

### *Supply*

By the way did you know, Mr. Speaker, that a farmer receives six-tenths of one cent for the barley used to produce a bottle of beer? I thought I would just throw that in for your information. The minister himself stated three years ago:

As the cost of shipping raw unprocessed grain increases, the wisdom of shipping possibly lower volume but higher value processed grain product also increases. By further processing on the prairies the proportion of the value of the commodity which is spent on transportation is reduced, thereby improving returns to the local economy.

I could not have said it better. If the minister really believes what he said, why has he not initiated changes to the constipating regulations and enabled producers to benefit from that exercise? Obviously it would be nearly impossible to market all our export grain as pasta, flour or malt, but any significant increase would help to move us away from being hewers of wood and drawers of water.

Three years ago the minister's grain marketing panel recommended that organically produced grain be removed from board control. Polls have shown that the majority of board supporters would support that. Neither the board nor grain companies provide any service to organic farmers who must personally market and arrange shipment of bagged grain or flour, mostly for the yuppie market in the United States. Nevertheless their production is subject to the board's buyback provisions.

For example, Arnold Schmidt of Fox Valley, Saskatchewan, has been producing exceptionally high quality organically grown wheat for more than 10 years. There is a high demand for the raw grain and the flour milled on his farm. By the way, he employs five people in his operation to upgrade his product. There is high demand for his product not only in Canada but in the United States where it sells at a very good premium price. He never gets to see one penny of the premium because it is forcibly extracted from him for services that he does not receive.

To consummate a sale into the U.S., Mr. Schmidt is first required to go through the charade of selling to the wheat board. The grain does not actually pass through a grain elevator because even the slightest contamination by other grain would destroy its premium value. Nevertheless he has to pay the grain company about \$200 for doing the government paperwork on a 20 tonne shipment. Then he pays the board a buyback premium of \$2 a bushel.

Levying a huge charge for which the farmer receives absolutely nothing can only be described as extortion. When organized crime engages in activities of this nature the perpetrators sometimes go to prison, but for organic farmers the situation is reversed. Confiscation of the fruits of their labour by busy little bureaucrats is protected and enforced by the majesty of the law, but a producer who resists is subject to heavy fines. It is no wonder that the business of supplying certified organically grown wheat to the U.S.

*Supply*

specialty market is stagnating when it could and should be the bright spot in our otherwise dismal agricultural picture.

Our trade competitors are giving their farmers multibillion dollar subsidies, and we are not asking for that. We know that Canada with its feeble economy could not possibly sustain a trade war with the economic giants with whom we have to compete. Only the Minister of Canadian Heritage is silly enough to think that we could do that. We are asking that the government stop beating up on the agricultural industry through its discriminatory regulations.

• (1315)

Farmers cannot fight on two fronts. They cannot simultaneously fight their foreign competitors and resist the encroachment of their own government into their operations.

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, I thoroughly enjoyed the member's comments. He has made an excellent point, one which has not been made thus far today.

I heard him speak on the issue of rail transportation in his part of Saskatchewan. Could he elaborate on the concerns farmers have about government policy with regard to rail line abandonment, on some of the problems that have been created because of the lack of competition in that area? Has he heard any concerns from his constituents with regard to the transportation problems they are encountering?

**Mr. Lee Morrison:** Mr. Speaker, prior to the eruption of this extreme cost price squeeze, the only thing I was hearing from farmers or anybody else in my riding were complaints about what is happening with the rail industry.

Under the new Canada Transportation Act it is extremely easy for a railway to divest itself of a line. There is nothing to it. It only takes about six months of activity to get rid of it. This can be done regardless of what economic effect it may have on the community affected by that line.

It is done with—and I use the word advisedly—the connivance of grain companies that want to see these lines closed down so they no longer have to operate the delivery points in these more remote areas. They can force farmers to transport their grain to distant terminals. The farmer is the one who has to take the responsibility and the economic rap for the extra transportation. He gets hit twice, not only through the actual cost of hiring the transport truck to bring the grain to the terminal, but he also pays the taxes to the municipalities for the destruction of the roads that are now taking the place of the railways.

Rail freight cannot be carried in large quantities on light duty roads without creating a very severe problem. There is a double problem. There is the loss of the lines which not only affects farmers but everyone who lives in the small communities. With the loss of the rail line and the grain elevator, they probably lose a third of their tax base.

When farmers have to truck their grain anywhere from 50 to 100 miles to an elevator at a larger delivery point, they tend to do their shopping when they get there. Therefore the businesses in the small towns that have lost the elevators also suffer. We have already ended up with what we call 7-Eleven towns where some of the lines have been lost. There is nothing left of the former thriving community except the convenience store.

We are killing the agricultural community in as many ways as this government can seem to figure out. In the end, the economy of the whole country is going to suffer. I do not care what country it is, agriculture is the fundamental base on which the entire economy is built.

**Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.):** Mr. Speaker, do you not just love it? Do you not love the hypocrisy of the Reform Party? It is the party that loathes the heavy hand of government, the party that loathes state intervention, the party that loathes regulation, but when it comes to rail line abandonment, which is a very legitimate issue and concern on the prairies, what does the Reform Party want? It wants state intervention. It wants more regulation. It wants more heavy handedness from the government. There is absolutely no party on the face of the earth that is more hypocritical than the Reform Party.

• (1320)

**Mr. Lee Morrison:** Mr. Speaker, speaking of slimy hypocrisy, I would like to know when this hon. member heard any member of the Reform Party not speak out against rail line abandonment or when he has failed to hear us chant and shout for continued regulation within that aspect of the rail industry?

**Mr. Jerry Pickard (Chatham—Kent Essex, Lib.):** Mr. Speaker, I am pleased to have the opportunity to take part in the debate today. This debate is one that is very vital to the agricultural industry of this nation.

It is not just by accident that Canada ranks as one of the world's largest economies and is doing business in a very positive way throughout the world. Our success is the result of the efforts of the Canadian government, the provinces and the Canadian people all working together. Those joint efforts have made Canada's agriculture and agri-food sector an important and dynamic part of the world economy.



*Supply*

This same model of partnership prevails in the agricultural sector. Producers work closely with the provinces and the federal government to set directions for today's programs, those in the past and those in the future.

The federal government is providing many ways so that all regions of Canada can work in the agriculture sector. The Government of Canada works hard to balance the needs of regions and the sectors, providing support for each and every area of the country. Federal investment fosters the growth of the sector by encouraging the development of our export markets, our food supply and in developing new innovative food products. A healthy dynamic agricultural economy means jobs for Canadians.

Past federal investment in the sector tended to be governed by specific crops or market failures. Thanks to the combined efforts of farmers, provincial governments and the federal government, the farm income production system we currently have takes into account both the different needs of individual farmers and the agricultural economy as it varies across this country. The safety net agreements that we have in place result in a more market driven program. They also provide inevitable and reasonable support for commodities, producers and provinces.

It is this system of safety nets that will help stabilize incomes and reduce the need for ad hoc assistance. All provinces enjoy substantial advantages in being part of the Canadian federation especially when it comes to the agriculture and agri-food sector. While it is not easy to put dollar figures on many of these national advantages, they are every bit as valuable as federal support that goes directly to individual farmers.

By working co-operatively with provincial government partners and with our clients, the Government of Canada will ensure that the advantages of federalism continue to be fully exploited to the benefit of all Canadians.

As mentioned by my colleague the Minister of Agriculture and Agri-Food, we do have the tools in place for farmers. We spent the better part of a decade working closely with farm leaders and our provincial colleagues to put in place an effective system of farm income.

Mr. Speaker, I should have noted at the beginning that I am splitting my time with my colleague from Haldimand—Norfolk—Brant.

Under the current safety net system, we have three components: crop insurance, the net income stabilization account, and province specific companion programs. Those tools are funded partially by farmers but a large chunk, \$1 billion, comes from governments. Each and every year the federal government puts \$600 million and the provinces put \$400 million into that program.

• (1325 )

In this calendar year alone, the national crop insurance program which is offered to Canadian farmers at low or no cost will provide farmers with an estimated \$430 million in direct payments. The program has a participation rate of 55% to 60% nationally.

At this point I would like to take the opportunity to speak about the third component of the Canadian farm safety net system, the province specific companion programs. While crop insurance and NISA are national in scope, the \$200 million in federal money devoted to companion programming supports initiatives specific to a province based on the needs and make-up of that particular province's farm sector.

The companion programs that have been put in place are generally of six types: additional producer and government contributions to enhance the NISA program; enhancements to existing crop insurance programs; whole farm income disaster programs providing government assistance to those who have major income shortfalls for reasons beyond the farmer's control; adaptation and development programs to strengthen the overall competitiveness of the farm sector; residual price support programs, available in Quebec, Ontario and Nova Scotia; and the experimental programs, such as self-directed risk management in Ontario.

These companion programs have been very positive. They allow different provinces to experiment with new programs that lead to better production for farmers. For instance, the income based disaster programs run by British Columbia, Alberta and P.E.I. have proven so popular and effective that the national safety nets advisory committee is exploring the possibility of a national program based on similar principles. It is part of the long term review process mentioned earlier by the Minister of Agriculture and Agri-Food. I want to emphasize that no decisions have been made to this date, although I am sure it will be one of the things that comes up in tomorrow's discussions with farm leaders.

As many members know by now, the minister has called a meeting in Ottawa to discuss with our partners in the safety net system what producers are requiring, where producers see the government could provide support. The minister has also invited the provincial ministers of agriculture to deal with the current situations that are faced by our agriculture sector.

I do want to assure members of the House that the federal government is not about to implement a unilateral program within the safety net system that does not have the support of all producers and provinces throughout this country.

To conclude, the Government of Canada's approach to safety nets is a true reflection of Canada's strong federal-provincial-producer partnership in ensuring the future of Canadian agriculture. I am quite certain that the meeting tomorrow will produce outcomes that will be beneficial to those farmers who are presently feeling a

*Supply*

great deal of difficulty. The minister will work with the provincial ministers to ensure that our goals meet the needs of the farmers, the provinces and the federal government.

**Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.):** Mr. Speaker, I am pleased to stand today and ask questions of my colleague.

For years and years this country has had a cheap food policy. Through this farm crisis we have not seen the price of a loaf of bread take a dip. My colleague from Cypress Hills—Grasslands talked about six-tenths of one cent worth of barley in a bottle of beer that is worth \$1.50 on average. Food costs in Canada are one-quarter to one-third of what consumers pay in Europe. It is no wonder our farmers are going broke. We pay all the costs and subsidize the consumer as well.

I am wondering if the member would care to comment on who is going to feed Canadians when the farmers are gone. We have a 65 cent dollar here which will not buy much produce from offshore.

**Mr. Jerry Pickard:** Mr. Speaker, I am glad that everyone in this country does not have the morbid point of view that my colleague just raised.

• (1330)

I believe there is a great deal of pressure on many farmers in this country but the reality is that in many respects the government is trying to put in place quality programs. It is not doing it on a unilateral base. It is doing it in conjunction with the farm community. It is discussing these issues with farm leaders on a regular daily basis. It is discussing the issues with provincial leaders on a regular daily basis.

We are not going down a stream of the federal government not understanding the realities in every region of the country. As I tried to point out, we are trying to put in place programs and resources that will help our farm communities.

I suggest the member is correct. Canada does have an extremely low price when it comes to agricultural and food commodities. As many others, I am very interested in making sure Canadian farmers get a fair return for their dollar. I am not opposed to making certain that a fair return does come back to the farm and there is no question when we raise that.

However, I would not like to leave on record that we are looking at a monstrous unfair system either. We as a government are trying to do our best to support farm communities and make certain they have the tools to work with.

**Mr. Mark Muike (West Nova, PC):** Mr. Speaker, the farmers of West Nova over the past two years have suffered very difficult times living through two very dry summers. Last winter when the ice storm hit Ontario and Quebec we quickly saw that if, for example, there was no farming taking place in the Atlantic

provinces, particularly in my riding of West Nova, we would have effectively been cut off from milk, produce and things of that nature.

Farming is very important in my riding and that is why I am standing up today to say that. It is so critical for farmers to receive just compensation for the hard work they do. In the past years that has not taken place.

My comments are for the minister of agriculture. I would just ask him to work together with his provincial counterparts because it is very important for the farming community to be taken care of.

**Mr. Jerry Pickard:** Mr. Speaker, that is absolutely true. The comment made by my hon. colleague is so clear. Farmers are exposed to the elements. They are exposed to any kind of disaster that happens in nature. They do not have a guarantee at the end of the year that they will be able to harvest the crop they plant. It is a business that has a lot of risks to it which are extremely difficult to deal with at the best of times. There is no question about that.

I believe that it is a desired direction we need to go in. We need to make sure we have programs in place which help take those high risks out of it and give farmers an income they can count on for support. We have to do this in conjunction with the producer groups, the provincial governments and with anyone who will sit down and work out good policy.

My colleague does raise an important point and one that all of us have to be aware of. Farming is probably in the only business in the western world that is so uncertain because of the uncertain weather conditions. It is something we all have to consider every day.

**Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.):** Mr. Speaker, I can stand in my place today on behalf of the constituents in Haldimand—Norfolk—Brant, particularly the farming community, and say that our hearts go out to the many farmers and their families suffering through this crisis which is one that is not of their own making. The opposition would have us believe through its motion that this crisis, which it is, was made primarily because of unfair subsidies and unfair trading practices of other countries. I think that does a disservice to the Canadian people. They would agree that unfair subsidies and unfair practices are a problem. They would agree that Canadian trade representatives around the world are fighting on behalf of not only Canadian farmers but Canadian businesses in this area and are doing an admirable job. Under the WTO last time we came out with a good deal for Canada, a deal which was supported by all the commodities across this country, farm commodities, and I think the opposition would agree with that.

• (1335)

Because of the situation in the world, the financial crisis in Russia, the Asian financial crisis, the problems in Latin America

and the fact that a lot of countries around the world told their producers to get into pork, for instance, we have had a situation where there are a lot of these commodities on the market. This is the problem we need to address.

We can deal with the trade situation. We have people in place and we are working at that. How do we deal with some of the fundamental problems? I want to say to the Canadian people that this is a crisis, particularly for those in urban areas. Some people may be watching today and saying what are these farmers complaining about, they have a good life. We do in the rural areas but there are times, because of the nature of the world and because of trade, when beyond our control situations hit us. This is one of those times.

I have been here for 10 years. When the Progressive Conservative government was in and then when we came in in 1993 and took government we debated on how we deal with the WTO and the trading rules. We signed an agreement in 1993. Part of that was to deal with the situation of farm income. So we brought in NISA. I agree with those who say that NISA was never made for this situation. There was always an intention under the third line of defence to have something there for an emergency situation. Governments at both levels and the farm leadership failed in getting that through. I think we failed in the House in making sure that aspect did not go through.

I think we can rectify that if all the parties can come together and agree that we need to deal with an emergency situation. Whether it be tax cuts, like the opposition says which has some merit, and certainly we on this side have moved over the last number of budgets to cut taxes directly, or whether it be some sort of relief that would come in to these farmers or some sort of payment is debatable. We need to agree first that something definitely is needed and that we need to take action. In listening to the debate, I think we could probably get all members in the House to agree to that. It is a question of what and how we go about doing it.

I suggest that the farm leadership in the provinces and the minister when he meets with it in a couple of days come up with an emergency package to deal with the situation. I call on all members to support it.

This is not simply a problem of western Canada. Granted, places in Manitoba, Saskatchewan and Prince Edward Island will feel the heat.

• (1340)

I have today in the gallery a constituent, Karen Scott from Ontario, a pork producer and representative of the Brant Federation of Agriculture, who can tell members directly the impact this crisis has had on the pork industry.

I can find people all across Ontario, through Quebec, through the maritimes. This is a national problem and it takes national leadership and all the premiers.

### *Supply*

In 1988 when we had this other crisis we had the premiers coming to Ottawa. I have not seen them yet. They came to Ottawa to lobby. I encourage them to get away from their houses within the next week and come to Ottawa to talk to the Prime Minister and cabinet ministers and let them know exactly how this crisis is impacting them.

I think there is a solution. I call on all members to join with me in working to find that solution. I can say directly that Canadian farmers are good farmers. We are fair traders. We need the help of all Canadians in this situation.

**Mr. David Chatters (Athabasca, Ref.):** Mr. Speaker, I am delighted to hear the member opposite admit that his government has failed miserably on this issue. That was the best speech I have heard all day. It certainly had a ring of sincerity to it.

If and when the premiers come to Ottawa to discuss the issue and to meet with the Prime Minister and the agriculture minister, are the Prime Minister and the agriculture minister prepared to recognize that there is a crisis and in an open and honest way say that they want to solve the crisis now before spring seeding?

**Mr. Bob Speller:** Mr. Speaker, I had hoped when I spoke that my speech would not become some sort of partisan attack on me or on our government. I could definitely get partisan in the House but I know a solution to this will not be found in trading barbs across the House.

A solution to this will be found in all people across the country coming together and saying we need to have a united front, all different commodities no matter if it is pork, dairy, supply managed or grains and oilseeds.

I hope that united front comes soon. I call on members across the way not to be partisan and to work with the government in finding a solution.

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, I have a tremendous amount of respect for the parliamentary secretary.

He indicated that everyone is coming to Ottawa. He hoped that the provincial premiers would get out of their houses and come to Ottawa.

I do not see very much farming going on inside the House of Commons today. If the Liberal government wishes to know exactly what is going on in farming communities across the country, not just in the prairies, the meeting should be held in Strasbourg, Saskatchewan or in Upper Musquodoboit, Nova Scotia.

The ignorance of the problem by the government and the arrogance of the minister of agriculture toward the farmers is absolutely appalling.

*Supply*

In the last parliament the government brought in Bill C-101, the deregulation of transport. It also privatized CN and eliminated the Crow rate. These were all supported by the Reform Party.

The government must have known that when we download these responsibilities to the farmers, their income is going to drop rapidly and that is one of the major reasons why we have such a crisis today.

I thank the hon. member for mentioning the word crisis because we have not heard that from the minister of agriculture yet.

**Mr. Bob Speller:** Mr. Speaker, the hon. member knows that the minister of agriculture called the meeting with his representatives and with 34 different commodity groups in Ottawa. The minister has recently had meetings in Winnipeg. He will have meetings across the country in terms of consulting with Canadian farmers and all Canadians on the future of the WTO negotiations.

• (1345)

This meeting was called in Ottawa. Different groups are coming here and they are coming, I know, with the knowledge that the minister of agriculture will listen to their concerns and that he will work with them to come up with a solution to this crisis.

The minister has always indicated, in fact he has indicated in the House many times, his willingness to look at the situation. He said that NISA is only a short term solution and that there needs to be more fundamental change so that farmers in this country can farm with the knowledge that these crises, these major shifts in commodity prices, will not hurt them in the future.

The minister of agriculture, as members know, has been a farmer for many years. He listens very closely to the views of farmers. I know he is greatly concerned about this crisis and will work with the farmers, the provincial ministers of agriculture, the premiers and whoever else wants to discuss and resolve this situation.

**Mr. Leon E. Benoit (Lakeland, Ref.):** Mr. Speaker, I am really concerned that I must stand here today to make a speech that I, quite frankly, hoped I would never have to make. On the other hand, it is important to talk about the crisis that our farmers are facing.

There is a reason I had hoped I would never have to rise to make a speech like this. I am the member of parliament for Lakeland constituency, which is a very large rural constituency in Alberta. Agriculture is the most important industry in that constituency.

I have a farm myself. I worked to help support the farm for many years as a farm economist with the Alberta department of agriculture. In this job and in private consultations with farmers during the 1980s and early 1990s I saw things that I hope I will never see again.

I sat at the table with members of farm families whose farms were failing. This did not just happen once or twice or a dozen times. I literally met with farmers and helped them deal with situations dozens and dozens of times when I knew, often from the very start, that the end result would be that a farm family would be forced off their farm.

In many other cases I knew that the end result would be the downsizing of a farm in a way that the family never expected and never wanted.

The problem in the 1980s was caused by many of the same things that are causing the current crisis. For that reason I hoped it would never happen again. I really, really hoped that this government would recognize the problem and would deal with the situation so that we would not face this kind of crisis again.

Unfortunately, we are here today debating a motion, which I will read again:

That, in the opinion of this House, the government should move immediately to defend the interests of Canadian farmers from the unfair subsidies and unfair trading practices by foreign countries, which have changed the problem of stagnant farm incomes to a full-blown farm income crisis, and in the event no immediate progress is made on this front, introduce emergency measures to provide tax relief, lower input costs, reduce user fees and address the inadequacies of the farm safety-net programs.

Here we are. We must talk about this. I think it is really important to go through what has happened in the last five years since this government has been in power, and indeed before that, to recognize clearly what has led to the situation that Canadian farmers are facing today.

I know the situation is a Canadian-wide situation, although I believe that the crisis is worse on the prairies.

• (1350)

It is important to look first at what has caused this situation. There are many causes for this situation. The first of course is the Asian economic problem. We recognize that as being part of the problem.

The second cause is normal market cycles, for example with hogs, which has been made even worse by the economic crisis which has spread beyond Asia.

Those things were not really preventable by Canadians and the Canadian government, but there are many things that were and those are the things we have to talk about.

We have to talk about the preventable factors that have led to this situation becoming as critical as it has. To do that we have to look at what has happened over the past five years.

When I think back to the first speech I made in the House of Commons, we were talking at that time about farm safety nets and about the farming situation. One of the things being discussed was the elimination of the Crow subsidy. The Crow subsidy was causing a lot of harm on the prairies, in particular in processing

industries. Processing was not happening on the prairies, where it would have made sense. Jobs were being exported as raw commodities left the prairies.

Reform supported the elimination of the Crow benefit, but called for putting at least part of the capitalized value of the Crow benefit into a trade distortion adjustment program. We campaigned on that in 1993.

Look at what the Liberals allowed to happen. They did eliminate the Crow benefit, but instead of putting that money into something like a trade distortion adjustment program, which would have been there now to help farmers deal with this crisis, they made a \$1.2 billion payout which really was done for political reasons and did farmers almost no good whatsoever.

As a result, we are in this situation with nothing to help farmers deal with the crisis.

A trade distortion adjustment program, which we campaigned on in 1993 and which was presented in this House by Reform MPs again and again after 1993, right up to the time the Crow benefit was eliminated, would have put some of the capitalized value of the Crow benefit into a fund which would have been there to deal with unfair trade practices in other countries. In other words, if commodity prices were hurt, as they are being hurt right now due to unfair trade practices on the part of Europe, the United States and Asian countries, there would have been money in this fund to help farmers deal with that situation.

We have unfair trade practices. For example, the European Economic Community has subsidies which are higher than the price we get for our alfalfa. European subsidies alone are destroying our alfalfa industry. It is very near collapse. We have nothing to help deal with this situation. That fund was not established, in spite of the pressure that was put on this government to do that. That is sad because now our farmers face a situation they should never have had to face.

If we go through the list of things that happened in the last parliament and did not happen, it is a long list and it is a sad indictment of this government. It is important to point these things out. If we do not, then this government will not do what has to be done now.

We can start with the elimination of the Crow and the fact that the money is no longer there to help anyone. Farmers face extremely high freight costs and, with low commodity prices, it is causing an unnecessary hardship on farmers. Had that fund been established, with this situation being forced on farmers, the money would have been there to help.

• (1355)

We can go through the list. There was the privatization of CN. We supported the privatization, but we did not support the legislation. There was nothing in it to ensure that competition would be allowed and that there would be fairness in dealing with situations involving a dispute between farmers and others and the railways.

### *S. O. 31*

Look at the Canadian Transportation Act. We called for the same kinds of things to be put in the act, but they were not.

In terms of cost recovery and user fees, one after another has been piled on farmers, often at costs that are much higher than need would be and no competition is allowed in terms of who can provide the services that these fees pay for. That is costing farmers a lot of money.

Tax increases on things like fuel, which affect all farm inputs, have put an undue and unnecessary burden on farmers. Tax increases across the board are one of the single biggest factors that have caused the problem we see today.

Prohibitive regulations have topped all of this off and made it extremely difficult for farmers to deal with the very difficult crisis they are facing today.

This list of indictments is something the government should take note of. I want to see the government stand in this House today to say exactly how it is going to make up for the wrongs that it has committed in the past and for the lack of action that has been shown on many issues.

**The Speaker:** We still have five minutes for questions and comments and we will take that time after the question period.

Today is a rather special day and, with your agreement, I want to proceed to Statement by Members.

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## STATEMENTS BY MEMBERS

[*English*]

### THE CANADIAN JUSTICE SYSTEM

**Mr. John Maloney (Erie—Lincoln, Lib.):** Mr. Speaker, federal, provincial and territorial ministers responsible for justice met for two days in Regina last week.

It comes as no surprise that public confidence in the justice system was the first item on the agenda. Even though crime rates across Canada may be dropping, fear of crime among Canadians has increased.

The message is clear. Canadians deserve a justice system that protects society, one that is administered efficiently and fairly.

Canadians deserve a system that is accountable, one that is more responsive to the needs of victims and communities.

Canadians deserve safer communities, ones that are free of crime and free of the fear of crime.

*S. O. 31*

All ministers expressed their commitment to working together to establish a more effective and more equitable justice system in which Canadians can have confidence.

I think that effort deserves the support of this House.

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**CANADIAN FINALS RODEO WEEK**

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, next week marks the Canadian Finals Rodeo Week in Edmonton, Alberta.

To many Albertans this is real life itself. It is more than just horsing around. It is more than just roping a calf. It is more than just steer wrestling or a bucking bronco. It is more than just a lot of bull. It is where the best of the breed, men and beast, meet to compete.

It is an exciting week in Edmonton. Our city welcomes thousands of visitors during that week. They come from near and far. They come in campers and pick-up trucks and they have a wonderful week down at the coliseum.

This is serious competition. It is not just horsing around. The winners move on to compete in the world finals. It is a pretty exciting challenge for them.

The stakes are high and the money is big, just like Alberta.

I want to welcome all these people to the Canadian Finals Rodeo. I want to welcome all the contestants to cowboy country.

Good luck and good riding.

\* \* \*

[*Translation*]

**MUNICIPAL ELECTIONS**

**Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.):** Mr. Speaker, I would like to offer my warmest congratulations to mayors Peter Yeomans of Dorval, Bill McMurchie of Pointe-Claire, Roy Kemp of Beaconsfield, Ann Myles of Baie-d'Urfé, and Bill Tierney of Sainte-Anne-de-Bellevue on their re-election.

I also wish to take this opportunity to congratulate all the municipal councillors who were elected or re-elected in these cities in the riding of Lac-Saint-Louis.

[*English*]

We have established on the West Island of Montreal a remarkable tradition of co-operation and harmony among the three levels of government: municipal, provincial and federal.

I look forward to continuing this close co-operation with all the mayors and their councils, as well as my National Assembly colleagues to whom I offer my warmest wishes for re-election.

May the spirit of co-operation and harmony which animates our West Island region live on and on.

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**NATURAL DISASTERS**

**Mr. Jerry Pickard (Chatham—Kent Essex, Lib.):** Mr. Speaker, it was with regret and dismay that all of us heard of the enormous disaster that occurred in Nicaragua and Honduras by hurricane Mitch.

● (1400)

At present it is estimated that up to 7,000 people may have lost their lives in flood and mud slides. The International Red Cross said yesterday that it was tripling its efforts to make sure assistance was going to those hurricane victims. In many places in Canada we can do a great deal to help in this cause.

Small villages sat where seas of mud now exist. I call upon the generosity of all Canadians to try to support organizations like the International Red Cross and church organizations which are sending relief to flood and disaster victims in Honduras and Nicaragua. Canadians should get together to help those people.

\* \* \*

[*Translation*]

**TRANSPORTATION**

**Mr. Raymond Lavigne (Verdun—Saint-Henri, Lib.):** Mr. Speaker, this morning, I had the honour to present a petition on the use of the Champlain bridge landing to install an electric monorail with pneumatic suspension, which means no noise and no pollution.

I have received this petition with 6,200 names from the Comité des citoyens pour un monorail. Today, I want to recognize and congratulate these men and women for the countless hours they have put into furthering an issue they believe is not only important but also essential to the economic development of southwest Montreal and job creation in that area.

I am sure that the tenacity and patience of this committee, combined with the competence of its members, will move this project forward for the greater good of our community.

\* \* \*

[*English*]

**GOVERNMENT EXPENDITURES**

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, according to last week's supplementary estimates the government is planning to spend billions on some interesting projects including \$4 million for millennium art projects; \$22 million for new chanceries in Colombia, Haiti, Venezuela and South Korea; \$3.2 million for senators; and \$1 million for international environmental organizations. However the government has no money for hepatitis C victims and pepper sprayed APEC protesters. It cannot even give

employers and employees a break from the burden of high EI premiums.

The government's list of priorities is shameful. It is literally throwing these estimates in the faces of those who justly deserve a break. Imagine hepatitis C victims reading that there is no money for them but the Liberals have millions of dollars for senators, and employers and employees finding that there is nothing for them but there are millions for arts projects.

It is time to reject these estimates. It is time for the President of the Treasury and the Minister of Finance to go back to the drawing board and start again.

\* \* \*

### MIDDLE EAST

**Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.):** Mr. Speaker, the conflict in the Middle East has had a long and torturous history. Therefore it is with great satisfaction that we learn of the ground breaking peace agreement at Wye, Maryland.

The Palestinian and Israeli leaders, with the instrumental support of the United States and the moral support of King Hussein of Jordan, worked courageously to achieve the breakthrough agreement. We trust it will lead to a resolution of the conflicts and provide a better life for future generations.

We are already hearing and seeing protests from opponents to the agreement, but we can only hope that they will not be successful in undermining this achievement.

The leaders of both the Palestinians and the Israelis have been working hard for many months to find a mutually agreeable solution while constantly being under the threat of failure.

As in Northern Ireland, the agreement is an important step toward building trust between longstanding rivals. Those who are outside this conflict now have an opportunity to provide support for a peaceful resolution.

\* \* \*

[Translation]

### FIRST JOB FAIR

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Mr. Speaker, it is with great pride that I rise today in this House to report on the first job fair, held in the West Island area of Montreal on October 30 and 31, 1998.

This job fair, with its 32 stands and 1,400 job offers, attracted more than 7,000 job seekers. I am also proud to say that 75% of the available positions were filled during the fair.

This shows the vitality of this part of the greater Montreal area and its significant and sustained economic growth. With more than 7,800 new jobs created in 1997, paying on average \$32,000 a year, and the injection of \$250 million in wages, there was an urgent

*S. O. 31*

need to bring together companies looking for workers and workers looking for jobs.

At this first job fair, our local youth employment centre rose to the challenge. I want to congratulate Gilles VanChesteing and his team at Trait d'Union for the excellent work they have done.

\* \* \*

● (1405)

[English]

### REMEMBRANCE DAY

**Mr. Peter Goldring (Edmonton East, Ref.):** Mr. Speaker, whilst skies rained shells and proud men died, a soldier penned prose of bitter truths. His pen spoke out from the fields of war 83 years ago. He spoke for all that have faced their soul in the finality of the theatre of war.

Whether Korea, the gulf or two world wars, he could well be speaking of all brave men that have soldiered the world for Canadian beliefs.

World War I has long been gone but John McCrae's *In Flanders Fields* lives on. His words are carved in the walls of the House and are enduring as the threat of future wars.

For our honourable war veterans and remembered war dead we pause to give our respect. "If ye break faith with us who die, we shall not sleep". Lest we forget.

\* \* \*

[Translation]

### JACQUES PARIZEAU

**Ms. Raymonde Folco (Laval West, Lib.):** Mr. Speaker, former Quebec Premier Jacques Parizeau is now toeing the line and supporting Lucien Bouchard's strategy, after condemning it not too long ago.

This is a remarkable about-face since, as we know, Mr. Parizeau has always been anxious to achieve Quebec's separation from the rest of Canada. But, being a real trooper, Mr. Parizeau now supports the view that winning conditions must prevail before a referendum can be held.

A referendum on Quebec's separation from the rest of Canada remains the number-one priority for the PQ, and they will go to any lengths to achieve their goal.

\* \* \*

[English]

### TRADE

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, by rejecting the MAI, France and other OECD nations have clearly acknowledged that we must not enshrine the interests of powerful corporations above the rights of working people, governments and

*S. O. 31*

the environment. By rejecting the MAI these nations rejected the NAFTA approach to investment.

By signing the NAFTA the Liberals made Canada the guinea pig for this flawed model. The result is the Ethyl case and those that will follow where foreign corporations are able to extract compensation if their profits are limited by legislation, no matter how legitimate that legislation may be.

After looking closely at the MAI and the Ethyl case, other countries are now scratching their heads as to why Canada ever agreed to sacrifice its sovereignty in this way.

Instead of looking for other venues in which to push the MAI such as the WTO or FTAA, the government should be rethinking the MAI and NAFTA and putting an end to our role as guinea pig for such unacceptable provisions.

\* \* \*

[Translation]

#### L'ISLET ASSOCIATION OF UNEMPLOYED PEOPLE

**Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ):** Mr. Speaker, enough is enough.

On August 27, 1997, the Secretary of State for Agriculture asked the Minister of Human Resources Development to change the parent region of the L'Islet regional county municipality by integrating it into Quebec's eastern region, because of the difference in benefits for EI recipients.

At the time, the secretary of state said that the current unemployment rate in his riding was closer to the 17.9% rate for Quebec's eastern region than to the 8.1% global rate Statistics Canada assigned to the whole Chaudière—Appalaches region.

One year later, the L'Islet association of unemployed people is condemning the about-face of their member of Parliament and the human resources development minister's refusal to correct the injustice done to them.

The Bloc Québécois feels that the unemployed in L'Islet deserve more respect and assures them of its support.

\* \* \*

#### ELECTION CAMPAIGN IN QUEBEC

**Mr. Denis Coderre (Bourassa, Lib.):** Mr. Speaker, the weekend saw the Bloc Québécois adding to the stakes in Quebec's upcoming election.

The member for Rimouski—Mitis insisted that there would indeed be a referendum during the next term of office, if Lucien Bouchard were re-elected.

She even set a deadline, saying that Mr. Bouchard would probably hold the referendum in 2001. Quebeckers now know what is riding on their vote November 30.

If they want to avoid another referendum, Quebeckers must vote for a stronger Quebec led by the provincial Liberal party.

\* \* \*

#### TRANS-CANADA HIGHWAY

**Mr. David Price (Compton—Stanstead, PC):** Mr. Speaker, the Government of New Brunswick reneged on a contract with the Government of Canada and Quebec now finds itself paying the price, and a high one at that.

The Trans-Canada Highway through New Brunswick is the main link between the Magdalen Islands and the rest of Quebec. New Brunswick has announced that a toll booth would be set up on the section of the highway running between Moncton and Petitcodiac.

• (1410)

This section of the highway should be funded equally by the federal and the provincial governments. The provincial government has refused. Instead of paying its share, it will set up toll booths. If we end up with toll booths, it will be because the Government of Canada did not hold New Brunswick to the agreement.

On behalf of the people of Quebec, I call on the Minister of Transport to require New Brunswick to respect its obligations.

\* \* \*

[English]

#### REFORM PARTY OF CANADA

**Mr. John Finlay (Oxford, Lib.):** Mr. Speaker, imagine my surprise when I received a franked letter last week in my constituency office from the member for Esquimalt—Juan de Fuca.

My surprise stemmed from the fact the hon. member was using his postage privileges, paid for by the Canadian taxpayer, to inform me of the "evils" of the Liberal government. The information, clearly marked with the Reform Party logo, asked me to send my opinions to the hon. Leader of the Opposition.

I would like to take this opportunity to send my opinions directly to the Reform Party leader and his member: first, talk to me when Stornoway has been turned into a bingo hall; second, talk to me when Reform stops representing special interests like the gun lobby; and, third, cease sending misinformed propaganda to my door.

I am sure those on the opposition benches have heard my message loudly and clearly.



*Oral Questions*

[Translation]

**FEDERAL-PROVINCIAL CONFERENCES**

**Mr. Bernard Bigras (Rosemont, BQ):** Mr. Speaker, contrary to the federal Liberals' claims, since 1994 the Parti Québécois government has been an active and faithful participant in federal-provincial meetings, far more so than the 1990-94 Liberal government.

The Bourassa and Johnson governments, in fact, attended only 53% of these meetings, while the Parizeau and Bouchard governments have attended 83%.

The empty chair policy is but a myth; the government of Quebec staunchly defends the interests of Quebec and its traditional demands. The specialist in non-presence is Jean Charest, he who is incapable of committing to the Calgary Declaration.

Along with his federal Liberal ally, Jean Charest, who is passing himself off as the saviour of Quebec, has nothing but hot air to offer the people of Quebec. This coming November 30, all of Quebec will let him know that this is unacceptable.

\* \* \*

[English]

**GOVERNMENT APPOINTMENTS**

**Mr. Gary Lunn (Saanich—Gulf Islands, Ref.):** Mr. Speaker, let us deal with some facts. The Liberal government's record of patronage and backroom deals just got a whole lot worse.

Former Liberal MP Ron Fewchuk was appointed president of the Freshwater Fish Marketing Corporation in 1997. When he arrived he was not wanted. They would not even give him the keys to the front door. No doubt this appointment was an agreement for giving up his seat in the riding redistribution.

Fewchuk has now been fired after a disastrous year in his new position. As a parting gift from the Minister of Fisheries and Oceans he has thrown in another generous severance package. This is Fewchuk's second golden handshake in 18 months.

Who will pay for it? Will it be the Canadian taxpayer? Will it be the fishermen who finance the marketing board? Either way, it is unconscionable.

The Liberal ship of patronage appointments is adrift at sea. How much money will have to be wasted on Ron Fewchuk and others like him before the government gets the message.

[Translation]

**PRESENCE IN GALLERY**

**The Speaker:** I wish to draw to the members' attention the presence in the gallery of Mr. Benalia Boulahouadjeb, Minister of Agriculture for the Peoples Democratic Republic of Algeria.

**Some hon. members:** Hear, hear.

[English]

**The Speaker:** I would also like to draw the attention of hon. members to the presence in the gallery of the Hon. Cathy McGregor, Minister of the Environment of British Columbia.

**Some hon. members:** Hear, hear.

**ORAL QUESTION PERIOD**

[English]

**EMPLOYMENT INSURANCE**

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, every time Canadian workers get their paycheques they see the Prime Minister has skimmed something off the top. For three out of four workers the Liberals skim 2.7% off their paycheques for employment insurance alone. The chief actuary of the employment insurance plan says that those workers' premiums should not be higher than 1.9% which is enough for a safe and reliable plan.

• (1415)

Why is the Prime Minister taking 2.7% off those paycheques for EI when he ought to be taking only 1.9%?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we reduced employee contributions from what they were supposed to be in January 1994 from \$3.30 to \$2.70. The Reform Party said in its fresh start platform that we should cut EI premiums by 28% for employers only. It is on page 11. As usual, there is no caring at all about the employees, just about the employers.

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, the Prime Minister appears to be confused but that should not be not unusual. We see from the papers that the Prime Minister is suffering from a peculiar delusion. He thinks he is a baseball player of some sort who is in a batting slump. At least now he is using his baseball bat for recreational purposes. The question still

*Oral Questions*

remains why is the Prime Minister taking most workers for 2.7% on unemployment insurance instead—

**The Speaker:** The Right Hon. Prime Minister.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, that is another strikeout by the Leader of the Opposition. I just explained that we have taken care of employee contributions. We reduced them from \$3.30 to \$2.70 and we did it in every one of the five budgets of this government. We did this while the Reform Party was proposing that we reduce them just for employers. I am happy we did not listen to the Reform Party. We thought about the employees. That is always the concern of the people on this side of the House.

**Mr. Preston Manning (Leader of the Opposition, Ref.):** Mr. Speaker, that is another swing and a miss from the Prime Minister. The Prime Minister is taking 2.7% off of most workers' paycheques when he should only be allowed to take 1.9%. That costs the average worker about \$350 a year and it costs the average small business about \$500 per worker per year. To get it straight I will ask the Prime Minister again. Why is he taking 2.7% when he should only be taking 1.9%?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we have explained to the people, and I am happy to explain again, that we have reduced premiums since becoming the government. We have done it in a very responsible way. If we had listened to the Reform Party we would have reduced only employer premiums. I am happy we are not listening to the Reform Party.

We have been doing it in a rational way. This fund is sometimes in surplus and sometimes in deficit. That is why we have to manage it carefully. The Liberal way is always to be careful.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, arrogance is not a mistake and it is not a slump. It is a character flaw. When the Prime Minister says he wants to confiscate \$350 in premiums from workers and \$500 from employers, that is a calculated decision, it is arrogance. It is not a mistake and it is not a slump. If the minister really wants so desperately to redeem his reputation, why does he not allow people to keep their money?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, let us take a look at what the Reform Party has suggested. It has said that income taxes should be cut by \$9 billion and that the debt should be cut by \$9 billion. That is \$18 billion. Now Reformers want another \$7 billion reduction in EI. That is \$25 billion.

The hon. member talks about confiscation. I will tell him what confiscation is. It is confiscation of Canada's health care programs if we follow through with that. It is confiscation of our research and development policy. It is confiscation of equalization. It is confiscation of everything Canadians hold dear. That is what they would do.

• (1420)

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, it is hard to believe that is coming from the Dr. Kevorkian of Canadian health care, \$7 billion in cuts from that minister.

Recently the finance minister has been arguing that we should forgive billions of dollars of foreign debt and at the same time he is getting set to confiscate billions of dollars from Canadian workers.

I wonder if the minister can tell us why he has so much compassion for foreign governments and so little compassion for Canadian workers and small businesses.

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, what the Reform Party is arguing against is the very policy it advocated for four years in terms of EI. The real question is why the policy flip-flop. The next thing Reformers will advocate is that the Leader of the Opposition should not live at Stornoway.

[Translation]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, we have learned that the federal government apparently intends to wait until December to announce the 1999 employment insurance contribution rate and that this rate will be either frozen or slightly lower than that of last year.

Will the Prime Minister acknowledge that a freeze or a slight reduction is illegal and this is why he might be tempted to postpone it as long as possible, particularly since he has not yet changed the law?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the past points the way to the future. Every year since we formed the government, we have reduced the premiums at budget time. We are looking at the problem at the moment.

We have made a lot of progress. As I was saying earlier, the employment insurance fund has been in a deficit position at times in the past and in a surplus position at others, and happily this is the case at the moment. This is why we have reduced employee premiums over the past five years from \$3.30 to \$2.70.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, if the past points the way to the future, we can expect the Prime Minister to be again digging in the pockets of workers and businesses in order to reduce the deficit and to put money into government pockets.

**An hon. member:** That is what happened in the past.

**Mr. Gilles Duceppe:** That is what happened in the past. We also learned today that a coalition of unions, unemployment support groups and students is calling, along with the Bloc Québécois, for a better deal for the unemployed. Even the Liberal premier of New Brunswick is calling for improvements to the plan.

In his refusal to improve employment insurance, will the Prime Minister acknowledge that his insistence on proving that he is right is stronger than the compassion he ought to feel for people in difficulty—

**The Speaker:** The Right Hon. Prime Minister.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we have already said we will maintain this approach. We have reduced premiums from \$3.30 to \$2.70. At this point, the government is studying the situation, and we will announce our plan in due course.

The hon. member should listen to what Michel Chartrand had to say this morning about the Parti Québécois. The PQ gives with the left hand and takes away with the right, while we have always—

**The Speaker:** The hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques.

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, of all the ways the government has come up with to penalize unemployed workers, the ones that hurt most are those that affect seasonal workers. Even the Premier of New Brunswick has been quoted criticizing the federal government in the newspapers.

Is the minister going to tell us that the Premier of New Brunswick, his Liberal ally, is also living in the past because, like us, he is coming to the defence of the unemployed victims of these reforms?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, every time my Bloc Québécois colleague rises in the House, it is to ask for improvements to the EI system. That is all he can talk about.

He never has anything to say about workers wishing to rejoin the labour force. Our government has made it a priority to help these people. A much greater portion of our funding has gone into active measures and we have signed a new agreement with the Government of Quebec to help manpower training and—

**The Speaker:** The hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques.

• (1425)

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, the point I am making today is the same as the one made by the Premier of New Brunswick, a Liberal premier. The government ignored the first wake-up call from maritimers, who did not re-elect two senior ministers from the Atlantic provinces in the last federal election.

Is the government going to continue to ignore the warning of the Premier of New Brunswick, who is urging the minister to stop

### Oral Questions

targeting seasonal workers in the Lower St. Lawrence and maritime regions?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, my position has always been very clear. Our government undertook an extremely important reform of the EI system.

Our government promised to table annual studies over the next five years to monitor the reform and to determine any corrections needed.

The first report to come out was important. We noted that people in the Atlantic provinces find the additional hours to maintain their level—

**The Speaker:** The hon. leader of the New Democratic Party.

\* \* \*

[English]

### HEALTH CARE

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, I would like to welcome the Prime Minister back into the ballpark and now we will see if he is on his game.

This government has cut health care so deeply that some provinces are contemplating pulling out of medicare altogether. This government is more concerned about who gets credit than who gets the health care they need. An infusion of \$2.5 billion is needed, not over the next three years but now.

When will this government recognize the crisis it has created in our health care system?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, we have already started the reinvestment of which the Prime Minister has spoken. The era of cuts is well behind us. Having restored the fiscal solvency of the nation we now turn to restoring its most important programs.

The Prime Minister has said health will be the subject of our next major reinvestment. With our partners in the provinces we shall ensure, and Canadians can count on us to do so, the future of medicare in this country.

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, one of Canada's greatest strengths is medicare. It seems that Lucien Bouchard cares more about medicare than this government.

**Some hon. members:** Oh, oh.

• (1430)

**The Speaker:** The hon. leader of the New Democratic Party.

**Ms. Alexa McDonough:** Mr. Speaker, it appears that the truth hurts.

*Oral Questions*

Lucien Bouchard got caught cutting money from medicare and he had to put it back. When will this government put back the money that it cut from medicare?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, it is astonishing, indeed it is appalling how little this member and her party knows about which political figures and which parties in this country stand for Canada and its health care system.

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**AIRBUS**

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, several weeks ago the government spin doctors circulated passages of the fictitious novel *On the Take* to refute allegations that the solicitor general had done something wrong.

I would therefore like to cite page 303 of the new book *Presumed Guilty* by William Kaplan. In it the Prime Minister allegedly discussed Airbus and mused about a royal commission with an Ottawa businessman in the summer of 1995. This was several months before the Prime Minister claimed that he learned of the investigation.

Will the Prime Minister confirm or deny that this particular conversation took place?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I love those very courageous people who never give their names when they talk to the press.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, this Prime Minister claims to be a home run hitter but his responses are way off base.

There is an apparent contradiction in what the Prime Minister has said about when he knew about the Airbus investigation. On November 20, 1995 the Prime Minister said he first heard of the Airbus investigation in a *Financial Post* article dated November 18. William Kaplan's book apparently contradicts this.

The question is simple. Does the Prime Minister stand by his November 1995 statement, or did he in fact discuss Airbus prior to November? What is the truth?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, again this is an allegation based on nothing. If the hon. member has any self-respect, he will name the person and I will deal with the person very neatly and clearly.

\* \* \*

**APEC INQUIRY**

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, he does know how to take them out.

Yesterday the public complaints commission said that instead of asking the federal court to decide if the commission was biased, it would now make that decision itself. In other words, the same commission that is accused of bias will sit in judgment of itself. This is what we call fairness?

When will the Prime Minister replace that farce of a commission with a real independent judicial inquiry?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, there is a law in this land that was passed to establish this commission. This commission is doing its work. We will let the commission do its work. We will not do as the opposition does and try to destroy the commission. Let the commission do its work according to the law that was passed by the previous government.

• (1435)

**Miss Deborah Grey (Edmonton North, Ref.):** Mr. Speaker, the public complaints commission has been destroyed by this government, by the solicitor general and by several other things, certainly not by the opposition.

It is obvious that the Prime Minister prefers the public complaints commission to an independent inquiry. The commission cannot investigate the Prime Minister's involvement, but do you know what, Mr. Speaker? A judge could. The commission cannot subpoena government documents that the Prime Minister says it cannot have, but do you know what, Mr. Speaker? A judge could.

I ask the Prime Minister, is that not the real reason the Prime Minister continues to talk about the public complaints commission when he should turn it over to a public independent inquiry to get to the bottom of what his involvement was?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, there is a law of the land that established exactly that, an independent inquiry that is doing its work.

I repeat that I have nothing to be afraid of because I received the leaders of the United States, China, Japan and other nations. My preoccupation at that time was really on the turbulence that existed in the Pacific and I had no time to talk with the RCMP.

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[Translation]

**TECHNOLOGY PARTNERSHIPS CANADA**

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, yesterday in the House, the Minister of Industry did not answer my question about Technology Partnerships Canada but, outside the House, he told a *Globe and Mail* reporter that he was trying to get the necessary funding from the Minister of Finance.

Does the minister realize that, while his colleague in the Department of Finance is holding back his announcement for a

*Oral Questions*

splashy budget in the spring, high-tech jobs are disappearing by the hundreds in Montreal or are moving south of the border?

**Hon. John Manley (Minister of Industry, Lib.):** But that is not true, Mr. Speaker. Our program has been a great success, not just at saving jobs in Montreal and in Canada, but at creating jobs in the aerospace industry, a sector that is very important for Canada. It has been a great success for Canada.

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, my supplementary question is for the Minister of Finance.

The minister told the *Globe and Mail*:

[*English*]

“We don’t lose the company but less is being done here—. That’s clearly what I’d like to arrest if I can”.

[*Translation*]

Is the Minister of Finance going to continue to abandon the Montreal region? Can he afford to sit tight until the spring to make an announcement that would save R&D jobs now?

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, which are the successful sectors in the Montreal area? They are the aerospace sector, funded by the federal government, the biotechnology sector, funded by the federal government, and the telecommunications sector, funded by the federal government. All three sectors receive funding from our government.

\* \* \*

[*English*]

**APEC INQUIRY**

**Mr. Jim Abbott (Kootenay—Columbia, Ref.):** Mr. Speaker, the Prime Minister continues to hide behind this now totally dead and useless public complaints commission. He has a reason for that. The public complaints commission was never, ever designed to look into the affairs of the Prime Minister denying Canadians their rights of freedom of speech and expression.

This commission will be calling the commissioner of the RCMP who has acknowledged that because it will be reporting to him, it will have a bias. The RCMP lawyers say that it will have a bias. What are we going to do to get to the bottom of this affair as long as the Prime Minister—

**The Speaker:** The hon. solicitor general.

**Hon. Andy Scott (Solicitor General of Canada, Lib.):** Mr. Speaker, what the hon. member does not understand is that the public complaints commission was initiated by an action of the complainants. They started the process. Now the process is master of its own procedures.

**Mr. Jim Abbott (Kootenay—Columbia, Ref.):** Mr. Speaker, my question is not about the RCMP commission. My question is not about the RCMP’s actions or the students’ actions. My question is about this Prime Minister’s involvement in denying Canadians their rights of freedom of speech and expression.

• (1440 )

This commission does not have the authority to get to that and is completely derailed. When are we going to get what Canadians need, an independent inquiry?

**Hon. Andy Scott (Solicitor General of Canada, Lib.):** Mr. Speaker, is the hon. member suggesting that the government should interfere with a process that was established by parliament in 1988? Is that what the hon. member is suggesting? This government will not do it.

\* \* \*

[*Translation*]

**CANADA MORTGAGE AND HOUSING CORPORATION**

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, the Canada Mortgage and Housing Corporation charges a \$235 appraisal fee to all home buyers who make use of its services in securing a loan.

My question is for the Minister of Public Works. How can he explain the CMHC’s imposition of this \$235 appraisal fee on everyone, when appraisals are done in Quebec only 5% of the time?

**Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, CMHC has an appraisal system which it uses along with the financial institutions. CMHC also has an insurance component.

Overall, the purpose is to do an appraisal, and the cost is shared among the users.

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, nevertheless, there is a property appraisal done in only 5% of cases in Quebec.

Can the Minister of Public Works tell us whether, in the imminent legislative amendments to the National Housing Act, he plans to require CMHC to appraise all properties on which it is securing loans, since it is already charging an appraisal fee to all buyers?

**Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, if CMHC were to appraise every property individually, the cost would be higher than at present.

The hon. member should be aware that, thanks to new technological developments in doing appraisals, we are able to transfer the resulting savings over to the users. That is why the charge is a minimal one. We are constantly trying to reduce fees, and when we can bring them down, we will.

*Oral Questions*

[English]

**HEALTH CARE**

**Mr. Grant Hill (Macleod, Ref.):** Mr. Speaker, when medicare started, the federal government promised it would pay 50% of the costs. Today due to Liberal neglect it is down to 11%.

The health minister says that he and the Prime Minister are ready to reinvest in medicare. Exactly what is the percentage we can expect the federal government to pay? What is his target?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, it is hard to know what to say about a party that would put a question like that, when the Reform Party would repeal the Canada Health Act.

This very member has been quoted in the House as calling the Canada Health Act an outdated piece of legislation. This very member called for something he terms medicare plus. We know what that is. It is American style health insurance. We will never have it in this country. Never.

**Mr. Grant Hill (Macleod, Ref.):** Mr. Speaker, while this crew promised to protect medicare, what did they deliver? Seven billion dollars in cuts. While this crew promised to protect medicare, what did they deliver? Longer waiting lines. While this crew promised to protect medicare, what did they deliver? People having to go to the Mayo Clinic for treatment.

My question again is since it has dropped from 50% to 11% what is this minister's target? What will we see when he is through with medicare?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, Canadians will not be distracted by this empty rhetoric from the member opposite. Canadians know the Reform Party would sweep away medicare. The Reform Party believes in American style health insurance.

Let me make it very clear for every member of the House. This Prime Minister and this government will never repeal the Canada Health Act because the Reform Party will never have the opportunity to serve in government.

\* \* \*

[Translation]

**DATURA STRAMONIUS**

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, my question is for the Minister of Health.

Last week, I drew the attention of both the Minister of Justice and the Minister of Health to the trafficking in datura stramonius, the fruit of a hallucinatory plant that is not currently prohibited in Canada and that has devastating effects.

● (1445)

Could the minister tell me whether he will act quickly, as he is being asked to, to ban datura stramonius?

**Hon. Allan Rock (Minister of Health, Lib.):** Mr. Speaker, last week I clarified Health Canada's position. We are now looking into this whole question.

We know the risks associated with this substance and we are currently considering all our options, including that of adding this substance to schedule A, to ensure it is prohibited in Canada.

\* \* \*

[English]

**CANADIAN WHEAT BOARD**

**Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.):** Mr. Speaker, earlier this summer the House made what amounts to the single biggest change in Canadian grain marketing in 60 years. For the first time producers will directly elect 10 of the 15 directors to the Canadian Wheat Board.

Can the minister responsible for the Canadian Wheat Board tell the House how this historic election process is progressing?

**Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, the Canadian Wheat Board electoral process is going very well.

Sixty-four candidates, many of them brand new people, are running for the 10 positions, so there is obviously a healthy contest. For the most part, the debate is positive and constructive.

An editorial in yesterday's Lethbridge *Herald*—

**Miss Deborah Grey:** Brand new people?

**Mr. Art Hanger:** Were they just born?

**The Speaker:** The hon. Minister of Natural Resources.

**Hon. Ralph E. Goodale:** Mr. Speaker, the debate on the prairies is obviously healthier than the debate across the way.

An editorial in yesterday's Lethbridge *Herald* said this: "Democracy is alive and well in agriculture in western Canada. The most important thing from a farmer morale perspective is the actual vote. Finally, for the first time since the federal government instituted the wheat board in 1935, farmers will have a say in who serves them in the global marketplace".

\* \* \*

**VETERANS AFFAIRS**

**Mr. Peter Goldring (Edmonton East, Ref.):** Mr. Speaker, Hong Kong war veterans, having endured as prisoners of war of Japan in World War II, also suffered from a Canadian government cover-up in 1955.

*Oral Questions*

Fifty years later the concerns are still unanswered, though all-party committees give full support for compensation. Time is running out.

When will the minister listen to his colleagues, apologize for the cover-up and get on with the compensation?

**Hon. Fred Mifflin (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.):** Mr. Speaker, the hon. member is aware that there is an all-party agreement, presented in a committee report, which is before parliament and which the government is considering. He is very much aware of the file, as am I, and we have discussed it personally. He is also aware that this is a very complex file. It is 58 years old.

I want to assure the House that this government will take the time that it needs to take all of these factors into consideration and put forward the most positive solution possible to this age old problem.

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, the federal government has a solemn responsibility to look after our war veterans, and yet this government has neglected the veterans who are under care at the Perley-Rideau veterans' hospital in Ottawa. Our veterans do not deserve that kind of treatment.

I ask the Minister of Veterans Affairs, why is this government shirking its responsibility to provide veterans with adequate health care?

**Hon. Fred Mifflin (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.):** Mr. Speaker, I have discussed this in committee.

I want to tell the hon. member that no one is more concerned about the health of veterans than we are on this side of the House, in this government.

I also want to tell the hon. member that this country has the best veterans' benefits in the world. I stand by that.

I also want to tell him with respect to the Perley-Rideau veterans' hospital that we are concerned about the level of health care. I do not know if the hon. member is aware of it or not, but I will tell him and all members of this House that we have done two audits. The last one was done in April. The audits show that the health care is the same level as it was four years ago.

\* \* \*

• (1450)

**SOCIAL PROGRAM FUNDING**

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP):** Mr. Speaker, my question is for the Prime Minister.

In the first year of the CHST my home province of Saskatchewan lost about \$100 million in transfers for health and education. Now the federal government is going to allow wealthy hedge fund investors to make the same \$100 million on tax deductions if they channel money into health and education.

How can the government justify putting hospitals and schools in the financial position where they have to rely on the casino economy and participate in hedge funds in order to secure financing for their operations?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the government intends to monitor this situation very closely. We would certainly insist that any of the donors be fully at risk for any of the investments that are to be made.

At the same time, we are going to take a look at the advisability of a number of charities engaging in what could conceivably be risky investments.

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP):** Mr. Speaker, the hedge fund in question is for wealthy individuals who would receive a tax credit of up to \$700,000 for an investment of only \$250,000. It is really a subsidy for rich and wealthy gamblers like the Conrad Blacks of the world.

How can the finance minister possibly sit on his hands and allow schools and hospitals to starve in order to use a hedge fund to divert tax money to subsidize the rich?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, this is one of the difficulties of having a supplementary question prepared in advance. I just said that the donors will have to be fully at risk if the tax consequences they seek were to arise.

At the same time, we are going to look at the advisability of hedge funds in this particular circumstance.

\* \* \*

**CANADA PENSION PLAN**

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, the CPP investment board is responsible for the pensions of all Canadians. It will have \$80 billion worth of assets and it will be the most powerful force in Canada's equity markets.

The finance minister has assured this House that there will be no political interference with the Canada pension plan, yet of the twelve members of this board six are prominent Liberals.

How can Canadians trust that there will be no political interference in the decisions of this board when in fact there has been political interference in the appointment of this board?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, that is absolute nonsense. In fact, the provinces and the federal government got together on a list of some 20 appointees from whom the final list was taken. If one takes a look they will see that

*Oral Questions*

the vast majority of these people were recommended by the provinces. Unfortunately, the majority of the provinces do not have Liberal governments.

All of these people have outstanding qualities. It does no good to the Canada pension plan or to Canadians for the hon. member to demean some very high quality Canadians.

**Mr. Scott Brison (Kings—Hants, PC):** Mr. Speaker, the finance minister knows full well that the final decision rested with him, and the finance minister's final decision was to staff the board with Liberal partisans.

Canadians cannot trust that there will be no political interference in the decisions of this board because clearly there has been political interference in the appointment of this board.

Will the minister clean the slate and ensure that all appointments to this board go through a parliamentary review and approval process?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the provinces have already done this. The fact is that there was a joint stewardship between the provinces and the federal government. There was a committee set up to choose those people who would be nominated. We then went through and picked those people.

I simply go back to what I said before. When we ask Canadians to serve and to give up their time for the benefit of their fellow Canadians, I do not think it does anybody any good for the hon. member to stand in this House and decry what they are doing. They are serving their country and the hon. member should recognize that.

\* \* \*

**CANADA CUSTOMS**

**Mrs. Judi Longfield (Whitby—Ajax, Lib.):** Mr. Speaker, the Minister of National Revenue recently issued a discussion paper on the future direction of the Canada customs and trade administration program.

How will the minister ensure that Canadian businesses and travellers are well served?

**Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.):** Mr. Speaker, I recently launched a blueprint for Canada customs and revenue.

● (1455)

As our tourism has increased and as our trade has increased there are new challenges for Canada Customs in its trade administration.

We will be consulting with stakeholders, with employees and with Canadians on how to address the new challenges to ensure that we can expand tourism and continue to have increased trade, which is up 50%.

We are consulting, we are listening and we will be responding to Canadians.

**YEAR 2000**

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, in January 2000 we will see the sequel to the ice storm. There will be people without heat, there will be people without power and there will be people without water. There will even be people who will lose their jobs.

My question is to the Minister of Finance. What is the government's estimate for the number of jobs that will be lost and the drop in the GDP that will be caused by the millennium computer bug?

**Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, of course there have been all kinds of forecasts about the January 1, 2000 problem.

There is no doubt that we are trying to prepare the government and the various government departments to be absolutely ready for that date. Even the Bank of Canada is considering increasing the money supply.

The government has made plans to deal with the various contingencies that may happen at that time.

\* \* \*

[Translation]

**AGRICULTURE**

**Ms. Hélène Alarie (Louis-Hébert, BQ):** Mr. Speaker, the Quebec minister of agriculture is holding a meeting in Montreal with the farming industry to discuss farm incomes and to prepare the upcoming negotiations with the WTO.

Why did the federal Minister of Agriculture, who was informed of this meeting, decide to compete by inviting Canadian and Quebec agriculture leaders the same day to discuss the same topics here in Ottawa?

[English]

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, we can do two things in one day and I am sure the people in the province of Quebec can too. I respect them for that.

I discussed the date for this meeting with all ministers of agriculture and people in the farm organizations in Canada and they agreed that they could attend the meeting tomorrow afternoon with some of their officials, while some of their other officials are attending other meetings in Montreal.

I will be in Montreal tomorrow morning and I will be in Ottawa tomorrow afternoon.

\* \* \*

**APEC INQUIRY**

**Mr. Peter Mancini (Sydney—Victoria, NDP):** Mr. Speaker, it seems like a long time ago that a few students in British Columbia



*Oral Questions*

began to look for justice as a result of what happened at the APEC conference in British Columbia.

The legal complexities of this matter grow daily. The matter goes from the Public Complaints Commission to the federal court and back to the Public Complaints Commission, and yet the students are expected to represent themselves.

If this government will not set up an independent inquiry, will it at least reconsider its position and provide funding for the students' legal counsel?

**Hon. Andy Scott (Solicitor General of Canada, Lib.):** Mr. Speaker, as I have said many times, the Public Complaints Commission was established so that citizens would have access to a process that would not require that. That is the reason that counsel to the commission is assisting the students in their preparation during this procedure.

The Public Complaints Commission is an independent, arm's length organization established by parliament to do exactly what it is doing right now.

\* \* \*

**CANADIAN HERITAGE**

**Mr. John Nunziata (York South—Weston, Ind.):** Mr. Speaker, my question is to the Minister of Canadian Heritage.

The minister will know that Canada's Walk of Fame in Toronto is an opportunity to showcase Canadian talent both here in Canada and internationally. The minister showed her support to the inaugural Walk of Fame last year in Toronto.

Can the Walk of Fame count on the minister's and the government's continued support for this most worthwhile initiative?

**Hon. Sheila Copps (Minister of Canadian Heritage, Lib.):** Mr. Speaker, no, that was not a planted question.

**Some hon. members:** Oh, oh.

**Hon. Sheila Copps:** I will say that the launching of the Walk of Fame in Toronto was an absolute first for Canada. It was a blockbuster success. I am very pleased to tell the House that there are a number of Canadian cities that are looking at the option of establishing a similar walk of fame. I think it falls very nicely in line with the millennium. We as a country have to start to show the world our heroes.

[*Translation*]

That is exactly what was done in Toronto, and I think it could be done in Montreal, Vancouver and throughout Canada.

• (1500)

[*English*]

**BILL S-13**

**Mr. Greg Thompson (New Brunswick Southwest, PC):** Mr. Speaker, my question is for the government House leader. Is the government willing to provide government time for the House to debate and vote on Bill S-13, an act to incorporate and to establish an industry levy to provide for the Canadian Anti-Smoking Youth Foundation?

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I hate to disappoint the hon. member, but the negotiations between the opposition and the government in terms of House business occur at 3.30 today, not 3 o'clock.

\* \* \*

**PRESENCE IN GALLERY**

**The Speaker:** Today is a very special day for us in the House of Commons. In just a few moments I will present some 17 World War I veterans.

I want to explain first of all how I would prefer to proceed in this regard. I will say just a very few words and I will present the veterans who are behind me. All of you can see them from your seats.

You will understand that when I call out their names some of them will stand, some of them will remain seated and simply wave, and others have hearing problems, but they are here and they belong to us. After I have read all their names I would like you to join with me in welcoming them to our and their House of Commons.

I am delighted to welcome some 17 of our World War I veterans who are, as I said, in the public gallery just behind me.

[*Translation*]

The wars touched the lives of all Canadians, without regard to age, race or class. Fathers, sons and daughters died in action, were wounded, and many came home changed for evermore. Those who remained in Canada also served—in factories, as volunteers and wherever they were needed.

[*English*]

Together they fought a war and they forged a nation, a nation that we proudly call our Canada.

The standard they set was repeated by those who followed in the World War II and in Korea. It is a tradition of service and international respect that continues today with the courageous efforts of our peacekeepers in hot spots around the world.

To all these people, these Canadian heroes, today we the representatives of 30 million Canadians say thank you. Parliament, as do Canadians in communities across the land, owes them so much also. Our pledge is never to forget their sacrifice and to pass on their legacy to our children and our children's children.

I will read out their names and, as I said, they will make themselves recognized by you in their own way.

Mr. Henri Allain, Mr. Henry John L. Botterell, Mr. Gordon Boyd, Mr. Frederick Connert, Mr. Fred Evans, Mr. Fred Gies, Mr. Lazare Gionet, Mr. Harold Lidstone, Mr. Walter Loudon, Mr. Paul A. Métivier, Mr. Lawrence Morton, Mr. Percy Perdue, Mr. Harry Routhier, Mr. Tom Spear, Mr. Ernest Stevens, Mr. Stephen Thorlakson, and we have with us today a man they call their mascot. He is one of two surviving Victoria Cross winners, Mr. Smokey Smythe. These are our veterans.

*[Editor's Note: Members rose and applauded]*

\* \* \*

• (1505)

## REMEMBRANCE DAY

**Hon. Fred Mifflin (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.):** Mr. Speaker, I address veterans of the great war and other veterans who are with us today.

Clearly this is a special occasion for special people at a special time. As we approach Remembrance Day and we celebrate veterans week, we who are so fortunate to have largely known only peace in our lives would do well to remember those who built our nation in the earlier years of this century. For so many war was a constant companion of their youth.

This Remembrance Day is a special one for it is the 80th anniversary of the signing of the armistice that silenced the guns for the first world war. The killing fields of Europe became remarkable at long last for their silence. More than 650,000 young Canadian men and women served. More than one in ten or 68,000 never returned.

These figures are just figures. They do not show the human side of war. They do not show the cold, the wet, the rats and the stench of trench warfare. They do not show the fear and the horror of war. They do not show the sorrow, the broken hearts shared both on the battlefield and by friends and families back home when entire battalions and regiments would be cut down as they marched in the maelstrom of enemy machine gunfire, whether it be the virtual annihilation of the Royal Newfoundland Regiment in a mere 30 minutes fighting at Beaumont Hamel or the 80% fatality rate suffered by Canadian regiments during 10 days of drawn out fighting at Passchendale.

*[Translation]*

These figures do not show the triumph of Canadian spirit, ingenuity and determination during such battles as Ypres, Vimy Ridge or Amiens. It was indeed during the first world war that Canadians would earn a reputation for being among the most professional and effective soldiers. These brave Canadians earned for our country international recognition, respect and independence.

*[English]*

It is a sad fact that not many veterans of that war are with us. Perhaps there are a few hundred. Some would say their steps are a little more tentative these days, their hands perhaps a little more shaky, and their eyesight somewhat dimmed. After all, as the nation approaches the millennium, veterans of the great war are approaching and have surpassed their own centenary. Despite the many changes that age visits upon us, their legacy to their home and native land remains etched in time. We consider them a national treasure.

• (1510)

We are delighted, indeed honoured, to have our World War I veterans with us in the House today and, as we have done earlier, we salute them.

No sooner was that war over and won, a mere two decades later Canadians again were called upon to offer up their lives in the fight against tyranny in World War II. They fought on land, at sea and in the air. They fought for their homes, for their families and for their country. Just a few years later we answered the call to Korea.

*[Translation]*

Every time a country came under threat of occupation and enslavement, Canada answered the call, and our peacekeepers have kept up this military tradition by maintaining peace for over half a century.

*[English]*

This week it is our turn to say to those who lost their lives and to their families and to those who returned to build a great nation that we the inheritors of their courage and determination will continue to honour their sacrifice by acts of remembrance and the telling of their story to our children from one generation to another. We will not forget.

**The Speaker:** To the member who sent me this note asking how old our veterans are and to all members, the baby is 98 and the oldest one is 105.

**Some hon. members:** Hear, hear.

**Mr. Peter Goldring (Edmonton East, Ref.):** Mr. Speaker, as we rise in the House today to recognize the glory and sorrow of our veterans valiant efforts for Canada and Newfoundland in World War I in battles like Vimy Ridge and Beaumont Hamel, we should

*Tributes*

be reminded of the words of one young man from Guelph. No finer example of inspirational significance has been born by the horror of human conflict than *In Flanders Fields*:

We are the dead  
Short days ago, we lived,  
Felt dawn, saw sunset glow,  
Lived and were loved,  
And now we lie,  
In Flanders Fields.

Lieutenant Colonel John McCrae paused to reflect on the high price of peace and of man's duty to serve. His pen spoke out from the fields of war 83 years ago. He spoke for all who have faced their soul in the finality of the theatre of war. From Korea to the gulf and through two world wars he could well be speaking of all brave men who have soldiered the world to defend Canadian beliefs.

The brave young men who fought in the two world wars served in our armed forces and merchant fleet, contributing so much to the end of global war.

His words are carved in the walls of the House and are as enduring as is the threat of future war. This year marks 80 since the guns of the war to end all wars grew mute, a war the world learned not from even with a price of 60,000 Canadian dead. Canada's losses would continue in 20 short years.

Our veterans of Korea, the gulf war and peacekeeping duties know too well the significance of his words. This century the price of peace was war. One hundred thousand of Canada's young never grew old. One hundred thousand youths lie in foreign graves, one hundred thousand from the Korean and two world wars. When I visit foreign graves with Canada's war veterans I am deeply moved by their moments of reflective grief for their comrades they left behind so far from home so long ago.

● (1515)

Time has not yet healed their wounded souls. Near one century hence memories fade not. Near one century hence they still have not forgotten that by mere chance alone they survived as other did not.

As veterans grieve for long lost friends they ponder why the price of peace is war and is so very high.

Soon John McCrae's words will echo in this hall and resonate throughout the land as we pause to give respect to our honourable war veterans and remembered war dead. "If ye break faith with us who die, we shall not sleep, lest we forget".

I am proud to be in this House today to speak to Canada's war veterans.

[*Translation*]

**Mr. Maurice Godin (Châteauguay, BQ):** Mr. Speaker, it gives me pleasure today to rise in honour of Veterans' Week, from November 5 to 11. This week is set aside to commemorate the contributions and sacrifices of the men and women who gave up their lives for peace, democracy and our freedom.

As they gather around the cenotaph on November 11, thousands of people will remember the courage of those who died at the front fighting for peace in the great world wars. This moment in honour of the memory of these people should be a time of reflection on the atrocities that have marked world history. Often, the past may appear to explain the present, but it can never convince us that human lives must be sacrificed for a cause, whatever it may be.

Thousands of them died in the line of duty, were wounded or taken prisoner. On Remembrance Day we honour their memory and that of all the other veterans of 20th century wars.

War also affected the lives of all those left behind by the soldiers who died in the war. Their families will remember this great meeting with destiny that was beyond their control and the painful moments that will remain always.

On this Remembrance Day there will be veterans who are surely remembering their friends and colleagues as they were before they fell. I think of the wives making their last farewells as their husbands went off to war, never to return, of the parents whose children never came home.

Let us remember, so that there is never again an armed conflict, and our children never have to learn the horrors of war. We have a duty to ensure that Remembrance Day receives the respect due to it, and retains its position among our noble traditions.

I have travelled with veterans' delegations returning to visit the battlefield sites, and the graves of their fallen comrades. Veterans now in their seventies and eighties trying to locate the resting places of comrades who lost their lives in their twenties, if not younger.

I have always been impressed with their appearance at these ceremonies, as they stand stiffly at attention, just as they did when they were still in the Forces. As soon as the speeches and prayers are over, they wander off in search of the resting places of their dead comrades, lost in their memories and grief for a brief moment.

These unforgettable experiences have made me realize the reality of war. Such pilgrimages are both extremely sad and extremely gratifying, gratifying because of the appreciation shown by those who were liberated by our veterans. For instance, during my visit to Dieppe in 1997, I realized that our servicemen were true heroes in the eyes of the French.

● (1520)

These men and women did not forget the hard lessons of 55 years ago and they remember that our veterans liberated them. This year

*Tributes*

marks the 80th anniversary of the armistice that brought World War I to an end. On November 11, 1918, all of humanity pledged that there would never be another war. This universal hope was short-lived.

Twenty years later, the world had already forgotten the war's atrocities and launched into an even more deadly conflict, World War II, which lasted from 1939 to 1945. Six years of civilian and military losses. Six years of fighting for our freedom. These were the six most defining years in history.

On behalf of the Bloc Québécois, I pay tribute to the men and women who gave their lives during the two world wars, the Korean war and in numerous UN peacekeeping missions.

Let us hope, as they did, that there will never be another war.

[*English*]

**Mr. Gordon Earle (Halifax West, NDP):** Mr. Speaker, it is with great honour and humility that I mark Remembrance Day on behalf of the New Democratic Party caucus.

Eighty full years ago from this Remembrance Day, the great terrible guns of the first world war fell silent on the 11th hour of the 11th day of the 11th month.

When the great war began in 1914, the Canadian regular army was made up of only 3,110 Canadians. Yet over 66,000 died in the killing fields of France and Belgium, with so many more deaths of our merchant mariners, our navy, the Newfoundland forces and the Royal Flying Corps.

World War II brought our death toll to over 100,000. With great pride and great sadness and with tremendous respect I recognize the ultimate sacrifice given by those killed in all wars and the terrible sacrifice also of their loved ones and their friends.

I will soon be joining these honourable veterans and other members of this House in France and Belgium to pay our respects to Canada's dead from the first world war.

This day is marked to ensure we never forget those who gave their lives for all of us. Let us never forget those veterans who suffered unspeakable horror in Korea, Japan and Hong Kong.

Let all of us in this House commit to doing all we can to ensure that those who served in our merchant marine are treated with respect and justice.

Let us recognize those who fought fascism as part of the Mackenzie-Papineau Battalion in Spain. Let us also ensure that those brave Canadian prisoners of war sent to the Buchenwald concentration camp receive the justice they deserve.

As the first black member of parliament for Nova Scotia, it is my honour to remember those who served with the segregated Number Two Construction Battalion in World War I.

As aboriginal veteran day approaches on November 8, let us also not forget the over 7,000 aboriginal Canadians who served in the two world wars and in the Korean war.

Remembrance Day is honoured by many people in many ways. My comments have already spoken to those who died and their families and loved ones, but now as a parent I believe Remembrance Day must always address our youth. It is now their lives that we need to protect through remembering war.

If anything, let this day give each of us more strength and vigour in working for peaceful and democratic solutions wherever possible.

I finish with the words gracing the tombstone of Corporal Hugh Rocks of the Queen's Own Rifles of Canada who died on D-Day, June 6, 1944 and who is buried in the Canadian graveyard at Beny-sur-Mer in France: "There is a link death cannot sever. Love and remembrance last forever".

Our duty especially today is to remember with honour and great thanks.

• (1525)

[*Translation*]

**Mr. David Price (Compton—Stanstead, PC):** Mr. Speaker, I rise today to pay tribute to Canada's veterans.

Although I pay tribute every year to the men and women who fought for Canada, this is the first time I have had an opportunity to do so in the House of Commons. I consider it a privilege.

Veterans served their country so that the inhabitants of Compton—Standstead and of all regions of Canada may vote for the candidate of their choice.

As this violent and bloody century draws to a close, young Canadians must know that the values, ideals and institutions we hold dear today required sacrifices.

Too often during this century, tyrants and dictators tried to expand their empires by force. Many people saw their villages burned, their families killed and their freedom taken away.

[*English*]

Too many times this century tyrants and dictators raised their ugly heads and expanded their realm through force. For individuals this meant seeing their villages burned, their families murdered and their freedoms extinguished.

Against the expanding tyranny of Germany and Austria in the first world war, Nazi Germany, Japan and Italy in the second world war, and communist North Korea, China and the Soviet Union in the Korean War, Canada held firm. Young, vibrant Canadians with their futures ahead of them understood the importance of the call and put their lives on hold and at risk. Soldiers, sailors and airmen travelled to the farthest reaches of the globe to protect their

families at home, safe in Canada. Too many of them never came back.

Today, thanks to their sacrifice, we continue to be safe here at home in Canada. While young people must learn the history of this century, our leaders must remember its lessons.

Tyrants must never be appeased. Dictators must never be welcome. True justice and freedom must always be the guiding principles for the leaders of Canada, leaders who inherited the trust of those who never made it back.

As I stand here in this House of Commons, elected freely by the citizens of Compton—Stanstead, I remember those who served Canada and on behalf of all Canadians and all people who love freedom, merci, thank you.

**The Speaker:** My colleagues, in your name I have invited our World War I veterans to be received in Room 216N. You will understand that it will take us a few minutes to get them all there and as many of you as possible could come to meet them.

[*Translation*]

I invite you to come and shake their hands and perhaps thank them individually for what they and all the others have done for us. It is because of men like them that we are here today.

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## GOVERNMENT ORDERS

• (1530)

[*English*]

### SUPPLY

#### ALLOTTED DAY—CANADIAN FARMERS

The House resumed consideration of the motion.

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, it is good to pause for a truce once in a while in the battles we engage in regarding the policies of the government and the affairs of this great country. We have a lot to be thankful for and many people have sacrificed their lives so that we may have peace. We pay them our respects. It is not easy to do battle in this House as we battle with words and that is what parliament is all about.

In posing my question I need to explain to Canadians that it is not easy to get a resolution on to the floor of the House to be debated and battled over. I want to thank all of those who helped me in the battle to have agriculture discussed. Farmers have gone to bat for us and they have done a lot for this country. We need to recognize that.

The government gets the chance to choose what is debated here most of the time. The official opposition gets to name the topic for

### Supply

debate about one day out of every month and generally the topics submitted for debate are much more important to most Canadians than what the government puts forth.

I cannot emphasize enough the importance of this topic to all Canadians. We may not debate agriculture very often, but I have no control over that.

I did not want this to be a partisan issue and so I did not press to have it votable. However my colleague had become quite partisan in his comments by documenting the failings of the Liberal government. Would it not be more productive to work with the government rather than chastise it for its failings? That is the question I would like the member to address.

**Mr. Leon E. Benoit:** Mr. Speaker, I really appreciate the question from my colleague. I would say yes, normally it would be much better if we could work together in a non-partisan way toward solutions. I think the member would know as well as anybody that in the last five years we have been in Ottawa we have tried that approach. We have worked hard in committees to try to move government along the way that farmers and Reform MPs think it should go. It has not worked. It is to the point where we have a crisis in agriculture that was completely unnecessary.

Before we can force or push this government into doing something about it, we have to make it very clear to the government how it failed farmers. The government has failed farmers in terms of the legislation it has brought forward, like the legislation that eliminated the Crow benefit. It was handled very poorly. The new Canadian Transportation Act does not encourage competition, is not fair and will not lower the cost to farmers. The privatization of CN which was a good idea has been handled poorly.

The ever increasing user fees and what the government calls cost recovery have put an undue tax burden on farmers and have made it so they cannot make ends meet. The increase in taxation at every level and in every imaginable way has been loaded on farmers.

• (1535)

All of these things together with the weak position of this government and previous governments during trade negotiations have allowed this completely unlevel playing field which our farmers are forced to compete on. This all shows that the co-operative approach does not work with this government. That is why we have to point out the government's errors of the past. Hopefully by doing that we will get it going in the right direction so this crisis can be dealt with.

**Mr. Jack Ramsay (Crowfoot, Ref.):** Mr. Speaker, I listened to the debate today—

*Supply*

**The Acting Speaker (Mr. McClelland):** Excuse me. Normally we go from side to side and I did not see the hon. Parliamentary Secretary to the Minister of Fisheries and Oceans. I am sorry but I have already recognized the hon. member for Crowfoot. I guess I owe you one.

**Mr. Jack Ramsay:** If the hon. member across the floor is concerned about not having time and has to leave the House, I would certainly acquiesce and allow him to stand and speak. Nevertheless, I have been given the floor.

I have been asked to meet with the municipal council of the town of Wainwright as well as the district council next week based on the crisis in the farming community in that area. Some of the farmers there have been told by the bank that they must list their land for sale.

This whole business of leaving things until we reach a crisis situation is not the way to do it. It seems that the only time the government will listen to us is when it is afraid of what the people are going to do at the next election.

**The Acting Speaker (Mr. McClelland):** I am sorry but I must interrupt. The hon. member for Lakeland for a very quick response.

**Mr. Leon E. Benoit:** Mr. Speaker, the Wainwright area was in the constituency that I represented last time but due to boundary changes it no longer is. They have the same situation there that we have in the Lakeland constituency which is a drought following several years of drought. The situation is made much more difficult because on top of that are the low commodity prices and all of the problems that have been caused by inaction and improper action on the part of this government. It is a crisis situation.

We have to get ideas from the people affected by this crisis and make sure that the government really listens to the ideas so that some action will be taken to deal with this crisis. It is an extremely serious one.

**Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.):** Mr. Speaker, I am pleased to rise today in the debate on the Canadian farm crisis. Of course we all know that it is Canada wide and that is why we are raising the topic here today.

I am sure all members of this House at some time in their lives were faced with the situation in which they had to scramble to overcome misfortune. Either due to choices they made or ones that were arbitrarily made for them, they awoke one day to discover that they were out of a job or that they had some sort of financial crisis looming over them. I just want members from urban centres to keep that picture in mind so they can appreciate what we are talking about today.

This is not like losing one's job. A Canada wide farm income crisis is like losing the best part of one's life and all that one has worked toward.

The present crisis in farm net incomes is nothing short of a financial earthquake rumbling across Canada toppling lives and livelihoods for years to come. One of the buzzwords we have heard in this House lately is child poverty. Child poverty is erupting and rearing its ugly head out on the prairies where I am from and across Canada due to the rural crisis. Like natural earthquakes, this one was preceded by tremors and will be followed by aftershocks that will reverberate in areas far from the epicentre on Canadian farms.

Unlike natural earthquakes, farmers cannot count on the Canadian forces coming to their assistance. In fact they cannot count on federal authorities to do anything except to keep many of the counterproductive, bureaucratic programs that they have loaded on to the Canadian farmer over the last number of years.

Simply put, the price that anyone can get for their produce minus their input costs and taxes determines whether or not they can succeed and invest for their future. Right now, economic turmoil in Asian markets is reducing demand and prices as well. The resulting oversupply in world markets is reinforcing this downward pressure.

But what about the input costs? In a free market, producers should be able to reduce their costs and adjust to a reduction in demand. That is not happening. That it is not happening is the fault of interference in the marketplace by a variety of players, including governments.

• (1540)

Canada's dollar is down and though the Prime Minister was too busy playing through to notice this summer, the effect has been devastating. For some exporters the low dollar stimulated sales, that is true. But for farmers the lower price for their products offset by massive agriculture subsidies by our neighbours to the south and even more by our so-called friends across the Atlantic have added to that situation. Furthermore, that low dollar cannot buy as much fertilizer, chemical, new machinery and/or parts which tend to be based on American dollars.

Of course the expenses connected to farming are not just the ones that go into the ground. Like every household and business in this country, farmers cannot seed or harvest a stock of grain without answering to a bureaucratic program or shelling out for a mandatory fee which is a tax. Farmers know as well as anyone that there has to be some tax to pay for government services, but we hold the opposite view of government members who display a desire to have constantly rising taxes pay for a constantly expanding government and its programs.

On a regular basis we have to question where these revenues come from, where they go and whether there is not a better way to provide certain services or manage public concerns. We do not see a commitment to re-examine the status quo on a host of issues from taxation to democratic accountability from that side of the

House. We do not expect to see any imaginative resolutions to the present agricultural crisis either.

The farmers are doing their best. One of my constituents, Mr. Rene Cadrain, wrote in the *Western Producer* "They say diversify. I've been diversifying all my life and things are getting worse by the minute".

The federal government can try to pawn off its responsibility by saying that Asia has depressed prices and there is nothing it can do about that. But what is really happening to the price of grain worldwide? We can see that a loaf of bread still costs the same. As a baker, Mr. Speaker, I am certain you can answer to that.

The Europeans are injecting billions into subsidies to keep farmers growing wheat when the market is already well served in that area. Insulated from the real price they should be getting, European farmers are contributing to a glut that nonetheless leaves millions of starving people around the world. That is obviously something that needs attention all by itself. But this government has done nothing to counteract the mistaken policies of its trading partners.

We scaled back our agriculture safety net from \$2.5 billion to \$600 million in accordance with the world trade agreement. Good for Canada, but we forgot to hold our allies to that same standard. The Americans are getting into the act now with their own bailouts.

Despite Canadians selling only 1.5 million tonnes into that market that consumes 35 million tonnes, this government does nothing as frustrated Americans stop our trucks. It is certainly ironic when a prairie farmer tries to sell his own wheat in the U.S. and he is arrested by his own government, and when his government tries to truck the wheat down there, it is turned back by state troopers. It gives you a greater appreciation of the comment in the *Lethbridge Herald* recently that wheat production is 10% grain and 90% politics.

We know that this government will be going to international conferences soon to discuss these issues, but will it just be a replay of Kyoto? No plan until they step from the hotel, no idea of what Canadian farmers need to compete and prosper and no idea of the cost and implications until it is too late.

We should all recognize the difficulty that governments face when they try to satisfy many competing interests. This is a diverse sector. Any policy has unintended consequences and is bound to have as many detractors as it has beneficiaries.

Most of the difficulties experienced by farmers in this time of falling net income relate to the tax burden. Federal income and payroll taxes are bad enough, but due to offloading by senior governments, many rural municipalities are forced to rely on

### Supply

excessive property taxes to maintain their services. This type of tax is not tied to the ability to pay and looms larger as land values fail to reflect the drop in value of the crops grown on them.

Senior levels of government brag about how they have balanced their budgets, but they are bragging to the same taxpayer who is getting squeezed at the local level. It is a shell game that no longer fools many Canadians.

Of course jurisdictions cross at the federal and provincial levels with negative consequences. The federal government is responsible for the railways, but has not come up with a policy to make the system more efficient. It offered a one time payout to eliminate the Crow rate which equalled one year's worth of freight. We are still shipping product. The effect is that now farmers are paying an extra 30 cents a bushel for freight, a major input cost.

What we have now are piecemeal rail abandonments, the destruction of elevators and the towns that support them, and longer hauls to market for crops. The roads take a pounding without any dedication of fuel taxes to compensate the local governments to fix them. The farmers' costs go up and grain ends up sitting in bins.

The feds and the provinces cannot agree on who is responsible for the environment either. We all have a stake in it of course, but policies that impose flat charges on a whole range of goods and services without any recognition of whether a large western farm of 3,000 acres has the same impact as an eastern farm of 70 acres of a diverse crop can wipe out that narrow margin of income.

Taxes and environmental fees on automotive parts and petroleum products can loom larger for a farmer than a high volume urban operation. We are never sure whether that money is going toward an environmental purpose or into general revenues. Farmers are certainly willing to pay their fair share and they have been but the key word here is fair and we just do not see that.

• (1545 )

I am calling for the government to stand up for Canadian farmers on the international stage and to re-examine how the agricultural sector is treated within our borders. Farmers as businessmen need flexibility, accountability and efficiency from government policies. They need to see a thorough re-evaluation of the many short term band-aid solutions that have piled up over the years. They do not want handouts. They are very self sufficient. But they could use a playing field that would allow them to compete fairly and efficiently now and when times are good.

I quote my constituent, Mr. Cadrain, again: "Wives have to work to put food on the table and pay utilities. Why should we who feed the world go with less than the people we feed?"

*Supply*

**Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I really would have enjoyed getting up for the previous speaker but you would not allow me. I do not want to get into a partisan fight on this issue although it is awfully hard not to get drawn into one by the remarks made by the last member, especially with some of the less than accurate information he was talking about on what this government is doing.

The reason some farmers were arrested for trying to move grain to the United States is that they were violating the marketing system in this country which is there to maximize for producers the returns that are in the marketplace. Thank goodness we have the Canadian Wheat Board or the returns would have been even lower. That's a fact.

Give us a little credit. We have some programs that make sense. The supply management industries, which the member's party is not too supportive of, are reasonably healthy because we have organized marketing. Perhaps we should be looking at organized marketing in other areas.

There is a serious farm crisis that is increasing. In this debate we have to try to find some solutions. We on this side are willing. I did not hear any proposed solutions in the member's remarks. Could he give us some solutions to consider rather than his rant against past policy?

**Mr. Gerry Ritz:** Mr. Speaker, I am thankful the member did not get partisan. I would not know where to start. He speaks about the marketing system of the wheat board maximizing returns. A while ago I heard the movie line "show me the money". I have not seen it. I am a western Canadian farmer who is under that system. Of course the parliamentary secretary is not because he is in a different part of the country. I have not seen that maximization of returns. Nobody can show me the bottom line.

People are trying to take their products across borders because they are frustrated. They do not have any black ink on their bottom line. Bankers are saying the only way they are going to get out of it is to sell their land. Where do they go? What do they do? I have farmers in my riding who are 55 to 60 years old who are ready to pull the plug because there is no tomorrow for them. They have diversified, they have agriculture, they have done everything government levels have told them to do, and they cannot be there for next spring's seeding. Where are they going to go? At that age what are they going to retrain in or retool to do?

Liberals have killed jobs in this country. What jobs are these farmers going to take on? Their wives are driving school buses, they are driving school buses. They are doing everything they can to put bread on the table and they cannot keep it up. So where do we go?

There is no open accountability in the wheat board. The member says the board maximizes our returns. Look at the continental

barley market a couple of years ago. It took barley and drove it right through the ceiling for price. Everybody loved it. It had to shut it down after two months because it was competing against other forces that the wheat board did not want it to be competing against. When we took oats out from under the board, productivity in oats went up by 2000% on the prairies.

Those facts and figures are there to be verified. I could go on all day.

**Mr. Wayne Easter:** You're not making any sense.

**Mr. Gerry Ritz:** I will answer to that at home. I will not answer to it to the member's potato producers in P.E.I.

We have a cheap food policy in this country. We have not seen the cost of a loaf of bread following the price of wheat. If it were we would be buying bread for two bits a loaf, and we are not. Mr. Speaker, you are a baker. You know the price of bread is up there on the quality stuff. You pay for that quality.

• (1550)

We have a quality wheat product in this country which is better than anywhere in the world. But we do not get a premium price for it. Why is that? The wheat board is maximizing our returns. We have high protein. We have the best milling wheat grown in the world. We have the best durum grown in the world. The Italians like it for their pasta, but we cannot get it to them. The Americans love it. Why are we handcuffing our farmers by not letting them have the flexibility to make their own decisions?

**Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.):** Mr. Speaker, I will be splitting my time.

I am very pleased to participate in this debate and to speak about one of the principal strengths of Canada's agriculture and agri-food sector, its innovativeness.

The sector has long been a leader in forward thinking and strategic planning. The agri-food sector demonstrates a keen business sense and a healthy enthusiasm for competition. Staying at the forefront of developments in this sector is a constant process, a process of adapting to changing conditions, of adopting new technologies and improving one's position in the marketplace.

Clearly if we are serious about this effort we have to put the money where it matters. Research is a critical investment. The work done by scientists in the agri-food area provides the foundation on which farmers are able to build a competitive business that returns them a reasonable income.

For example, a recent study by the Government of Canada called "The Economic Benefits of Public Potato Research in Canada"



found that from 1971 to 1995 public research on potatoes returned \$10 to the industry for every \$1 invested. Other studies have shown that the return on investment in cereal research is 30%. That means for every dollar we spend we make \$1.30 through things like increased exports, higher quality products and lower production costs. This is a very important figure when we consider how important and competitive the world market is for cereals.

With its commitment to both basic and applied research the Government of Canada is working hard with the agri-food sector to make that return grow. Canada's agriculture and agri-food research capabilities amount to a success story. They are key factors in helping our agriculture and agri-food innovate for further economic development and environmental sustainable. With the inevitable downturns that are a fact of life in the market system the strength of the connections between the research and technology development community and the wider agriculture and agri-food sector has never been more important.

In Canada public and private spending on research in the agriculture and agri-food sector amounts to \$1 billion, and \$350 million of that comes from the Government of Canada. If we think research is expensive just try competing without R and D against the likes of the United States, the European Union and our other main competitors. It will not work.

Producer organizations representing farmers in many commodities are participating in steering committees on research and development at the national level of Agriculture and Agri-Food Canada's research branch as well as at individual research centres across the country. This means that producers are playing a direct role in the direction of research and technology development activities. These activities will lead to new products and new processes to enhance productivity, open new markets and add value to agricultural products.

Through programs such as the matching investment initiative and the Canadian adaptation and rural development fund, producers have contributed both input and funding to support research and technology development activities in a wide range of areas, from biotechnology to environmentally sustainable farming practices. They deserve praise for their proactive efforts.

Research activities are supporting diversification by developing, testing and adapting new crops and techniques to Canadian conditions. Scientists are working to develop new applications for existing crops such as varieties of wheat better suited to pasta. From cranberries to canola, Canadian farmers have access to expertise and advice from researchers on lucrative new crops or niche marketing opportunities.

• (1555)

Research is also helping farmers lower their costs of production, whether through new soil conservation methods or high technology for livestock grading.

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Research also facilitates the transition to a more global market. We are in a difficult stage of that transition right now, no doubt. The current situation has been shaped by an almost unprecedented combination of events. But both the sector and its partners in the federal and provincial governments remain actively engaged on all fronts to see that the farm income support system continues to work well and to evolve. That is what the meeting the Minister of Agriculture and Agri-Food has called tomorrow is all about.

In the background, research and technology development activities across Canada are laying the groundwork for future success. That helps explain why Canadian agriculture is among the best in the world. Our expertise in things like irrigation, tillage, crop breeding and disease control is no accident. It is the product of hard work and investments on the research side.

Agriculture is high tech. Farmers make great use of technology. In wise and skilful hands the tools of technology can bring rich harvests. Go to any region in this country and look at its farms and its processing operations to get a measure of that.

Moving technology from the lab to the farm requires a close and ongoing relationship between Agriculture and Agri-Food Canada's 18 research centres and producers in their regions.

Here are some examples for my hon. colleagues to consider. At the Lacombe Research Centre in Alberta, the Canadian Cattlemen's Association is involved in a study using computer vision technology to accurately grade beef.

At the Saskatoon Research Centre the Canola Council of Canada is working jointly with federal researchers on a study using the latest biotechnology methods to improve the quality of canola oil and meal.

At the Horticultural Research and Development Centre in Saint-Jean-sur-Richelieu, work has led to diagnostic standards to correct mineral deficiencies for peas, beans and corn.

The Fredericton Research Centre, in a project supported in part by the New Brunswick Potato Agency, has developed a technology to improve blight forecasting.

These are just some examples, and they dramatically illustrate the point that whether it is new approaches to crop and animal production or learning how to control weeds and combat diseases that can cripple a harvest, what is accomplished at research centres will positively affect us all.

Increasing production is a great thing but we know that we are living on borrowed time if we ignore the long term quality of the soil, water and air. Using water and fertilizers more effectively means improved soil structure, conservation of water and a reduc-

*Supply*

tion in the so-called greenhouse gases that are behind global warming.

Hon. members wish to debate the current situation in agriculture, but I would think we should broaden the debate to focus on now and the future, because research is helping to shape the future of agriculture. In many ways it is helping to ensure there will be a future for agriculture.

In assessing the current situation we must not lose sight of what is being done to build on the many strengths of Canadian agriculture, and there are many strengths. Without question the agriculture and food sector in Canada is leading the way in setting priorities and making decisions and investments that will generate long term benefits at all levels of the food system, from producers to consumers.

**The Acting Speaker (Mr. McClelland):** On questions and comments we will have one minute for the question and one minute for the response.

**Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.):** Mr. Speaker, I find it rather interesting that a member with a background in media and communications would give us a speech which is very obviously a canned speech straight off the shelf.

• (1600)

I wonder if he understood anything he read. He does read very well. He gave us a lot of platitudes. He said farming was high tech. I am lost for words. He said water and fertilizer should be used effectively. He is into a lot of fertilizer all right. Mostly he spent time singing a hymn to our agricultural research establishment. It is great. It is one of the best in the world, but it has been around for over 100 years.

**Mr. John Harvard:** Mr. Speaker, it is quite clear in the intervention of the hon. member that he is not interested in the debate. Despite the fact that farmers deserve a healthy debate, the member is not prepared to give it. He would be happier simply hurling allegations and insults across the floor.

In my prepared speech I was trying to talk about the fact that research is playing a vital role in agriculture and agri-food. If the hon. member from Saskatchewan wants to belittle that, that is fine, but I do not think his constituents will be very impressed.

**Mr. Jake E. Hooppner (Portage—Lisgar, Ref.):** Mr. Speaker, with all the research being done—and we know costs have to be cut—why is it that the Canadian Wheat Board for the last three or four years has been marketing less and less grain but costs have still gone up about 8% to 10% a year?

Where could we do some cutting in that marketing agency? When prices drop from 40% to 70% for grain, surely there should be some cutbacks instead of continual increases.

**Mr. John Harvard:** Mr. Speaker, farmers on the prairies will have an opportunity to look at the problem he raises. As he well knows, there is an election process taking place right now. Ten of the fifteen directors will be farmers.

If that is an issue which concerns farmers, and I am sure it does, the new board of directors will look at it. If there are some solutions to bringing down the overhead of the wheat board, I am sure these new directors will find them and implement the new ideas they bring to the board.

**Mr. Allan Kerpan (Blackstrap, Ref.):** Mr. Speaker, I always find it very interesting to come here not just to talk to agriculture issues but to a lot of other issues. Members of the government come in with canned speeches and read from them as if they were quoting from the Scriptures.

Has the member been out of Winnipeg lately to talk to farmers and to find out how serious the situation is? Does he have a clue what the motion is today? Are we talking about R and D in agriculture or are we talking about a farm income crisis? The questions are quite simple.

**Mr. John Harvard:** Mr. Speaker, it is typical of this member that he generally does not know what he is talking about. I assure the member that I grew up on a farm in southern Manitoba. I have scads of relatives and friends who work farms. I see and talk to them all the time. He may not want to believe that, but if he wants to check it out I invite him to do so.

I am very familiar with the motion. I find it very interesting that in effect the Reform Party is asking us to look at the farm crisis right now and do it on an urgent basis. There is nothing wrong with that, but the motion asks us to deal with other countries around the world concerning unfair subsidies.

It would take a number of months, if not years, to negotiate some new deals with other countries on subsidies. Yet that is exactly what members of the Reform Party want. They want us to spend years dealing on these international matters and at the same time hop on the farm crisis tomorrow. It is one way or the other. They cannot have it both ways.

• (1605)

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, I am pleased to have the opportunity today to join in the debate concerning the future of the Canadian agriculture and agri-food sector because it is a fundamental concern that unites us all.

As a former agriculture producer of asparagus, cauliflower and tobacco, I know very well the ups and downs of farm income, low commodity prices and weather conditions. There is much the government can do and should do.

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While we acknowledge that farming is a risky business, our government is working from coast to coast to coast in support of agriculture and our agri-food sector. Together with farmers, local organizations, provincial and territorial governments we are working co-operatively to improve producer efficiencies, to develop market opportunities, and to encourage sustainable environmental practices.

As the minister pointed out in his remarks, farmers and governments have both planned well ahead of time for a market downturn in farm commodities. We are now, however, experiencing a farm crisis.

At the October 15 meeting of the National Safety Nets Advisory Council there was a discussion of a national disaster program. The federal and provincial representatives as well as farm leaders from across the country agreed that farmers were facing some very difficult economic times.

As the Minister of Agriculture and Agri-Food stated in my riding two weeks ago, he does not want Canadian farmers left twisting in the wind if the current bout with poor commodity prices continues for long.

Jack Wilkinson, president of the Canadian Federation of Agriculture, feels a program could be finalized relatively quickly even by February. While he is not sure what the final program may look like, it could be premium free and could be triggered by individual farm operators suffering from a drastic loss of income caused by either crop losses or reduced market prices.

“A whole farm approach may be taken and a program will have to be designed to be trade neutral”, stated Mr. Wilkinson. He suggested that any new program, if put in place, will complement existing programs.

For Ontario farmers existing programs include the market revenue program for grain and oilseeds producers, the NISA program and crop insurance, but we also need a third line of defence.

Changes have been made to NISA already, enabling farmers to take advantage of early withdrawals based on estimated income projections rather than on year end tax statements. There are whole farm disaster type programs now in place in Alberta, British Columbia and Prince Edward Island.

NISA program moneys are available to Canadian farmers and add up to about \$2.5 billion. That equates to \$17,000 for the average Canadian participant and about \$16,000 for the average Ontario participant. I would be remiss in saying that there are approximately 40,000 who have \$1,000 in that program.

We now live in a global economic environment and there is much more competition for our product. On October 23 I had the pleasure of taking the minister of agriculture to four operations in

my riding to see hemp, sugar beets, soybeans and a large farm implement dealer. I believe it is important to hear from the grassroots about what they are thinking, what their concerns are and their ideas for the future.

Chatham—Kent in southwestern Ontario is Canada’s largest producer of hemp. A new firm called Kenex Limited, headed by Jean Laprise, is an example of the ability of our agriculture entrepreneurs to succeed in an increasingly competitive world. Already it has invested over \$4 million in harvesting and production, making inside door panels for cars and trucks, floor mats, hemp cheese and hemp nuts, all for export.

The federal government is assisting in their enterprises. I was pleased this summer to announce funding for Kenex through the \$60 million per year Canadian adaptation and rural development fund to help set up a processing line. It is one way we can help our rural communities adapt to change.

Many farmers across Canada are diversifying their operations and trying new crops, aiming for new markets. I also announced this summer funding for asparagus growers in my riding to assist them in the niche crop they are exporting.

• (1610)

Sugar beets are returning to southwestern Ontario after a 30 year absence. Some 3,000 acres were grown last year and this year 6,500 acres were grown by 103 growers, with estimated gross sales of \$8.5 million, and 100% of this product is shipped to Michigan. It provides an additional crop rotation, increases employment through the supply, production, piling and transportation chain, and provides a future for many farmers. These are but a few examples of success stories in the agri-food industry.

Those of us who represent ridings in rural Canada, who have raised their families and earned a living in rural Canada, know full well the importance of farming in the agri-food sector. Producers, processors and retailers from the field to the fork represent a vital contribution to Canada’s economy.

Those of us who live in rural Canada also know that many commodity prices are at or near record lows. Low grain prices, low hog and cattle prices, along with rising input costs, are causing income related concerns among producers. Since grains and oilseeds have been heavily hit by the loss of international markets, prairie farmers are most affected.

The shift toward canola and special crops like beans and lentils is no coincidence. Farmers are paying close attention to market signals and using that information to decide what to produce and how to produce it.

I am sure we can all agree that the current troubling situation was not created by factors only within Canada. The Asian financial crisis and Russia’s economic woes have meant lost sales. Good crops combined with reduced demand have resulted in an oversup-

*Supply*

ply in the marketplace and lower commodity prices. These low prices are expected to continue through 1999.

In the long term diversification means a stronger farm and a stronger farm sector and farmers know it because it accords with their keen business sense and strong competitive spirit.

Staying at the forefront of development is a constant process, a process of adapting to changing conditions, of adopting new technologies and of improving one's position in the marketplace. Hemp and sugar beet producers are doing exactly that in my riding.

The question then becomes what is the government's role in cushioning the impact of the farm income crisis. The government and our Minister of Agriculture and Agri-Food are addressing this issue in the most prudent and effective manner. In the short term the net income stabilization account holds \$2.5 billion that Canadian farmers can access. This represents an annual contribution of \$600 million by the federal government, \$400 million by the provinces, and \$600 million by farmers.

The safety net program is available to the farmers right now. Seventy-five per cent of NISA participants have sufficient funds to bring 1998 incomes up to average earnings in the 1993 to 1997 period. Any simplistic short term solution is not in anyone's best interest. Only a long term solution to the low commodity prices is appropriate. This solution cannot encourage trade sanctions and provoke a trade war. Sanctions would hurt the long term viability of Canada's agriculture and agri-food sector.

Canadian farmers do not want a stop gap or an ad hoc approach. Upon the invitation of our minister of agriculture, farm leaders and provincial government representatives are meeting tomorrow to discuss the problem. Let us hope the discussions are productive and fruitful and are in the interest of our farmers first and foremost.

Diversification cannot prevent downturns in the market but it can blunt some of the effects of that downturn. Diversification is not the only solution but is part of the effort to ensure the best possible prospects for the Canadian agriculture and agri-food sector.

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, I must express my appreciation. It is good to see somebody on the other side who knows something about agriculture. It is also reassuring to see the hon. member working at committee to recognize the difficulties that farmers are having. She talked about a third line of defence. I am glad she is willing to look at other things that work. Unfortunately she needs to inform herself a little more fully about NISA.

I would like her to reply to a question. How do we communicate the importance of this issue to all Canadians? The concern we have over here is that not enough people are made aware of the importance of agriculture to Canada.

• (1615)

I can appeal to Canadians by putting this in context by saying that we are talking at great length about whether we should give a 1% or 2% raise to our union members, postal employees, teachers, workers in the automotive industry, electrical, telephone and delivery services. We express grave concerns that these people are not getting a 1% or 2% raise but here we have farmers taking a 75% cut in their pay. That is very serious. It affects a large part of Canada and yet we are unable to get most Canadians to recognize the seriousness of the problem.

We can talk about \$22 billion in exports and we know how important that is but if we go beyond that people's eyes glaze over at these numbers sometimes.

**Mrs. Rose-Marie Ur:** Mr. Speaker, I thank my hon. colleague for his comments. I certainly agree that we have a big learning cycle out there to educate our non-farmer consumers on this issue.

All too often we hear that it is the farmers' problem. Prior to being a member of parliament I worked as a constituency assistant. I had a man of the cloth who came in and was right downturned on farmers. Being a farmer I did not take too kindly to his remarks.

He said he did not know why farmers needed subsidies. He said the shelves are full in the stores. I said that was wonderful and was glad he realized that but I also asked him if he realized the food was not grown in cans on the shelves in the stores.

I believe our urban colleagues are certainly understanding our situation with the pricing and to see exactly what is out there. I think we have a little battle ahead of us but I do believe they are recognizing the vital importance agriculture plays in our society, not only farmers but the further processors. Many people have family members who are connected indirectly or directly with the agriculture sector.

**Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I know the member for Lambton—Kent—Middlesex is very concerned about the farm crisis and agriculture issues. I have heard her talk passionately on it many times.

One common theme runs through all farm crises. We have had farm crises in past generations. It does not matter in what generation the farm crisis occurs or what commodity or community. There is as a result of a farm crisis economic violence, I would call it, inflicted on farm families. That is the level I want to deal with.

Do we have anything in place? What about the Farm Debt Mediation Act or is there anything in place that the government can do to deal with that kind of economic violence that will take

place within farm families at the community and individual level? That is what we have to deal with.

**Mrs. Rose-Marie Ur:** Mr. Speaker, I thank my hon. colleague for that question. I can certainly understand where he is coming from.

I have been very fortunate to be on the front lines working in a constituency office and addressing some of these concerns over the past years when there have been crises within our communities in the farming sector.

I believe the revamping of the farm debt review board has a program that will help some of these farmers. Being a farmer in my past life, we always think next year will be a better year. Sometimes our pride gets ahead of common sense a little by thinking that another struggling effort can be made to put in the crops.

With this program farmers can actually access information to see if there is a possibility of them continuing next year. They can see the avenues or how they could change their farming practices. I think it will be tapped into on a regular basis in the next few months.

I look forward to tomorrow's outcome when we have the provincial ministers and agricultural leaders in town. These are the people who will give us the best answers as to how we address this national disaster program.

• (1620)

**Mr. Howard Hilstrom (Selkirk—Interlake, Ref.):** Mr. Speaker, I will be splitting my time.

As the chief critic for the Reform Party on agriculture I find it a pleasure to be here today to speak on this Reform supply day motion dealing with the income crisis currently occurring in Canada.

We found it necessary to bring this supply motion forward and to bring a motion forward in the agriculture standing committee to move the government along on this issue and recognize there is a problem today and that it will be even worse in the future. There is every indication that the government was not prepared to take any immediate action to deal with this problem and was looking down the road that maybe it would solve itself.

I would like to make a correction to what has been going on in the House. A number of members on the government side have repeatedly stated that we have raised this issue simply as a western crisis. We well know that when one sector of the agriculture economy goes into a crisis situation on the income side that it is not too long until a major portion of the Canadian economy follows suit.

I refer directly back to the comments by the member for Calgary Southwest. He said we recognize that there is a Canadian income crisis which is why we have raised this debate today. Politics has to take a back seat to the issue facing people today.

### *Supply*

Many farmers even when they are making a profit are not in the rich and wealthy category. We have heard the same story today as we have heard in the House in past weeks, the same reasons why the government feels it did not have to really do anything. It was kind of along the idea that the global market has failed us, the farm income crisis is due to the Asian flu or the Russian economy going down the tubes. It is just a cycle.

Also we have heard that NISA and crop insurance will address all the problems. That is just not the case and I have noted the government is moving along the road to admitting that there is a major problem and that something has to be done. Tomorrow the agriculture ministers are appearing in Ottawa from across the country and that will help move this issue along further.

If the government is sincere about ensuring the future of agriculture it will have to take the actions required so that a farmer does not need two or three jobs off the farm. The minister of agriculture has made comments to the effect that the farm economy goes up and down and suggested that farmers look for some outside source of income. A viable agriculture operator and his family cannot be put under greater stress by getting a job to supplement his farm income when it is not sufficient for him to make a living.

That suggestion is fine for the small farmer who maybe has only a few acres or is only part time farmer at best, but it certainly cannot be applied to our commercial farmers. The government has to create an environment which producers can make an adequate living from farming. I believe that we are debating this issue today because the government has failed to do its job over the past 30 years without going into a long history of 100 years ago.

A government needs the foresight to look down the road and have in place programs and policies that enable a vital industry like agriculture to continue through the good and bad times that are always coming along. I do not just fault the Liberal government on this. The Conservative government shared in that past.

I remember back in 1970 when wheat was \$1 a bushel in Interlake and Manitoba.

• (1625)

The few people who would buy it tried putting it through livestock and that soon went down the tubes also.

We have had this before and somehow, someday a government has to put in place programs and policies that will ensure farmers carry through when the next downturn comes along. That opportunity is now available to this government and that is where the farming industry is looking for solutions.

The priorities of this government also need to be examined. Education and health are major issues and major programs that have to be fully funded and cared for. These should be at the top level of this government's next budget. In addition, agriculture

*Supply*

should be added as a top level area to be addressed in the next budget.

Some of the examples of misguided priorities have probably been examined here today. They include the spending with regard to the Firearms Act. I would be surprised if my friend from Yorkton—Melville did not mention that. But \$330 million going into a program that will not do any good shows a misguided attempt to prioritize government spending to an area that will buy votes in some sectors of the country, big cities perhaps, but it will not do anything effective for the country.

There is a lot of money in many parts of government departments similar to that wasteful spending that could be marshalled to be used to deal with the crisis before us.

We have had several speakers from the different parties and I note that our friends to the left, the NDP, are singing along the lines of \$1 billion here or \$1 billion there. That is not the solution to this crisis or the long term crisis. The Conservative Party has been repeating some of the same things and I find that disappointing also.

The minister has stated this government has frozen user fees for the Canadian Food Inspection Agency. What about eliminating that agency? What about a corresponding reduction in income taxes? What about the cost recovery programs of the Canadian grain commission? What about pilot fees on the Great Lakes? Will the minister commit to eliminating these costs today?

In short, we have to create an environment with a viable farming community and we must reduce the cost of government to enable us to do that.

I end with an analogy. We had the famous Prime Minister batter situation arise and I think the Prime Minister is really more of a pitcher. The pitcher is supposed to be the leader of the team. He has the ball in his hands and it is up to him to throw that ball and make the next action, address the issue in front of him.

If this pitcher, this little guy from Shawinigan, throws the next baseball into the dirt on this issue, the taxpaying farmers of Canada, along with many other taxpayers, will soon recall him from the team and probably bring in a reliever.

**The Deputy Speaker:** It is my duty pursuant to Standing Order 38 to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Regina—Lumsden—Lake Centre, agriculture.

• (1630)

**Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I know the member for Selkirk—Interlake has farmers in mind in terms of the farm crisis

and I want to back him up, but this is not a western issue and I do not believe people on this side of the House believe that it is in fact a Canadian issue.

His remarks lacked specifics. There is a funny thing about the farm crisis. If one has not experienced the farm crisis personally it is very difficult to understand the loss of pride, the loss of one's heritage and so on.

Does the member have any specifics? Would he support utilizing the Farm Credit Corporation in some fashion to deal with this crisis? Would he support introducing green programs? Are there extra tools that the member could offer that the farm debt mediation board could utilize in terms of dealing with this crisis?

**Mr. Howard Hilstrom:** Mr. Speaker, the crisis that is facing us today has a long history and a long track record. It goes way back to the previous government of which the questioner was a member.

We have raised this issue and brought it to the attention of the government along with many industry players and representatives.

The industry and the opposition parties do not have control of the budget that will be coming down in February. We do not know how much has been committed to other programs that are not related to agriculture. We do not know where the government will be able to get that money by repriorizing its spending. Heaven knows, it may even raise taxes. Who knows what it will do?

The fact is that no one can tell the government what to do in its next budget. We can suggest, but it is up to the government to come up with solutions in its budget and to repriorize its spending toward agriculture.

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, I listened intently to the member for Selkirk—Interlake. He accused the NDP of wanting to throw a billion dollars here and a billion dollars there.

I can assure the hon. member that our agriculture critic, the member for Palliser, has estimated that anywhere from \$500 million to \$700 million is needed for emergency aid now so that farmers right across this country can get through the winter.

As a former member of the fisheries and oceans committee, I want to express this statement, relating it to farming and agriculture, and see if he agrees. "Our fisheries and marine policy is a perfect example of how Canada does not work and how unaccountable and dysfunctional our system of government can be".

If we relate that to farming and agriculture, would he not agree that is a valid statement?

**Mr. Howard Hilstrom:** Mr. Speaker, he certainly seemed to have the agreement of a lot of members in the House after his speech.

*Supply*

The crisis that we are talking about has to have a two-pronged solution, both for the short term and the long term. Simply throwing money at the problem is not going to solve it in the long term. That is what the budget is for in February and that is where the government has to move.

We have to wait until all of the industry players have had a chance to put their solutions forward. At that time, through the committee on agriculture, we will be able to put forward reports with recommendations that will have a viable, long term solution for the government to follow. We are going to get that done in time for the February budget.

I take great pride in the fact that Reform has been the party pushing this issue forward the most at this point.

**Mr. Garry Breitzkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, it has been very, very difficult to have questions answered by the government. I asked this question earlier and I must emphasize once again that the government is ignoring the question. What are the bureaucrats in agriculture doing?

I read an article in the paper awhile back that described how many bureaucrats we have in all of the departments of agriculture across this country.

• (1635)

There are 5.7 farmers for every bureaucrat. Farmers have come to me and asked: "What are these guys doing? This crisis is coming down the pike and nobody has prepared us for it". It is the very same thing that the member asked: "What would you do?"

We do not need more programs designed by bureaucrats.

**Mr. Howard Hilstrom:** Mr. Speaker, with the limited resources of any economy we have to use the resources available to us in the wisest fashion.

Things such as excessive numbers of employees, starting programs simply to have a program in a given area, to get votes in that area and to make everybody feel good have to be cut.

We heard today in committee a suggestion that a task force be created to address the very issue of wasted, misguided spending by various departments.

The industry believes that a lot of money can be found for agriculture in the existing budget. That is the challenge for the government.

**Mr. Roy Bailey (Souris—Moose Mountain, Ref.):** Mr. Speaker, I am very glad to be able to get in on the latter part of this debate, having just come from a constituency where another problem related to agriculture is very, very important.

In the area where I come from taxes rank third. For some dry land farmers it is freight, fuel and then taxes.

I want to show how this government, by a reversal of form, is killing rural government in Saskatchewan.

Rural government in Saskatchewan is maintained by rural municipalities. Generally it has an elected reeve and six councillors. We recognize and my friends in the rural government recognize that some of the land that is under their taxation jurisdiction, as part of the municipality, now comes under Indian land claims.

This argument is not about rural municipalities versus native claims. It is a direct concern of the little rural municipality out there with 400 or 500 people. This humongous government has reversed a policy and is forcing the rural municipalities to raise their taxes. It is not just one rural municipality. Many will follow.

This is a federal issue. What this government is doing is trying to pass on a debt that is owed by this government to the rural government of Saskatchewan.

Under the previous government there was a treaty land entitlement. I want hon. members opposite to listen carefully to this. That government agreed that the rural municipality from which the land would be taken would receive compensation based on 22.5 times the previous year's taxes.

After 10 years this was agreed upon. Harry Swain, deputy minister of Indian and northern affairs, wrote to the Saskatchewan Association of Rural Municipalities and said "The mechanism agreed with Saskatchewan in the September 13 cost-sharing agreement on treaty land entitlement appears to be appropriate". That is when they agreed to pay 22.5 times the previous year's taxes. He was referring to the specific land claims.

Just one year later, in 1992, deputy minister of Indian and northern affairs Dan Goodleaf wrote "The federal government recognizes that the recent TLE framework agreement has created a level of expectation by RMs that a standard of 22.5 times the previous year's tax revenue will be paid in all cases of reserve creation".

My time does not allow me to read all of it, but I want to point out that one year after that promise there was a change in government.

• (1640)

This government was elected. By the way, five Liberals from Saskatchewan were elected.

What happened? This government unilaterally, after a commitment was made to the RMs of Saskatchewan, changed the 22.5 times to a lousy five times.

One has to ask the question: Where were the Liberals who were elected from Saskatchewan to support the RMs during that time? Where were those Liberals?

It means this. People who owned a piece of land with a tax rate of \$1,000 were promised that they would receive \$22,500 and the

*Supply*

RM would maintain the roads. This government has now said that it will give them \$5,000 and they can maintain the roads forever.

The RMs have been slapped in the face. As a result they have to raise taxes in the balance of the RMs because of the lost revenue.

The real problem is in the fact that no one in Saskatchewan can understand why the previous minister of Indian affairs and northern development refused to meet with SARM, the Saskatchewan school trustees and the provincial government.

The economy of Saskatchewan is in dire straits. Would this minister meet with the groups which are so drastically affected by this reversal?

A former Prime Minister of Canada from Saskatchewan finally erected a dam across the Saskatchewan River. Up until that time this hon. gentleman said that the federal government said Saskatchewan was not worth a damn. That is exactly what this government is saying to the rural municipalities.

This government is saying that it will give people \$5,000 instead of \$22,500 and they can maintain the roads. These people cannot do it.

Here is the situation. The government negotiates a treaty with an Indian band. The RM knows it is going to get 22.5 times the last assessment or the taxes on that piece of land. It does not happen. What happens? Revenue goes down. There is no money available for the schools. People are moving out.

Six or seven more land claims are imminent. This government sits here, smacks us in the face and says that it unilaterally decided it is going to be five times the assessment.

Where have the members of the NDP been? Where have the NDP members been in protesting this in rural Saskatchewan?

We are supposed to believe that the premier of Saskatchewan can pick up the phone to call the Prime Minister. All the premier would have to say is "back off and give Saskatchewan what it deserves. Give rural Saskatchewan what was originally promised". Or do they really agree and continue to knock it away? More farmers are being affected very quickly.

This is a debt which is owed by the people of Canada. This government is saying to those 300 or 400 people in the rural municipality: "Who are you? You are not going to get the 22.5 times the previous year's taxes. You are going to get five times and you people can bloody well get your change out of your pockets and pay more tax dollars". This is just one RM, but it is gaining momentum throughout Saskatchewan.

I can assure members that this local government, as well as the trustees, as well as the villages and towns, want to know if the government is going to continue this robbery. These people want to

know if this government is going to continue smacking us in the face with five times the assessment and making the RMs responsible for maintaining the roads forever. This is an utter disgrace. It is a smack in the face to agriculture. It is a smack in the face to the people who have built the roads and everything else. Let us show a little concern. Let us reverse this and go back to the original agreement and do not slap Saskatchewan in the face again and again with every land treaty that is settled.

• (1645)

**Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I have been here most of the day during this debate. In all seriousness I am really wondering why the motion by the Reform Party was put today.

I have asked several times for Reformers to come forward with specifics and they have not. The member opposite was not on the farm crisis really at all. Are they just blowing smoke over there? Is this a debate for their pet peeves about other issues?

We have seen all kinds of attacks on the government, on the Canadian Wheat Board, on this and on that but we have not seen one specific from the Reform Party in terms of dealing with this farm crisis. The farm crisis is serious. It must be dealt with now.

Tomorrow the minister of agriculture has a meeting with the farm leaders and all the ministers of agriculture from across the country. He is being proactive.

Here is an opportunity today for Reformers to put forward some suggestions and we are hearing none. Let me ask again, could they give me some specifics. I know their policy talks about using market mechanisms. Are they now recognizing that there is a crisis out there? Are they willing to go beyond the market mechanisms and go to ad hoc programs? Are they willing to use farm credit? Are they willing to use green programs? Does the farm debt mediation board need to be strengthened? Give us some suggestions, some specifics.

**Mr. Roy Bailey:** Mr. Speaker, the hon. member opposite made the suggestion that I should be more specific. How much more specific can anyone be as it relates to the taxes of the farmers in a growing number of areas within my constituency?

I was elected to serve my constituency first. That is what I am doing. How much more specific does the member want? This government reneged. Instead of giving 23.5 times the taxes of the previous years, it is going to cut it down to 5. Then the government latches on to the RMs and says they can maintain the roads on top of that. They are losing money. This is a debt. That is specific. It is a debt of the federal government. It was promised by the federal government. It was promised to the RMs. It was promised to the taxpayers and the Liberal government is not living up to that debt, and that is specific.



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**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, the member for Souris Mountain asked where was the NDP in all this. I can assure the hon. member that when farmers are in trouble or anyone in this country is in trouble they can always count on the NDP provincially and federally for support.

In the last parliament it was not the New Democratic Party that voted for the privatization of CN. It was not the New Democratic Party that voted for the privatization of our transportation system in Bill C-101. It was not the NDP that voted for the dismantling of the Crow rate. It was not the New Democratic Party that laid the burden on farmers for the transportation problems right across the country.

The government and the Reform Party must have known that when we download that kind of financial responsibility on the farmers they are going to have problems down the road. Would the member not agree that because we do not have a national agricultural policy that is one of the major reasons why we are in such trouble today?

**Mr. Roy Bailey:** Mr. Speaker, I thank the member for his comment. I still believe, however, that the New Democratic Party could help on this issue. I believe it could help on the taxation issue. I think the NDP should get together with the premier of Saskatchewan and do something about it.

• (1650)

Hon. members ought to know that every time we get into a situation like this, farmers are looking at this massive bureaucracy. For every five and a half farmers we must have a government employee. That is part of the problem. The other problem is taxation. I just vented one area of taxation. Time does not permit me to get into two more areas of taxation which drop right smack in the laps of the members opposite.

**Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.):** Mr. Speaker, I am thankful for the opportunity to speak on this motion. I will be splitting my time.

The Government of Canada recognizes that Canadian primary producers face unique challenges in operating their businesses. Not only must they deal with the pests, the diseases and the unpredictable Canadian weather, they must also do business in a highly volatile, competitive and often heavily subsidized international marketplace.

To help Canadian producers meet those challenges the federal government is investing \$600 million each year in farmer safety nets. The provinces are spending an additional \$400 million. This envelope of \$1 billion in addition to the funds contributed by producers funds a system that helps farmers deal with the production, the material risks and the market risks they must manage in their farming operations.

The cornerstone of this system is the net income stabilization account, NISA, a voluntary program that can provide a source of money for farmers during market downturns. This money can be used for whatever purpose they choose, to pay input suppliers, to meet operating and term loan payments or to supplement their personal incomes. As the minister mentioned earlier, NISA has been a tremendous success with participants accounting for 85% of the net sales of commodities eligible for the program.

I will briefly describe how the NISA system works and how it helps Canadian farmers deal with market downturns. Each year a producer participating in the program can place up to 3% of his or her eligible net sales into his or her individual NISA account with a maximum of \$7,500. The federal and provincial governments match that money and pay a 3% interest bonus on the farmer's share. That is fair.

When a downturn comes, producers can withdraw funds from their account up to the level of their average income over the last five years. Since 1991 Canadian producers have saved almost \$2.5 billion in their NISA accounts. Most of that money has been contributed over the last three or four high income years. In general, producers of all primary commodities except for supply management products like dairy, eggs and poultry are now eligible to participate in this program.

Farmers who are not already enrolled in NISA are permitted to make a late application up until the end of December. Benefits for the 1997 year that would be reduced by a late filing penalty could still add up to a significant amount.

Most farmers choose to participate in this excellent risk management program. That means they have a tool to help them manage through a price slump or a market downturn like the one currently being experienced. On a national level, an Agriculture and Agri-Food Canada preliminary analysis suggests that the majority of active NISA participants have enough money in their accounts to see them through the winter.

By contrast, American farmers did not have this. They had to wait and see what kind of bailout package Congress and the White House would devise but in Canada farmers and governments have been putting money into the bank every year. Thanks to NISA, most Canadian farmers have money in the bank to fill in their income gaps.

Canadian farmers have helped federal and provincial governments to build the farm income system we now have in place. It is a system that puts farmers in charge, that encourages farmers to save money during the good years and helps them to manage their way through the lean years.

This year we implemented a new interim withdrawal mechanism for NISA so farmers can have access to their money when they need it the most. So far producers have withdrawn only 3% of the \$2.5 billion that has been accumulated in NISA. If the need for additional funds increases in the coming months, they will be able

*Supply*

to decide based on their own individual circumstances when and how much to withdraw from their accounts.

• (1655)

In conclusion, I am very pleased that Canadian farmers have worked with Government of Canada and the provinces to put in place the kind of tools they need to help them through tough times. They continue to work with the government and with the provinces through the long term review process of the farm income production system currently underway and scheduled to wrap up this coming spring.

More immediately, the Minister of Agriculture and Agri-Food is meeting with farm group leaders and provincial ministers tomorrow to discuss this serious farm income situation. As well as the tools we have in place now for these farmers, they will discuss how these tools can be used to maximum effectiveness and if there are other adjustments that we should be making to our safety system for farmers.

Once more farmers themselves are at the table deciding how to deal with the ups and downs in the markets and what the weather and world conditions can bring. I am glad to see so many commodity groups, along with all the provinces, joining our minister tomorrow.

**Mr. Jay Hill (Prince George—Peace River, Ref.):** Mr. Speaker, I listened with great attention to the hon. member. What we have, in those famous words, is a failure to communicate.

The hon. member is once again deluding himself and his government colleagues that there is not a problem out there. He went on at great length extolling the virtues of the NISA program. Yet the member has to know that NISA as it is presently constituted helps those who really in many cases do not need the help. In the past it has been the people with the highest net incomes who were in the enviable position of being able to contribute to the NISA. The people who had no net income and were struggling and did not have the money could not invest in that program. We have always said it was a good program. We have said we would expand it to be an all-farm NISA. It is not the be all and end all. I do not want the hon. member to leave that impression with the farmers who are viewing this debate today.

I ask him if that is his intention. He said it was great that the Liberals were able to deliver tools they need to help them through tough times. The reality is these farmers do not have the tools they need because the Liberal government has failed miserably to act when it had the opportunity.

**Mr. Larry McCormick:** Mr. Speaker, I know the hon. member's colleagues on his side will tell him that we had four hours of meetings on the agriculture standing committee today with farm leaders such as Jack Wilkinson and the western pools.

NISA is a good program but it is not the answer to all our problems. That is why we spent four hours in committee listening to these people and asking questions. This is a serious situation. No one has all the answers. That is one of the reasons my hon. colleague from Prince Edward Island on this side of the House today asked what he proposes. The supply management sector is healthy at this time. Does he support that? What would he like us to do?

He does not want us to help anybody out. He wants to cut money from all these programs. Yet he wants us to help the western producers. I want to do that too. We have to look at how bad the circumstances are and see what we can do. This is not a short term problem. World prices are at the very lowest in commodities. We want to work together with our colleagues.

**Mr. Joe McGuire (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I would like to clear up a misconception that was given by the member for Selkirk—Interlake when he implied that it was the government that stated this was a regional issue with western Canada.

It was a member from his party, the member for Dauphin—Swan River, who brought the topic up that this was a western concern and that eastern Canadians were fine because they had marketing boards.

I go from there to the chair of the rural caucus about that particular topic. The downturn of commodity prices is a national catastrophe. It is a national issue. Would he describe the effect of this downturn on his home province of Ontario?

• (1700)

**Mr. Larry McCormick:** Mr. Speaker, this morning in rural caucus as we met at 7.40 individual members from Ontario were discussing how serious this situation is and how it is affecting our producers. Individuals talked about hog producers. We wonder what their future will be. There is an overproduction and commodity prices are at an all time low, and following the Asian flu there is less demand.

I have many neighbours who are involved in supply management and are thankful that the government is supporting that. There are also many people who grow cereals and grains who are concerned about the future.

I am glad to see the motion on the floor. At committee we supported bringing the motion forward, although we may have wanted to change a few words in it. This is a serious crisis.

**Mr. Steve Mahoney (Mississauga West, Lib.):** Mr. Speaker, let me say at the outset, which may come as no surprise to members, that I am not a farmer. I have spent some time on a farm like many

Canadians. In fact, my wife's uncle has a 600 acre farm in a little community called Iron Bridge just about 80 kilometres this side of Sault Ste. Marie, which is my home town. It is a farm that grows mostly rocks and a bit of water. He also raises some cattle. Over the years he raised hogs and therefore has had to deal with commodity difficulties.

My family and I have actually spent a lot of time there over the years, mostly in the summer months, some of it bringing in the hay and working on the farm. My boys spent many of their years as youngsters working for their Uncle Ted.

That does not necessarily give me credentials as a farmer. I do not pretend to have them. However, I think it is important that all Canadians understand what the position being put forward today represents.

Let us be clear. An opposition day is an opportunity for the opposition party in question to put forward a motion that somehow in some way might embarrass the government. It is not about serious policy. It is not about putting forward arguments and debate to the farmers of western Canada or southwestern Ontario. It is not about putting forward policies that make sense. It is about ranting, raving and railing on about how awful it is that this dastardly government is ignoring farmers.

The Reform Party has principles. If we do not like them it has others, which is exactly what we are seeing here. One part of the motion states:

—to provide tax relief, lower input costs, reduce user fees and address the inadequacies of the farm safety net program.

Yet we can see it is the Reform Party's position. It is quite interesting. Members of the Reform Party, in their own document referred to as the blue book, call for a self-reliant and economically viable agricultural industry which will use market mechanisms, including the free operation of comparative advantage between regions and commodities, free entry into all sectors of production, and marketing and global free trade to meet the needs of consumers. If their policies were adopted they would create a trade war which they know full well would not benefit farmers or consumers.

All of us in this place, whether we represent farm communities or urban communities, represent people who need a successful farming industry.

• (1705)

On the one hand they would do all these miraculous things. They consider themselves to be primarily free traders and on the other hand they would create a trade war that would see farmers across the country penalized.

Let us talk about some contradictions because hypocrisy sometimes is amazing. It is amazing to see some of the differences. They also support "the phased reduction and elimination of all subsidies,

### *Supply*

support programs, trade restrictions and non-tariff barriers in conjunction with other countries and domestic sectors".

They go on to say that they will vigorously use federal safety net programs to support Canadian food producers that are struggling. Which is it? Are we to use programs like NISA to support farmers who are struggling food producers, or are we to phase out and eliminate all subsidy support programs? What is NISA? Is that not a support program? On one hand they want to eliminate it. On the other hand they want to use it to support farmers.

This takes me back to the election campaign when the leader of the Reform Party would say one thing when talking in eastern Canada, perhaps about Quebec or whatever, and another thing when talking in western Canada. There seemed to be two messages or more. I cannot explain it.

I am reading from their document. This is not Liberal propaganda. They will support the phased reduction and elimination of all subsidies and support programs. However they will vigorously use federal safety net programs to support Canadian food producers. It is pretty clear to me. They cannot have it both ways.

Here are some other interesting statistics out of the blue book. In their supposed taxpayers' budget of 1995 they called for \$640 million to be saved by downsizing guess what department?

**Mr. Larry McCormick:** What department?

**Mr. Steve Mahoney:** The department of agriculture. There were others: industry, fisheries and oceans and natural resources. Their knives knew no boundaries. They were prepared to slash and burn and put up figures regardless of sustainability or of the impact it would have on those ministries in regions of the country. We can imagine what would happen in fisheries and oceans.

No wonder they do not have a seat in eastern Canada. They should go into eastern Canada and tell them that they want to cut money out of those ministries that support Canadians working in those industries. They would cut \$640 million by downsizing agriculture, industry, fisheries and oceans and natural resources. They did not say the environment.

The other day the debate in the House was about how all environmental issues should be turned over to provincial interests. Someone even suggested that the municipalities could do a better job, that the federal government had no position to play as custodians of the national environment, and that it should abdicate its responsibility.

It would not surprise me in the least if the day arrives in the not too distant future when members of the Reform caucus will call for the Minister of the Environment to invoke tough federal regulations to protect a particular interest that they may have that day or that they have read about in the *Globe and Mail* or the *National*

*Supply*

*Post* that morning, which seem to be the fundamental research documents used by the Reform Party.

In addition, a further \$690 million would be cut from other regional and sector specific funding through the department of agriculture. They talk about environment, industry and natural resources. It is truly astounding.

The motion calls for emergency measures including tax relief and yet their own documents do not support it. One thing I find most interesting is how this seems to be a johnny-come-lately for Reformers. Where have they been in question period? Where has the critic for agriculture been? Where has the leader of the Reform Party been to stand and ask amazingly tough questions of the government and hold its feet to the fire?

• (1710)

They do not ask questions during question period. Rather they sit in the back room and concoct some kind of emotion to throw on the floor and try to pretend they are the saviours of Canadian farmers and Canadian businesses, that they are the only ones who can foster tax relief. It is hypocrisy in its purest form, and the Canadian people know it full well.

**Mr. Jim Abbott (Kootenay—Columbia, Ref.):** Mr. Speaker, may I straighten the member out as I usually have to do. At the time he was talking about with regard to the 1995 budget there was a \$40 billion problem. The finance minister increased taxes and slashed the guts out of health care by slashing \$7 billion. We do not have to take any lessons from him.

Everywhere I go I have people coming up to me and talking about the issue of taxation, taxation and taxation. When I was talking to farmers in the maritimes that was the number one issue. I do not understand why the member, in spite of the fact that he comes from an urban constituency, cannot understand that everyone including farmers needs a tax break.

**Mr. Steve Mahoney:** Mr. Speaker, the member will know that there was \$7 billion in tax relief in the last budget. The member will know that when we took over government in 1993 the inherited deficit left by Mulroney's Conservative Party was \$42 billion.

The member will know that our finance minister recently announced a debt reduction of \$3.5 billion in addition to the fact that debt instruments totalling \$9 billion were not renewed by the government. The member will know in his heart but he will not admit it that the government has started the country on the road to tax relief from which farmers will benefit far more than the nonsense being proliferated by the Reform Party.

**Mr. Jay Hill (Prince George—Peace River, Ref.):** Mr. Speaker, it is really odd that the member attacks us for what he calls nonsense and yet the people by and large on this side who are

speaking are farmers, people who have lived their lives on the farm.

The hon. member figures he can speak about the issue because he once picked rocks on Uncle Ted's farm. If he wants to talk about hypocrisy, I will tell the member about hypocrisy. Hypocrisy is making the deep cuts as was done by the government and then holding itself up as the great defender of not only agriculture but health care and every other social program.

I draw the member's attention to the fact that the Reform Party said it would repriorize programs in agriculture and develop a program called the trade distortion adjustment program. Has the hon. member ever heard of that? That is what we said we would have done five years ago. Had the Liberals done it, our farmers would not be in this mess today.

**Mr. Steve Mahoney:** Mr. Speaker, I give the member a point. Picking rocks on Uncle Ted's farm certainly does not qualify me to be a farmer, and I do not pretend to be.

Being elected to a national parliament requires dealing with all kinds of different issues. I have never worked in a mine and yet I am very concerned about the mining industry in the province of Ontario. I have never worked in a steel plant, although my father, my uncle and cousins did, but I am very concerned about the impact of downloading and the pricing problem in the steel industry. I have never worked in the fisheries. Does that mean as a nationally elected politician I should have no concern for Canadians in Atlantic Canada?

I have never worked on an active farm. I admit that but it has nothing to do with it. The point is the hypocrisy I am pointing out in that party.

**Mr. Howard Hilstrom (Selkirk—Interlake, Ref.):** Mr. Speaker, the government went into the 1993 election and into the 1997 election and never told the Canadian public what it would do.

It ended up gutting health care. It gutted education funding. It hit the Canadian Coast Guard in Manitoba. Icebreaker fees are rising. The other day the government gave \$500,000 to professional hockey in Canada.

• (1715)

This is all on record. The government's record of slashing, burning and cutting into Canadians' economic well-being is well documented. Every Canadian knows what it is. I ask the member to list for us the dollar figure of the total cuts that have happened since the 1995 budget. How much was cut out of these departments by the hon. member's government?

**Mr. Steve Mahoney:** Mr. Speaker, I will give the hon. member one list. There was a \$42 billion deficit which was eliminated by this government. That is clear. I will give him another point.

*Supply*

The Reform Party is looking for quick fixes with this motion. In fact in the short term NISA holds about \$2.5 billion that Canadian farmers can access. This represents an annual contribution of \$600 million by the federal government, \$400 million by the provinces and \$600 million by farmers.

The record is clear. This government stands ready to support small business, fishermen, miners, steelworkers. Absolutely we will support farmers.

**Mr. Jay Hill (Prince George—Peace River, Ref.):** Mr. Speaker, I appreciate the opportunity to speak on this motion. Actually I did not think I would get the opportunity to speak because there are so many people who want to address this very important debate.

It is an important debate for Canadians all across the land. Farmers from coast to coast have been experiencing ongoing difficulties in meeting the bottom line and putting food on the table.

A number of my colleagues have spoken very, very eloquently today. Despite the absolute rubbish that has come from a few of the members, and I add that it is only a few, there are some hon. members across the way who actually tried to sincerely address the debate today. I appreciate that and I am sure farmers watching the debate today appreciate that. But members such as the one who just spoke do a great disservice to this place and certainly to farmers out in the real world who are watching the debate today.

I will speak briefly because, with the unanimous consent of the House, I would like to give one of my colleagues the opportunity to speak in this very brief time slot. My hon. colleague from Blackstrap would like to address the House. I would like to take perhaps five minutes of the 10 that is remaining.

**The Acting Speaker (Mr. McClelland):** The member for Prince George—Peace River has requested that his 10-minute slot be split into two fives with corresponding questions and comments. Is there unanimous consent?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. McClelland):** The hon. member for Prince George—Peace River has three and a half minutes.

**Mr. Jay Hill:** Mr. Speaker, while I certainly appreciate the consent of all members who are in the Chamber at this time, I will say it is very, very difficult to address this issue in 30 minutes let alone three and a half minutes.

I want to make one brief point on behalf of the producers of Prince George—Peace River, the riding which I am always pleased and honoured to represent in this Chamber. Most members present

today have heard me speak over the past two years about the difficulties faced by the farmers of the Peace River country, not just the B.C. Peace River region, but also that part of the extended prairies known as the Alberta Peace River region.

We had two years of disastrous weather leading up to this. Farmers struggled very hard and valiantly to try to bring in a reduced crop in the past two years. The vast majority of the crop for those two years was left out in the fields. It was an absolute—I cannot say a disaster any more than I have already said it. Farmers were faced with this crisis. A lot of farmers could not meet commitments and pay their bills. Governments both at the provincial level in British Columbia as well as the federal level were very slow to react to the disaster.

This year should have been a great year for the Peace River country. We had good growing conditions for the first time in three years. Farmers produced an abundance, a great crop, particularly in its quality, although the quantity was not what they had hoped for. The majority of the wheat was number one high protein, which is not often seen that far north. It is a credit to the farmers themselves that they produced such a great crop. But it was a disastrous year for prices. Members have addressed that quite well today.

• (1720 )

I want to speak on behalf of those farmers. We should try and put ourselves in their place. They finally had a year where they hoped they could put a little bit of money into NISA and into these other accounts and pay down some of their bills that had been accumulating over the past two years when despite their most valiant efforts they could not bring the crop in. They finally had a year where they produced a crop and the price has gone into the tank.

As I said a few moments ago, this government should have shown a little bit of foresight and should have reacted when it became government some five years ago. It should have done what we had suggested. One of the suggestions was to reduce programs down to a few and prioritize them in order to help farmers.

One of the programs we said should be put in place was a trade distortion adjustment program to protect farmers from exactly what is occurring today, against unfair subsidization in Europe and the United States, our biggest trading competitors. Then our farmers would have been protected and there would not have been the need for this debate today.

**Mr. Joe McGuire (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I would like to ask a very simple question of the hon. member who just spoke about his concern for the farmers in the Peace River district. Does he know how many of the farmers in his riding opened NISA accounts? We are saying NISA should at least be a help in times as he is describing. If so, how many of those farmers did access their NISA accounts?

*Supply*

**Mr. Jay Hill:** Mr. Speaker, I appreciate the question that was put forward. The reality is that a great many of those producers are enrolled in NISA. I myself have farmed in the neighbourhood of 20 years in the Peace River country. My brother and I were enrolled in NISA and he continues that.

When farmers do not have any crop, when they cannot harvest their crop, when their land is a quagmire and there is nothing there to harvest, they do not have any money to contribute to their accounts. That is the sad part about NISA, especially for a region like the Peace River country that has experienced natural disasters for two years back to back. There was no money to go into the accounts to build up for a rainy day.

Despite the farmers' best efforts, we have a situation where because of what foreign countries are doing in subsidizing their farmers, the price has plummeted. Farmers are looking at breaking even at the very best and probably a loss for the third year in a row. This year the loss is caused by price rather than by yield.

**Mr. Allan Kerpan (Blackstrap, Ref.):** Mr. Speaker, I would like to thank my colleague from Peace River for allowing me to have these few minutes to speak.

Today some members have said that they take great pleasure in standing to address this issue. I take no pleasure in addressing this issue. This debate should not have had to take place in this House.

I want to pick up on a point that my colleague from Peace River made a few minutes ago and which others made before him. They talked about what happened in 1993 when the Liberal government was first elected. Had the government at that time taken some of the advice that we had laid before the House on a program called TDAP, we would not necessarily have been in great shape and the crisis before us today may still have been there but not to the degree that it is. But time and time again over the last five years I have looked across the way and I have seen lawyers from downtown Toronto and downtown Winnipeg telling farmers from Manitoba, Saskatchewan, Alberta and northern British Columbia how to farm. That is indeed the problem.

This is a serious problem. I want to recount very quickly about what two people whom I have talked to in the last few days are doing.

One is a person about my age, a good friend of mine, who is a good farmer and has been a good farmer for many years. As we speak he is working on a potato farm in Outlook, Saskatchewan digging potatoes with a spade to make an extra buck to help pay his bills. That is how serious the problem is. It is not fun. It is not nice. The man is in his forties and should not have to resort to that.

• (1725)

I talked to another good friend of mine who is a good farmer. In fact he is a Liberal supporter quite clearly and openly and he still happens to be a good friend of mine. He said that he is going to quit

the business because he is no longer prepared to take money out of his equity to keep farming. He is a good farmer. He is a great manager. He is one of the most optimistic people I know yet he is going to walk away from farming because of this problem. That is how serious the problem is.

This government has done nothing in the last five years for a long term approach, to make long term changes, so that these problems do not happen again.

My point in standing was to illustrate how serious the issue is. I want to illustrate that nothing has been done. We look at what the long term solution should be or could be. Yes, we should still continue to work on a long term solution to the income crisis of farmers because this happens from time to time over and over again. This will not be the last time. There will be more down the road.

I encourage the government to look at a long term solution. I encourage the government to finally listen, to pay heed to not only our party but to other parties in this House and other groups that may have possible solutions. I would also have to ask this government to look at possible short term solutions. After all, the crunch will come between now and next April when farmers will not be able to put in their crops.

I talked about two farmers whom I know personally who are on the edge of quitting a business and an industry that they love because they cannot make a dollar at it. They have done their share over the last few years. They have diversified. They have changed their way of farming in order to be economically feasible. These farmers have done their share. The government has not done its share.

**Mr. Wayne Easter (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I have said a number of times today that yes, I agree this is a serious issue. I will try again to get some specifics.

It is clear that when the farm community was called upon to increase exports and hit the targeted exports, it did that. Farmers hit the targeted exports. When the farmers did that they assisted Canada in terms of meeting its balance of trade issues. They drew foreign dollars into the country and did a lot for Canada.

I think there comes a time when Canada has to stand by its farm community in terms of this crisis. That is true. But I thought the purpose of the debate and the motion today was for the Reform Party to put forward some specifics that the minister could deal with at his meeting tomorrow and that the government in general could deal with.

I ask again. I have heard no specifics from the Reform Party—

**The Acting Speaker (Mr. McClelland):** The hon. member for Blackstrap.

**Mr. Allan Kerpan:** Mr. Speaker, I am shocked. That was the point of my whole speech. We put forward specifics for five years. When was the last time the government paid any attention or listened to what we had to say? I would be happy to sit down with the government but there has never been one solid concrete suggestion.

The Liberals must remember that they are the government. They are the ones who make the decisions. They are the ones who are failing the farmers, not our party. I would remind the party across the way that if they truly want the farm industry not only in western Canada but right across the country to continue, they must do something. It is on their shoulders. It is their responsibility.

**The Acting Speaker (Mr. McClelland):** It being 5.30 p.m., it is my duty to inform the House that proceedings on the motion have expired.

\* \* \*

#### FOREIGN PUBLISHERS ADVERTISING SERVICES ACT

The House resumed from October 29 consideration of the motion that Bill C-55, an act respecting advertising services supplied by foreign periodical publishers, be read the second time and referred to a committee; and of the motion that the question be now put.

**The Acting Speaker (Mr. McClelland):** It being 5.30 p.m., pursuant to order made on Thursday, October 29, 1998, the House will now proceed to the taking of the deferred recorded division on the previous question at the second reading stage of Bill C-55.

Call in the members.

● (1800)

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

(Division No. 255)

#### YEAS

##### Members

|                          |                                  |
|--------------------------|----------------------------------|
| Adams                    | Alcock                           |
| Assad                    | Assadourian                      |
| Augustine                | Axworthy (Winnipeg South Centre) |
| Baker                    | Bakopanos                        |
| Barnes                   | Beaunier                         |
| Bélaïr                   | Bélangier                        |
| Bellemare                | Bennett                          |
| Bertrand                 | Blondin-Andrew                   |
| Bonin                    | Bonwick                          |
| Boudria                  | Bradshaw                         |
| Brown                    | Bryden                           |
| Bulte                    | Byrne                            |
| Caccia                   | Calder                           |
| Cannis                   | Caplan                           |
| Carroll                  | Catterall                        |
| Cauchon                  | Chamberlain                      |
| Chan                     | Charbonneau                      |
| Chrétien (Saint-Maurice) | Clouthier                        |
| Coderre                  | Cohen                            |
| Collenette               | Comuzzi                          |
| Copps                    | Cullen                           |
| DeVillers                | Dhaliwal                         |
| Dion                     | Dromisky                         |
| Drouin                   | Duhamel                          |

|                              |                              |
|------------------------------|------------------------------|
| Easter                       | Eggleton                     |
| Finestone                    | Finlay                       |
| Folco                        | Fontana                      |
| Fry                          | Gagliano                     |
| Galloway                     | Godfrey                      |
| Goodale                      | Graham                       |
| Grose                        | Harb                         |
| Harvard                      | Hubbard                      |
| Ianno                        | Iftody                       |
| Jackson                      | Jennings                     |
| Jordan                       | Karetak-Lindell              |
| Karygiannis                  | Keyes                        |
| Kilger (Stormont—Dundas)     | Kilgour (Edmonton Southeast) |
| Knutson                      | Kraft Sloan                  |
| Lastewka                     | Lavigne                      |
| Lee                          | Leung                        |
| Lincoln                      | Longfield                    |
| MacAulay                     | Mahoney                      |
| Malhi                        | Maloney                      |
| Manley                       | Marchi                       |
| Marleau                      | Martin (LaSalle—Émard)       |
| Massé                        | McCormick                    |
| McGuire                      | McKay (Scarborough East)     |
| McLellan (Edmonton West)     | McTeague                     |
| McWhinney                    | Mifflin                      |
| Mills (Broadview—Greenwood)  | Minna                        |
| Mitchell                     | Murray                       |
| Myers                        | Nault                        |
| Normand                      | O'Brien (Labrador)           |
| O'Brien (London—Fanshawe)    | O'Reilly                     |
| Pagtakhan                    | Paradis                      |
| Parrish                      | Patry                        |
| Peric                        | Peterson                     |
| Pettigrew                    | Phinney                      |
| Pickard (Chatham—Kent Essex) | Pillitteri                   |
| Pratt                        | Proud                        |
| Provenzano                   | Redman                       |
| Reed                         | Richardson                   |
| Robillard                    | Rock                         |
| Saada                        | Scott (Fredericton)          |
| Sekora                       | Shepherd                     |
| Speller                      | St. Denis                    |
| Steckle                      | Stewart (Brant)              |
| Stewart (Northumberland)     | St-Julien                    |
| Telegdi                      | Torsney                      |
| Ur                           | Vanclief                     |
| Volpe                        | Wappel                       |
| Whelan                       | Wood—144                     |

#### Supply

#### NAYS

##### Members

|                                        |                               |
|----------------------------------------|-------------------------------|
| Abbott                                 | Ablonczy                      |
| Anders                                 | Asselin                       |
| Axworthy (Saskatoon—Rosetown—Biggar)   | Bachand (Richmond—Arthabaska) |
| Bailey                                 | Bellehumeur                   |
| Benoit                                 | Bergeron                      |
| Bernier (Tobique—Mactaquac)            | Bigras                        |
| Blaikie                                | Borotsik                      |
| Breitkreuz (Yellowhead)                | Breitkreuz (Yorkton—Melville) |
| Brien                                  | Brisson                       |
| Cadman                                 | Casey                         |
| Casson                                 | Chatters                      |
| Chrétien (Frontenac—Mégantic)          | Cummins                       |
| Dalphond-Guiral                        | Davies                        |
| de Savoye                              | Debien                        |
| Desjarlais                             | Doyle                         |
| Dubé (Lévis-et-Chutes-de-la-Chaudière) | Duceppe                       |
| Dumas                                  | Duncan                        |
| Earle                                  | Elley                         |
| Forseth                                | Gagnon                        |
| Gauthier                               | Girard-Bujold                 |
| Godin (Acadie—Bathurst)                | Godin (Châteauguay)           |
| Goldring                               | Grewal                        |
| Grey (Edmonton North)                  | Guay                          |
| Hanger                                 | Harris                        |
| Hart                                   | Harvey                        |

*Supply*

|                                  |                                        |
|----------------------------------|----------------------------------------|
| Herron                           | Hill (Macleod)                         |
| Hill (Prince George—Peace River) | Hilstrom                               |
| Hoepfner                         | Jaffer                                 |
| Johnston                         | Jones                                  |
| Keddy (South Shore)              | Kenney (Calgary-Sud-Est)               |
| Kerpan                           | Lafonde                                |
| Laurin                           | Lebel                                  |
| Lill                             | Lowther                                |
| Lunn                             | MacKay (Pictou—Antigonish—Guysborough) |
| Mancini                          | Manning                                |
| Marceau                          | Marchand                               |
| Mark                             | Martin (Esquimalt—Juan de Fuca)        |
| Martin (Winnipeg Centre)         | Matthews                               |
| Mayfield                         | McDonough                              |
| McNally                          | Ménard                                 |
| Meredith                         | Mills (Red Deer)                       |
| Morrison                         | Muise                                  |
| Nunziata                         | Nystrom                                |
| Obhrai                           | Picard (Drummond)                      |
| Plamondon                        | Power                                  |
| Proctor                          | Ramsay                                 |
| Reynolds                         | Riis                                   |
| Ritz                             | Rocheleau                              |
| Sauvageau                        | Scott (Skeena)                         |
| Solberg                          | Solomon                                |
| St-Jacques                       | Stoffer                                |
| Strahl                           | Thompson (New Brunswick Southwest)     |
| Tremblay (Rimouski—Mitis)        | Turp                                   |
| Vautour                          | Wasylycia-Leis                         |
| Wayne                            | White (Langley—Abbotsford)             |
| Williams—111                     |                                        |

*[English]*

**Mr. John Solomon:** Mr. Speaker, members of the NDP present will vote yes on this matter.

*[Translation]*

**Mr. André Harvey:** Mr. Speaker, members of the Progressive Conservative Party are voting in favour of this motion.

*[English]*

**Mr. John Nunziata:** Mr. Speaker, on behalf of the residents of York South—Weston I support the minister's bill.

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

## PAIRED MEMBERS

*(Division No. 256)*

|                      |            |
|----------------------|------------|
| Alarie               | Anderson   |
| Bachand (Saint-Jean) | Bevilacqua |
| Cardin               | Crête      |
| Desrochers           | Discepola  |
| Guimond              | Leung      |
| Loubier              | Mercier    |
| Serré                | Szabo      |
| Thibeault            | Valeri     |
| Venne                | Wilfert    |

**The Speaker:** I declare the motion carried. The next question is on the main motion.

**Mr. Bob Kilger:** Mr. Speaker, I propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yea.

**The Speaker:** Is there agreement to proceed in such a fashion?

**Some hon. members:** Agreed.

**Mr. Chuck Strahl:** Mr. Speaker, Reform Party members present will oppose this bill to the bitter end.

*[Translation]*

**Mr. Stéphane Bergeron:** Mr. Speaker, members of the Bloc Québécois are in favour of this motion.

## YEAS

## Members

|                                        |                                  |
|----------------------------------------|----------------------------------|
| Adams                                  | Alcock                           |
| Assad                                  | Assadourian                      |
| Asselin                                | Augustine                        |
| Axworthy (Saskatoon—Rosetown—Biggar)   | Axworthy (Winnipeg South Centre) |
| Bachand (Richmond—Arthabaska)          | Baker                            |
| Bakopanos                              | Barnes                           |
| Beaumier                               | Bélair                           |
| Bélanger                               | Bellehumeur                      |
| Bellemare                              | Bennett                          |
| Bergeron                               | Bernier (Tobique—Mactaquac)      |
| Bertrand                               | Bigras                           |
| Blaikie                                | Blondin-Andrew                   |
| Bonin                                  | Bonwick                          |
| Borosik                                | Boudria                          |
| Bradshaw                               | Brien                            |
| Brisson                                | Brown                            |
| Bryden                                 | Bulte                            |
| Byrne                                  | Caccia                           |
| Calder                                 | Cannis                           |
| Caplan                                 | Carroll                          |
| Casey                                  | Catterall                        |
| Cauchon                                | Chamberlain                      |
| Chan                                   | Charbonneau                      |
| Chrétien (Frontenac—Mégantic)          | Chrétien (Saint-Maurice)         |
| Clouthier                              | Coderre                          |
| Cohen                                  | Collenette                       |
| Comuzzi                                | Copps                            |
| Cullen                                 | Dalphond-Guiral                  |
| Davies                                 | de Savoye                        |
| Debien                                 | Desjarlais                       |
| DeVillers                              | Dhaliwal                         |
| Dion                                   | Doyle                            |
| Dromisky                               | Drouin                           |
| Dubé (Lévis-et-Chutes-de-la-Chaudière) | Duceppe                          |
| Duhamel                                | Dumas                            |
| Earle                                  | Easter                           |
| Eggleton                               | Finestone                        |
| Finlay                                 | Folco                            |
| Fontana                                | Fry                              |
| Gagliano                               | Gagnon                           |
| Galloway                               | Gauthier                         |
| Girard-Bujold                          | Godfrey                          |
| Godin (Acadie—Bathurst)                | Godin (Châteauguay)              |
| Goodale                                | Graham                           |



Grose  
Harb  
Harvey  
Hubbard  
Iftody  
Jennings  
Jordan  
Karygiannis  
Keys  
Kilgour (Edmonton Southeast)  
Kraft Sloan  
Lastewka  
Lavigne  
Lee  
Lill  
Longfield  
MacKay (Pictou—Antigonish—Guysborough)  
Malhi  
Mancini  
Marceau  
Marchi  
Martin (LaSalle—Énard)  
Massé  
McCormick  
McGuire  
McLellan (Edmonton West)  
McWhinney  
Miffin  
Minna  
Muisse  
Myers  
Normand  
Nystrom  
O'Brien (London—Fanshawe)  
Pagtakhan  
Parrish  
Peric  
Pettigrew  
Picard (Drummond)  
Pillitteri  
Power  
Proctor  
Provenzano  
Reed  
Riis  
Rocheleau  
Saada  
Scott (Fredericton)  
Shepherd  
Speller  
Steckle  
Stewart (Northumberland)  
St-Julien  
Telegdi  
Torsney  
Turp  
Vanclief  
Volpe  
Wasylycia-Leis  
Whelan

Guay  
Harvard  
Herron  
Ianno  
Jackson  
Jones  
Karetak-Lindell  
Keddy (South Shore)  
Kilger (Stormont—Dundas)  
Knutson  
Lalonde  
Laurin  
Lebel  
Leung  
Lincoln  
MacAulay  
Mahoney  
Maloney  
Manley  
Marchand  
Marleau  
Martin (Winnipeg Centre)  
Matthews  
McDonough  
McKay (Scarborough East)  
McTeague  
Ménard  
Mills (Broadview—Greenwood)  
Mitchell  
Murray  
Nault  
Nunziata  
O'Brien (Labrador)  
O'Reilly  
Paradis  
Patry  
Peterson  
Phinney  
Pickard (Chatham—Kent Essex)  
Plamondon  
Pratt  
Proud  
Redman  
Richardson  
Robillard  
Rock  
Sauvageau  
Sekora  
Solomon  
St. Denis  
Stewart (Brant)  
St-Jacques  
Stoffer  
Thompson (New Brunswick Southwest)  
Tremblay (Rimouski—Mitis)  
Ur  
Vautour  
Wappel  
Wayne  
Wood—208

## NAYS

### Members

Abbott  
Anders  
Benoit  
Breitkreuz (Yorkton—Melville)  
Casson  
Cummins  
Elley  
Goldring  
Grey (Edmonton North)  
Harris  
Hill (Macleod)  
Hilstrom  
Jaffer  
Kenney (Calgary-Sud-Est)  
Lowther

Ablonczy  
Bailey  
Breitkreuz (Yellowhead)  
Cadman  
Chatters  
Duncan  
Forseth  
Grewal  
Hanger  
Hart  
Hill (Prince George—Peace River)  
Hoepfner  
Johnston  
Kerpan  
Lunn

## Supply

Manning  
Martin (Esquimalt—Juan de Fuca)  
McNally  
Mills (Red Deer)  
Obhrai  
Reynolds  
Scott (Skeena)  
Strahl  
Williams—47

Mark  
Mayfield  
Meredith  
Morrison  
Ramsay  
Ritz  
Solberg  
White (Langley—Abbotsford)

## PAIRED MEMBERS

Alarie  
Bachand (Saint-Jean)  
Cardin  
Desrochers  
Guimond  
Loubier  
Serré  
Thibeault  
Venne

Anderson  
Bevilacqua  
Crête  
Discepolo  
Leung  
Mercier  
Szabo  
Valeri  
Wilfert

**The Speaker:** I declare the motion carried.

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

\* \* \*

## PERSONAL INFORMATION PROTECTION AND ELECTRONIC DOCUMENTS ACT

The House resumed from November 2 consideration of the motion that Bill C-54, an act to support and promote electronic commerce by protecting personal information that is collected, used or disclosed in certain circumstances, by providing for the use of electronic means to communicate or record information or transactions and by amending the Canada Evidence Act, the Statutory Instruments Act and the Statute Revision Act, be read the second time and referred to a committee; and of the motion that the question be now put.

**The Speaker:** The House will now proceed to the taking of the deferred recorded division on the previous question at the second reading stage of Bill C-54.

[Translation]

**Mr. Bob Kilger:** Mr. Speaker, I think you will find unanimous consent that those members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yes.

[English]

**The Speaker:** Is there agreement to proceed in such a fashion?

**Some hon. members:** Agreed.

**Mr. Chuck Strahl:** Mr. Speaker, Reform Party members present oppose this motion.

[Translation]

**Mr. Stéphane Bergeron:** Mr. Speaker, the Bloc Québécois is opposed to this motion.

*Supply**[English]*

**Mr. John Solomon:** Mr. Speaker, NDP members present this evening vote no on this motion.

• (1805)

*[Translation]*

**Mr. André Harvey:** Mr. Speaker, members of the Progressive Conservative Party vote no on this motion.

*[English]*

**Mr. John Nunziata:** Mr. Speaker, on behalf of the residents of York South—Weston, I vote against the government's attempt to invoke closure.

*[Editor's Note: See list under Division No. 255]*

**The Speaker:** I declare the motion carried. The next question is on the main motion.

**Mr. Bob Kilger:** Mr. Speaker, I propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yea.

**The Speaker:** Is there agreement to proceed in such a fashion?

**Some hon. members:** Agreed.

**Mr. Chuck Strahl:** Mr. Speaker, Reform Party members present vote yes to this motion.

*[Translation]*

**Mr. Stéphane Bergeron:** Mr. Speaker, members of the Bloc Québécois are opposed to this motion.

*[English]*

**Mr. John Solomon:** Mr. Speaker, members of the NDP present this evening vote no on this motion.

*[Translation]*

**Mr. André Harvey:** Mr. Speaker, members of the Progressive Conservative Party vote in favour of this motion.

*[English]*

**Mr. John Nunziata:** Mr. Speaker, on behalf of my constituents, I support this legislation.

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

*(Division No. 257)*

## YEAS

## Members

Abbott  
AdamsAblonczy  
AlcockAnders  
Assadourian  
Axworthy (Winnipeg South Centre)  
Bailey  
Bakopanos  
Beaumier  
Bélanger  
Bennett  
Bernier (Tobique—Mactaquac)  
Blondin-Andrew  
Bonwick  
Boudria  
Breitkreuz (Yellowhead)  
Brisson  
Bryden  
Byrne  
Cadman  
Cannis  
Carroll  
Casson  
Cauchon  
Chan  
Chatters  
Clouthier  
Cohen  
Comuzzi  
Cullen  
DeVillers  
Dion  
Dromisky  
Duhamel  
Easter  
Elley  
Finlay  
Fontana  
Fry  
Galloway  
Goldring  
Graham  
Grey (Edmonton North)  
Hanger  
Harris  
Harvard  
Herron  
Hill (Prince George—Peace River)  
Hoepfner  
Ianno  
Jackson  
Jennings  
Jones  
Karetak-Lindell  
Keddy (South Shore)  
Kerpan  
Kilger (Stormont—Dundas)  
Knutson  
Lastewka  
Lee  
Lincoln  
Lowther  
MacAulay  
Mahoney  
Maloney  
Manning  
Mark  
Martin (Esquimalt—Juan de Fuca)  
Massé  
Mayfield  
McGuire  
McLellan (Edmonton West)  
McTeague  
Meredith  
Mills (Broadview—Greenwood)  
Minna  
Morrison  
Murray  
Nault  
Nunziata  
O'Brien (Labrador)  
O'ReillyAssad  
Augustine  
Bachand (Richmond—Arthabaska)  
Baker  
Barnes  
Bélair  
Bellemare  
Benoit  
Bertrand  
Bonin  
Borotsik  
Bradshaw  
Breitkreuz (Yorkton—Melville)  
Brown  
Bulte  
Caccia  
Calder  
Caplan  
Casey  
Catterall  
Chamberlain  
Charbonneau  
Chrétien (Saint-Maurice)  
Coderre  
Collenette  
Coppes  
Cummins  
Dhaliwal  
Doyle  
Drouin  
Duncan  
Eggleton  
Finestone  
Folco  
Forseth  
Gagliano  
Godfrey  
Goodale  
Grewal  
Grose  
Harb  
Hart  
Harvey  
Hill (Macleod)  
Hilstrom  
Hubbard  
Iftody  
Jaffer  
Johnston  
Jordan  
Karygiannis  
Kenney (Calgary-Sud-Est)  
Keyes  
Kilgour (Edmonton Southeast)  
Kraft Sloan  
Lavigne  
Leung  
Longfield  
Lunn  
MacKay (Pictou—Antigonish—Guysborough)  
Malhi  
Manley  
Marchi  
Marleau  
Martin (LaSalle—Émard)  
Matthews  
McCormick  
McKay (Scarborough East)  
McNally  
McWhinney  
Mifflin  
Mills (Red Deer)  
Mitchell  
Muise  
Myers  
Normand  
Obhrai  
O'Brien (London—Fanshawe)  
Pagtakhan

*Private Members' Business***PRIVATE MEMBERS' BUSINESS**

Paradis  
 Patry  
 Peterson  
 Phinney  
 Pillitteri  
 Pratt  
 Provenzano  
 Redman  
 Reynolds  
 Ritz  
 Rock  
 Scott (Fredericton)  
 Sekora  
 Solberg  
 St. Denis  
 Stewart (Brant)  
 St-Jacques  
 Strahl  
 Thompson (New Brunswick Southwest)  
 Ur  
 Volpe  
 Wayne  
 White (Langley—Abbotsford)  
 Wood —209

Parrish  
 Peric  
 Pettigrew  
 Pickard (Chatham—Kent Essex)  
 Power  
 Proud  
 Ramsay  
 Reed  
 Richardson  
 Robillard  
 Saada  
 Scott (Skeena)  
 Shepherd  
 Speller  
 Steckle  
 Stewart (Northumberland)  
 St-Julien  
 Telegdi  
 Torsney  
 Vanclief  
 Wappel  
 Whelan  
 Williams

● (1810)

[English]

**CONCENTRATION OF PRINT MEDIA IN CANADA**

**Mr. Lynn Myers (Waterloo—Wellington, Lib.)** moved:

That, in the opinion of this House, the government should consider the advisability of establishing a commission of inquiry to examine the concentration of print media in Canada.

He said: Mr. Speaker, we are here today to discuss the issue of the concentration of ownership in Canada's media. This is an issue that has become very important to many Canadians. Ownership concentration, in my opinion, needs to be examined.

Anyone who has read the newspaper, watched the news or listened to radio in the last year, knows that this is an issue of debate that has been around for a long time. This has recently taken on new dimensions. Canadians have started to ask themselves whether we should worry about this once more.

The fundamental question and the questions revolving around this matter are whether Canada's media ownership is in the hands of too few people. Furthermore, does the concentration of media ownership present a true dilemma relative to the amount of influence that these owners have on what is published or broadcast? If so, I would therefore recommend that the government study this issue further.

I am not necessarily asking for a commission of inquiry. Rather I am interested in what my colleagues in this House have to say about this matter. Let us take a look at these questions before going on any further.

Canada's media is comprised of many facets, including radio, television, print and electronic through the Internet. Each medium reaches a wide number of Canadians and is a large part of many of our lives. Few are the Canadians who do not read the newspaper, watch television or listen to radio every day.

On a daily basis the citizens of this country are bombarded by information about the goings on around Canada and around the world. But one has to ask whether they are receiving a balanced presentation of the news.

Taking a look more particularly at the concentration of ownership in Canada's newspapers, we realize how concrete this issue really is. Ownership of the newspapers of our nation has been a target of much discussion over many years but has become an even more intense debate recently.

First let us examine a few facts revolving around Canada's newspapers. The three biggest newspaper chains in Canada are in

**NAYS****Members**

Asselin  
 Bellehumeur  
 Bigras  
 Brien  
 Dalphond-Guiral  
 de Savoye  
 Desjarlais  
 Duceppe  
 Earle  
 Gauthier  
 Godin (Acadie—Bathurst)  
 Guay  
 Laurin  
 Lill  
 Marceau  
 Martin (Winnipeg Centre)  
 Ménard  
 Picard (Drummond)  
 Proctor  
 Rocheleau  
 Solomon  
 Tremblay (Rimouski—Mitis)  
 Vautour

Axworthy (Saskatoon—Rosetown—Biggar)  
 Bergeron  
 Blaikie  
 Chrétien (Frontenac—Mégantic)  
 Davies  
 Debien  
 Dubé (Lévis-et-Chutes-de-la-Chaudière)  
 Dumas  
 Gagnon  
 Girard-Bujold  
 Godin (Châteauguay)  
 Lalonde  
 Lebel  
 Mancini  
 Marchand  
 McDonough  
 Nystrom  
 Plamondon  
 Riis  
 Sauvageau  
 Stoffer  
 Turp  
 Wasylycia-Leis—46

**PAIRED MEMBERS**

Alarie  
 Bachand (Saint-Jean)  
 Cardin  
 Desrochers  
 Guimond  
 Loubier  
 Serré  
 Thibeault  
 Venne

Anderson  
 Bevilacqua  
 Crête  
 Discepola  
 Leung  
 Mercier  
 Szabo  
 Valeri  
 Wilfert

**The Speaker:** I declare the motion carried.

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

*Private Members' Business*

charge of 72% of all the circulation of daily papers. This in itself demonstrates concentration of ownership.

What is more impressive is that two out of these three chains are owned and run in essence by the same person. Hollinger Inc., through its owner Conrad Black, owns 27 of Canada's newspapers.

In July of 1997 Hollinger secured a large portion of Southam Inc., Canada's largest chain owning 34 papers. Now 58.6% of Southam is under the control of Hollinger and of Conrad Black.

Together these two companies control almost 60% of Canada's newspapers and approximately 42% of the country's circulation. They own all the daily newspapers in Prince Edward Island, Saskatchewan and Newfoundland, as well as 14 out of British Columbia's 16 dailies. In addition, they control papers in every provincial capital except for Winnipeg, Toronto and Quebec City.

As I have demonstrated, Canada's print media is controlled in big part by one company, Hollinger Inc., and by one person.

Another very influential newspaper company in Canada is Torstar Corporation which owns 100% of the Toronto *Star*, the country's single largest newspaper in terms of circulation. This corporation is another example of a company securing quite a large portion of ownership and circulation in Canada's media.

Just last week Torstar Corporation announced plans to stage a hostile takeover of Sun Media Corporation. Together these two conglomerates would control a total of 26% of Canada's daily newspaper circulation.

Another area of concentration is cross ownership of newspapers, radio, television, news services and web sites. But the question remains on the issue of influence. We can easily say that the majority of Canada's newspapers are in the hands of a few people, but is it too concentrated? Are there too few people at the helm of Canada's media?

• (1815)

To really know if it is overconcentrated we must look at the integrity of the papers themselves. Are they presenting a balanced approach to the news? Are the facts being put out in an objective standpoint way? Do Canadians in all market areas have access to differing points of view?

Besides the danger that might exist in very few companies having too much influence on the papers, another danger might arise. While it is said that publishers might not directly control policy at each paper, certainly those in charge are conscious of what publishers like and expect.

Do they, for example, follow their own personal standards and guidelines or do they try to please the person who signs their paycheques? With the number of papers within one publisher's control the chances are fairly good that some papers' editors do not always work in a totally unbiased state of mind.

On the other hand the publisher of the Southam owned Victoria *Times Columnist* insists that he does not feel any pressure to go one way or another on issues. The mission for him, he says, is to get in touch with the community's agenda and not the publisher's.

It would not necessarily be that a newspaper would neglect or falsify information, but certainly they might put emphasis on certain facts more than others. Any editorials may present opinions following a publisher's philosophy or political point of view. As we can see, although a publisher might not be in complete control of what is printed, those who are in charge of content could be easily persuaded or inclined to undertake methods to make their publisher happy.

Let us inspect yet another aspect that adds to the ramifications of the debate. As it was officially announced earlier on this year, Hollinger Incorporated launched just a week ago the first edition of *National Post*. This new paper is competing against the Toronto *Star*, Canada's most read newspaper, and the *Globe and Mail*, the only other paper that claims to be national.

If the paper is to be successful it may take readers from the *Globe and Mail* and the Toronto *Star*, particularly in the important Toronto market. If the *National Post* ends up taking many readers from the aforementioned papers, not only will they suffer but there will be greater concentration and obviously less competition.

The Government of Canada in the past has taken a closer look at media ownership. In 1970 Keith Davey and others studied media issues, one of which was the concentration of media ownership. The three biggest chains controlled 45% of daily circulation at that time in comparison to the 72% that the three largest chains now own. This study led to the creation of the Royal Commission on Newspapers 10 years later. This commission was formed after Southam closed its Winnipeg *Tribune* and after Thomson shut down the Ottawa *Journal*.

Tom Kent, commissioner of this organization in the 1980s had suggested restricting the number of papers that any one company could own. His recommendations were soundly rejected by the industry, an industry that has consistently rejected government intervention.

Our federal government to this day has never implemented any regulations in this matter and that in essence is the foundation of this private member's motion. I am asking other members and Canadians in general for their opinions on the issue.

Do we as Canadians need to worry about media concentration? Should we be implementing legislation to regulate ownership of the media or are the present mechanisms in place all that is in fact needed?

On a related note, the Canadian public has expressed concern with the matter of bank mergers which would give the so-called megabanks too much power and control. I would argue, as have others, that the issue of newspaper ownership is at least as important as the subject of bank mergers. Should we not then be examining the issue of media ownership in the same light?

As I have already mentioned, there exists at present no law restrictions in Canada on how many newspapers one company can own. Some have argued that we should be more concerned about media ownership since it is more important to democracy than any other industry. It plays a powerful role in shaping our nation's public opinion.

Recently major players in the newspaper industry expressed reason for concern over the increasing concentration of newspaper ownership. Paul Godfrey, chairman of Sun Media, last May was quoted as saying it was wrong for the newspaper industry to be in few hands.

John Honderich, publisher of the *Toronto Star*, made observations earlier this year when Southam bought six British Columbia newspapers from Thomson Corporation. He said:

I can't remember a time when so much has been dominated by one chain. What is enough? Is this level of circulation too much? Should it be allowed?

• (1820)

He went on to ask who should answer these questions and went on to suggest that Ottawa should intervene. As Mr. Honderich said, "I don't think it can be the industry itself or the people we appoint".

I will end with that question. It is important at the very least to explore this potential problem. We might realize that the media are in no way influenced by ownership concentration. On the other hand we might find that they are and that information presented is not balanced.

In the very least it is our duty as Canadians and as members of the House of Commons to examine and discuss this matter. It is important that we do so in a manner consistent with the values, the institutions and traditions of all of us as Canadians.

Perhaps all we can do at this time is simply to monitor the situation. There may come a time when other action is required. I look forward to hearing what my colleagues in the House have to say on this important issue.

**Mr. Rahim Jaffer (Edmonton—Strathcona, Ref.):** Mr. Speaker, I am pleased to rise on Motion No. 423 as the chief opposition critic for industry.

### *Private Members' Business*

For those who have just joined the debate and for those watching the proceedings on television, the motion reads as follows:

That, in the opinion of this House, the government should consider the advisability of establishing a commission of inquiry to examine the concentration of print media in Canada.

The motion is certainly timely as we are all aware of the Southam launch of the *National Post* just days ago, a national paper which includes within its pages the former *Financial Post*. We are also aware of the impending *Toronto Star* takeover of the Sun Media Corporation, a merger that will give Torstar 26% of the total weekly circulation of daily newspapers in Canada.

I compliment the hon. member for Waterloo—Wellington for the impeccable timing of the motion. On the issue of timing I only hope for his sake that he owns a large block of Sun Media stock since it went up over 60% as a result of the takeover bid.

I make this remark in good humour, but there is an important point in all of this. The success of these private businesses, the profits they make, are disbursed among literally thousands of shareholders. Many of these people are average hard working, overtaxed Canadians investing in mutual funds for their retirements because the government messed up their pensions.

It should be known that all Canadians benefit from profitable industries. We should not be concerned when businesses make decisions to enhance their profits. I would be pretty worried if businesses stopped concerning themselves with profits as this would destroy the Canadian economy.

My first message as it applies to the motion is that we need not be concerned about those in the print media industry merging to improve their economies of scale and their bottom lines. We need not be concerned with the impact this may have on consumer choice.

As far as the interests of consumers are concerned it should be appreciated that companies become profitable and remain profitable by offering consumers quality goods and services at a low price. They make money only when they serve the interests of their consumers. The better they serve, the richer they become.

When companies work against the interests of consumers they lose money because they lose market share. Therefore the free market is the best corrective mechanism by which to address any alleged market coercion or manipulation. Furthermore, the House cannot support both property rights and free enterprise while proposing to create a government body that would have the power and the mandate to prevent companies from exercising their property rights freely through voluntary exchange. The motion is an attack on free enterprise and on property rights.

When speaking to Bill C-20 in the House some time ago I brought my concerns regarding the Competition Act to the

*Private Members' Business*

attention of my colleagues. I share those concerns again so that members of the House can understand why those who understand and respect the workings of the free market cannot support the motion.

• (1825)

The Competition Act rests on the assumption that the government can meddle and regulate its way into a free market. In his recently published book entitled *The Myths of Antitrust*, author Armentano wrote:

Trades of private property are either voluntary or they are not; one cannot legislate the free market or create competition. To have a free market the government must leave the markets alone; to have the state make markets "free" is again a contradiction in terms.

I am also reminded of Nobel prize winning economist Dr. Friedman, who wrote:

A monopoly can seldom be established within a country without overt and covert government assistance in the form of a tariff or some other device.

With respect, competition and free enterprise are concepts that are not properly understood by my colleague from Waterloo-Wellington. The number of companies providing a product or service is not a reliable indicator as to the competitiveness of the market. The key to ensuing competition is removing the barriers to access and entry into the market and into that segment of the economy.

I add at this point that the television industry should be the focus of our attention. The CRTC acts as a barrier to competition. As long as no such regulatory body encroaches on the print media industry, we need not be concerned with concentration of the industry.

I believe we can learn a lesson from the banking industry that might help my colleagues understand why the motion must be rejected. The government has created an environment in Canada that has encouraged the creation of a banking oligarchy. Instead of deregulating the banking industry to allow for competition, it meddles further into the banking industry with foreign ownership restrictions.

When Canadian small businesses cannot get adequate financing for new innovations, they justify the need to create another government program called the Small Business Loans Act. We can see how one government intervention leads to many more until we are so far removed from the free market that we cannot begin to understand the potential for market based solutions to public policy problems.

Competition legislation is nothing but a bundle of contradictions. The entire purpose of being in business is to drive competitors out of business. Every entrepreneur wants to capture more and more of the market share by providing a better product at a better price than his competitor. This is called anti-competitive pricing and dumping.

Entrepreneurs eager to obey the government should not try to outdo their competitors by providing consumers a better price. They should keep their prices and services at the same levels as those of their competitors. That too is against the rules. It is called collusion.

Entrepreneurs should raise their prices far above their competitors so that they are not guilty of anti-competitive pricing or collusion. Wrong again. This is called price gouging.

Our competition laws are an unenforceable mess of contradictions. If members of the House give these laws some honest consideration, they too will come to this conclusion.

The Reform Party believes that the creation of wealth and productive jobs for Canadians is best achieved through the operations of a responsible, broadly based free enterprise system in which private property, freedom of contract and the operation of the free market are encouraged and respected.

Economic competition and the resulting prosperity that will come from it are the results of a deregulated market and cannot be achieved by government intervention. As the critic for industry I will work with the private sector to identify and remove the barriers to entry that may be limiting competition. However I will not allow the government to use its power to further meddle into the economy.

I conclude my remarks by asking members of the House to give some thought to all the benefits a vibrant and free economy has given to Canadians. I would like members of the House to look beyond big government solutions to public policy problems and to start working with the private sector to create laws and regulations in Canada that will bring us prosperity.

Once we all come to understand the importance of economic freedom, we will also come to understand why we should not be concerned with print media concentration in Canada.

[Translation]

**Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ):** Mr. Speaker, I am pleased to speak to the motion by the member for Waterloo—Wellington, which reads as follows:

That, in the opinion of this House, the government should consider the advisability of establishing a commission of inquiry to examine the concentration of print media in Canada.

• (1830)

The Bloc Québécois is in total agreement with the members of this House who are wondering about the reduction in sources of information and the concentration of the ownership of newspapers in the hands of a few magnates. It also feels that this situation represents a threat to freedom of expression.

In Canada, two commissions of inquiry have already examined the issue: the Kent commission in the early 1980s and the Davey commission in the 1970s. None of the recommendations of these two commissions was ever implemented.

The commission, which published its report in 1981, was tasked with examining the decreasing competition between dailies, that is the disappearance of newspapers within a market, and the increased concentration of ownership in the industry within the hands of a few people.

It was also asked to examine the growing trend among newspapers to belong to chains, a trend which has increasingly taken hold. The commission was also asked to indicate the effect on services offered by the print media to the public, and to make recommendations if it saw fit.

This commission made recommendations on such matters as the acceptable level of ownership of newspapers in a particular market, the process of divestment of newspapers, measures to ensure editorial independence from a newspaper's owners, and the adoption of a national newspapers act.

A Library of Parliament study examined the Kent Commission's recommendations with a view to determining the areas of jurisdiction involved. The study concluded that, under the division of powers set out sections 92(13) and 92(16) of the Constitution Act, 1867, a large number of the Kent Commission's recommendations fell within provincial areas of jurisdiction. These sections recognize that property, trade and civil rights are provincial matters.

Thus it was that in Quebec, for instance, an order in council was passed by the government on July 13, 1988 after an agreement was reached with Hollinger and Groupe Unimédia to structure the future sale of Quebec City's *Le Soleil* and Chicoutimi's *Le Quotidien*, so that Quebec buyers would have a chance to become owners of Quebec newspapers, while maintaining the plurality of ownership of dailies.

The concentration of print media is a greater concern today, however, than it was when the Kent Commission was created. In 1970, in English Canada, the three major newspaper chains controlled 60% of the circulation of dailies. In 1980, this had increased to 75%. Today, through Hollinger and Southam, Conrad Black controls 61 of the 105 dailies in Canada, or approximately 60% of the circulation of newspapers in English Canada.

The Bloc Québécois is opposed to the creation of a commission of inquiry because it is not at all convinced that this is the right way to go about correcting the problem. The Davey and Kent commissions did their work at a time when the situation was much less alarming than it is today, and their recommendations were not followed up, primarily because of the issue of jurisdiction and legal precedents.

### *Private Members' Business*

It is also important to note that Canada's three most recent commissions of inquiry cost taxpayers a fortune, and their findings were not worth the money spent, with the possible exception of the Erasmus-Dussault commission on aboriginal peoples, although the final bill was \$50 million.

• (1835)

The Létourneau inquiry into the events in Somalia cost approximately \$12 million, not to mention the expenses of the Department of National Defence and the legal expenses of other parties.

The Krever commission, which left hundreds of thousands of people dissatisfied and not even entitled to a small amount of compensation, ran up a bill of some \$15 million.

It looks to the Bloc Québécois as though the government is soothing its conscience by creating commissions, by giving the public the impression that it is looking after real problems, while spending millions on commissions whose reports are shelved and never followed up.

Furthermore, the Bloc Québécois is concerned that ownership of almost 60% of Canada's newspapers is concentrated in the hands of Conrad Black, a man famous for interfering in his newspapers, a man who does not hesitate to hire staff who share his views and to quickly get rid of anyone who disagrees with him.

The Bloc Québécois is concerned that the majority of Canadian newspapers are owned by a man who says that Trudeau is mistaken when he compares today's Quebec with the Quebec of Duplessis' time. He put it this way:

[*English*]

It is unwise for Trudeau to muddy the waters, diluting his attack on the bigotry and the undemocratic impulses of the separatists.

[*Translation*]

This appeared in the *Ottawa Citizen* on Friday, October 9. Dear Mr. Black also said:

[*English*]

Radio-Canada is a separatist propaganda agency and it has been for 30 years and operating courtesy of and to considerable expense of the taxpayers of Canada.

[*Translation*]

That man who has no respect for Quebec's language legislation, which was passed democratically and which recognizes the rights of the minority, as the Council of Europe so eloquently pointed out. That man who favours partition and used his Montreal newspaper to spread his own views.

*Private Members' Business*

Various voices have been raised against the concentration of print media, including our own. But we have a great deal of difficulty accepting the idea of creating a commission. We are concerned by the apparent unanimity in English Canada regarding how the sovereignist cause should be treated by the media.

Thus, all the independent studies, those done by independent researchers—be it the Fraser Institute or Denis Monière or even the CBC ombudsman—indicate that the anglophone media, both electronic and print, are not objective in their treatment of the Quebec issue and present it negatively.

We believe a lot needs to be done in Canadian newspapers to ensure the public is well informed. We also think it is important not to exaggerate the concentration of print media. We would like a longer debate to find a way to prevent this sort of thing. A commission of inquiry, however, does not seem to be the solution.

[English]

**Ms. Wendy Lill (Dartmouth, NDP):** Mr. Speaker, I rise today to speak to Motion No. M-423 which states:

That, in the opinion of this House, the government should consider the advisability of establishing a commission of inquiry to examine the concentration of print media in Canada.

I must start by registering a regret. My regret is that this motion does not go far enough. It does not go past the discussion stage to the action stage, to the legislation stage.

I for one, and I speak for the New Democratic Party, believe that we need media concentration legislation in this country now and that we needed it 20 years ago. Media concentration has been studied and studied. I have two studies here in front of me which I will refer to momentarily.

To show how long media concentration has been debated in this Chamber I point to *Hansard* of December 11, 1970.

• (1840)

Tommy Douglas rose to ask Pierre Trudeau about the three volume, 1117 page study which was the Senate special committee on mass media report, sometimes called the Davie report:

In view of the findings of this committee that the profits earned by media corporations, that is by broadcasters and publishers, are, in their words, extraordinary and astonishing, and in view of the evidence of the growing concentration of power in the hands of fewer and fewer media corporations, what actions does the government propose to take?

While *Hansard* does not record gestures, the answer was an obvious shrug.

The Liberals in the Senate spent over two years studying corporate concentration in the media. They discovered it was a problem requiring government action. The Liberal response was do nothing.

In 1980 another study was launched by the Liberals, the Kent commission, this time in response to the simultaneous shutdown of the *Ottawa Journal* and the *Winnipeg Tribune*, wiping out over 185 years of journalist tradition in Canada.

This eloquent report starts with a quote from a judgment of the Supreme Court of the United States:

Freedom of the press from government interference does not sanction repression of that freedom by private interests.

The royal commission on newspapers reported in 1981 and, surprise, media concentration is a problem requiring government action, not more studies.

Specifically, the Kent commission called for halts to further concentration, with limited divestment relating to cross ownership in different medias and the divestment of the *Globe and Mail* from Thomson. It said that a newspaper owner should either be national or local.

Another key set of recommendations in the Kent report was designed to protect the editorial independence of the newsroom from the interference of the boardroom through the use of an independent board to hire the editor of the local paper and the establishment of a central press panel which would oversee the independence of the newsroom. The government response at the time, a Liberal government headed by Pierre Trudeau, was a little more encouraging. It flew trial balloons in the form of a draft bill on the watered down press council with limited divestment. Then it blew the balloons out of the water and did nothing.

It is worth noting that the minister who tried to do something about this, James Fleming, was removed from cabinet. He then tried to have a private member's bill pass on the same topic. It was a bill that was strongly opposed by his Liberal colleagues. I notice a pattern of behaviour here. Liberals study and then Liberals do nothing.

The problem of corporate concentration in the media is in crisis. Conrad Black, the *Star* fighting for the *Sun*, Global and Shaw carving up WIC, these events will continue to escalate unless the government acts now. Unless the government does something now and unless the government makes a real commitment to protect Canadian media at upcoming trade talks, Canada can expect to see the eventual takeover of media giants like Baton and Global by American giants like NBC and CBS. We need government action now.

Where do we start? I spoke to Tom Kent in recent weeks. When he wrote his report 34% of the daily newspapers were in the hands of one chain. With the launch of the *National Post* Conrad Black



now owns about 55% of Canadian dailies. Given that, I asked Tom Kent what recommendations from his report were still doable given the rise of Conrad Black and since then the *Star* wars in Toronto. Mr. Kent felt that the future he predicted had come to pass and therefore the divestment options are probably not available. He strongly felt that the setting up of independent committees in the newsrooms to protect the paper from boardroom interference was still doable but also more important than ever.

I also spoke with people who know the media business like Gail Lem, a former journalist and now an organizer for the communications workers, and David Robinson from the Canadian Centre for Policy Alternatives. It is clear that there are things that the government must do now to control the situation.

• (1845 )

The government can and should ban newspaper owners from owning broadcasting corporations. The government should also ban any further concentration and cross ownership dealing with the weekly newspaper sector.

The government can implement the sections of the Kent commission dealing with the press rights panel and the newspaper advisory committees for all daily newspapers. This does not cause government interference. It protects editorial independence of content.

The government can place controls on the foreign ownership of all media companies in Canada.

The government must re-fund the CBC so that Canadians have a strong independent standard voice across the country.

The government can and must encourage community organizations of all types to participate and buy their local weekly papers, stopping the massive concentration of weekly chains and making weeklies truly community papers.

The government can instruct the CRTC to force cable stations to have a higher level of standard, community run programming on its community channels.

The CRTC, as part of the current exercise it is conducting, should also be asked to advise the government on controls which may be placed on the cross ownership of media corporations as they relate to the new medias which are emerging daily on our computer screens.

In conclusion, I regret that I will not be able to support Motion M-423 because it falls far short of what is required now. I believe that the member moving this motion is sincere and concerned. I also think Canadians are concerned about media concentration. We

### *Private Members' Business*

all want a free press. We all know, almost instinctively, that having the ownership of the press in a very few hands threatens freedom of the press. What we need now however is not more study but action.

**Mr. Jim Jones (Markham, PC):** Mr. Speaker, it is my pleasure to rise today and address Motion M-423, a motion which proposes:

That, in the opinion of this House, the government should consider the advisability of establishing a commission of inquiry to examine the concentration of print media in Canada.

The timing of this motion could not possibly have been scheduled at a more appropriate moment. Who would have thought that on the eve of the debate of this motion we would see a blockbuster takeover attempt such as that of the Toronto *Star* versus Sun Media.

It is a little hard to believe that it was merely five months ago that Torstar was calling for just the type of probe that this motion is seeking. Of course when this motion was introduced, I very much doubt that the hon. member for Waterloo—Wellington was targeting his party's friends at the Toronto *Star*.

No, this motion is being made so that the Liberal Party, which has never shied away from big brother style interference in the marketplace, could effectively interfere in the operation of Hollinger Company. Make no mistake. Today we are not debating the inherent problems of dominant position within the print media. This could not possibly be the discussion for we already have an effective Competition Act to handle just such an issue. In essence, what we are really discussing is just how far government should go in its interference with private industry.

Allow me to say that if we were capable of setting aside our principles, it would be moderately seductive to entertain this motion. I would like to assure the hon. member that as a Conservative, I do not relish the potential future of the print media situation in the greater Toronto area.

Already I can envision a scenario on the eve of the next federal election. The Liberal mouthpiece Toronto *Star* headline will read "GST, free trade and helicopters aside, this time we really believe them", and across town the Toronto *Sun* headline will read "Ditto". It is enough to send shivers up your spine but it is not enough to warrant interference.

Let us examine the Torstar proposal on its merits. On October 28 Torstar offered \$16 per share for all of the common shares of Sun Media Corporation on a fully diluted basis. The question becomes, is this a good and fair offer? Indeed that is the question, however it is not for the Government of Canada to answer. It is instead up to the shareholders of Sun Media to decide.

Perhaps a 62% premium over the closing price last Wednesday is a very good deal. Perhaps it is not. Once again it is not for us to

*Private Members' Business*

decide. Large and small investors will make this decision alike, including the Ontario Teachers Pension Plan, Trimark Mutual Funds, Talvest Mutual Funds and others.

• (1850)

This is not to say that every merger that gets dreamed up in the minds of deal makers should remain outside the scope of inspection, not at all. But this is where I come back to the Competition Bureau and the Competition Act which my party implemented in 1986. The Competition Bureau has been given the necessary tools to complete this task so let it do it.

Print media is not a new media form, unlike the Internet explosion. This House would certainly have taken print media into consideration when it crafted this act just over a decade ago.

It seems we may very well be debating nostalgia today. The world we are living in has changed dramatically in the ways in which information is delivered. No longer are newspapers merely competing against a few radio stations and a couple of television networks. Instead news is now available on different networks 24 hours a day. The Internet is available 24 hours a day. This has forced the print media industry to re-evaluate its own efficiencies and competitive advantages.

Far from being an industry that is fading away, we have witnessed a rebirth in this nation. Canadians now boast two national newspapers that must be included in the competitive mix of every market in the country. Canadians in general have become news junkies as they read more, tune in more and surf more. Our media outlets, already among the most scrutinized in the world, thanks to the work of the CRTC have grabbed hold of the information age and in many ways lead the revolution.

My background is not in competition law but we should take a moment and review what we are looking at in terms of level of competition. I am certain my hon. colleagues in this House have all seen the breakdown of print media numbers as a percentage of circulation. According to those numbers, if this deal goes through, the Toronto *Star* parent company will control approximately 26% of the print media circulation. However, it is unfair to base any review simply on circulation. Should it not be reviewed as a percentage of holdings versus all other media outlets including broadcast and the Internet?

One phenomenon that has long existed in Canada is the acceptability of monopoly markets as it pertains to the newspaper industry. Historically we have learned that it is not reasonable to expect there to be more than one newspaper in our smaller market cities. In fact the 1970s saw the consolidation of outlets across the country. It was reasoned that the result was an acceptable level of

competition due to the existence of non-print competitors as well as the reality of market forces.

Now I understand that my colleagues in the Liberal Party are loath to accept market forces at any time when they think they can get in and start interfering. However, there is nothing that can be done by legislators to increase demand. I trust this will not discourage those would be manipulators into believing that our media marketplace is not vibrant. In fact quite the opposite situation exists.

If we look back to 1971 and the demise of the old Toronto *Telegram*, it became apparent that a void existed. A group of 60 displaced workers and \$650,000 led to the formation of the Toronto *Sun*. This is not something that could have been addressed by parliament. Instead what was needed was a passion for the industry, proper financing and a void in the marketplace. Basic market forces and a group of entrepreneurs filled that void.

In the 27 years since then, the marketplace has changed dramatically. The Southam chain is now under new ownership, the once mighty Thomson chain is substantially smaller, and the Ottawa market's second largest newspaper will turn 10 years old this Saturday. I use these examples to illustrate my point that the print media industry is a dynamic one, yet some remain unconvinced.

There is a constituency out there that was addressed by the publisher of the Toronto *Star*, John Honderich, when he called for a royal commission five months ago. The member for Waterloo—Wellington responded to this challenge. I am not convinced that the gentleman who started this ball rolling would still be enthusiastically supportive of it today.

I understand the fears that are inherent in this motion. They stem from the basic reality that newspapers are not widgets. Newspapers go to the heart and soul of communities. Newspapers often fuel fundamental debate in this country. It is because of these factors that the marketplace will not tolerate uniformity. It will not accept uniformity of thought, nor will it accept uniformity of product.

• (1855)

If the *Sun* newspapers were to become carbon copy apologists for the Liberal Party of Canada, another newspaper would emerge supported by those who do not necessarily believe that the sun rises and sets on Prime Minister Mark McGuire.

In conclusion, it is not our feeling in the Progressive Conservative Party that a commission as set out in this motion is needed. We feel very comfortable with the present make-up of regulations and on how the Competition Bureau and the CRTC administer them. A commission of this type would result in unnecessary government duplication.

We are truly disappointed that this is a non-votable motion. In lieu of the events of the past week, it would be very interesting to ascertain the sentiments of my colleagues on the other side of the House.

**The Acting Speaker (Mr. McClelland):** There will be nine minutes left in debate before we go to the last five minutes and the mover of the motion.

**Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I am pleased to have the opportunity to address the House on Motion 423 which was introduced by my colleague representing the riding of Waterloo—Wellington. The motion calls for a debate to express the concerns of the member's constituents, colleagues and Canadians on the concentration of print media in Canada. I would also thank my colleague for the research and effort that was put into his motion.

As members of this House are aware, the print media marketplace in Canada has been undergoing significant changes in recent years with several newspapers changing ownership. One recent example is Southam Inc.'s acquisition of the *Financial Post* from Sun Media Corporation in return for four southern Ontario dailies, including the Kitchener—Waterloo *Record* circulated in my colleague's riding of Waterloo—Wellington. The most recent concerns the announcement of a possible takeover of Sun Media by Torstar.

As I understand it, some people perceive that newspaper mergers can be detrimental to Canada for two reasons. First, there is a fear that increasing ownership concentration may leave Canadians with reduced access to both ideas and sources of information. Second, there are concerns that newspaper conglomerates might be able to conduct business in an anti-competitive manner with their subscribers, advertisers or journalists. I will address the anti-competitive business behaviour point first as it clearly relates to something that falls within the purview of the industry department.

The Competition Bureau headed by the director of investigation and research is an independent law enforcement agency of Industry Canada with responsibility for enforcing the Competition Act. This act is a law of general application. It applies with few exceptions to all sectors of the Canadian economy, including newspapers, magazines and other print media. The law touches on the everyday life of all Canadians by seeking to maintain and encourage competition in the marketplace with the objective of providing consumers with competitive prices and a variety of choices in the goods and services that they purchase.

The director actively enforces the Competition Act by monitoring developments in the marketplace and reviewing complaints from consumers, competitors and other interested individuals to determine whether there is evidence of any anti-competitive activity in the marketplace.

### *Private Members' Business*

In the case of mergers, the act mandates that all transactions of substantial size be reviewed by the director, whether the bureau receives complaints about them or not. The test applied by the director in his review of mergers is whether or not the proposed transaction would or is likely to substantially lessen or prevent competition.

Accordingly, the Competition Bureau reviews all major print media mergers. The bureau's review centres on a merger's economic impact, which in the case of a newspaper merger primarily revolves around advertising issues. Every transaction is thoroughly examined on a case by case basis.

I take this opportunity to encourage anyone who has information that anti-competitive activity is ongoing or that might be facilitated by a merger to bring it to the attention of the director.

The director's view is that the provisions of the legislation are adequate to deal with anti-competitive behaviour in the print media industry. For instance, they have allowed the director to successfully challenge Southam Inc.'s acquisition of a chain of real estate advertising papers in Vancouver.

In addition, the provisions of the Competition Act are subject to regular review in order to identify appropriate amendments to the law. In this regard, a set of amendments to update the law is currently before the Senate.

I will return to the first issue that the motion seeks to address, that increased print media concentration may lead to a lack of diversity of sources of ideas and information. I wish to point to the conclusions of a prior commission of inquiry on this very topic, the Kent commission of 1980.

● (1900 )

The Kent Commission felt that increasing print media concentration was a cause for concern as it might limit the dissemination of ideas and information.

It has been almost 20 years since the Kent Commission report. The Canadian information landscape has changed tremendously. The growth of broadcast media has been explosive. Canadians can now partake in an ever expanding universe of general interest and specialty channels, several of which are devoted exclusively to news, debates and editorials.

What also bears mention is the incredible communication potential of the Internet and the proliferation of so-called new media or multi-media services. In Canada the Internet is irrevocably on its way to becoming an integral part of every Canadian's life.

As Peter Desbarats, a member of the Kent Commission, recently mentioned, Canadians now benefit from a wide array of choices when they seek ideas and information.

*Private Members' Business*

Nevertheless, Canadians are concerned in some areas. Regardless of the vast array of choices that individuals have in accessing information on events throughout Canada and the world, the newspaper has come to symbolize freedom of expression and the exposure of facts.

Moreover, our newspapers have presented Canadians with a virtual buffet of analytical perspectives reflecting many different points of view. When one person or one company acquires many different newspapers across the country people might rightly ask: Are views being suppressed? Are the views of one perspective over-represented in the newspaper media?

An example can be seen in British Columbia where the owner of the *News Group*, Mr. David Black, recently told his editors of the 60 weekly newspapers to oppose the Nisga'a treaty and to run a series of eight columns against it. Black's action set a dangerous precedent of management interference. This strikes at the very heart of editorial interference.

We might also ask if local flavour gets sacrificed in favour of a cookie cutter approach from a large corporate super structure.

Should Canadians decide that they are not being well served by the change in ownership structure that we are currently witnessing, what can be done?

I believe that the key to this is to ensure that our information marketplace must be as free of barriers to entry as possible. In other words, we must continue to create a business climate that makes it possible and attractive for existing and potential competitors to provide Canadians with alternatives that they seek.

Maintaining a competitive marketplace is an important role for government and I look forward to working with my colleague from Waterloo—Wellington to make sure that we pursue the right policies to make it attractive for new and fresh perspectives to enter the business of providing information to Canadians.

I thank the member for Waterloo—Wellington for giving us the opportunity to have this debate today.

**Mr. Lynn Myers (Waterloo—Wellington, Lib.):** Mr. Speaker, I would like to thank all of the members who shared their opinions and expressed their points of view regarding this very important matter. I think the importance of this issue has been demonstrated through their thoughtful interventions.

In the eyes of some media, ownership concentration, until now at least, does not seem to have caused many noticeable problems. But as ownership continues to be put in the hands of fewer and fewer people, problems may arise. This is why the potential exists for the Government of Canada to examine this issue.

Let me reiterate a few important facts that were brought up in my introductory comments and which other members alluded to as well.

The three biggest newspaper chains in Canada are in charge of 72% of the daily circulation. One person owns Hollinger Inc., which controls 27 of Canada's newspapers. This company owns over half of the interests in Southam Incorporated, Canada's largest chain, with 34 papers.

These two companies, essentially in Conrad Black's control, are in charge of 60% of Canada's newspapers and distribute 50% of its dailies. Their control spreads across the country and is present in most of the provincial capitals.

Owning 100% of the *Toronto Star*, Canada's largest paper in terms of circulation, Torstar Corporation also has a very large grasp on the information being given to Canadians. Its bid to take over SunMedia Corporation, still in the works, would provide it with an even greater hold on the newspaper industry in Canada.

I think it is obvious that Canada's newspapers are in the hands of a few people. The question that we must ask ourselves, though, is whether or not the concentration of the media's ownership adversely affects the ability of Canadians to obtain different points of view on the affairs of the day.

The newspaper industry has a tremendous impact on public opinion in Canada. The information presented by this medium reaches many people in our nation. Therefore it is everyone's duty to ensure that this information be presented in a balanced fashion, showing differing points of view.

• (1905 )

We must therefore all work together to ensure that the media are giving the public what objective information is needed and is desired. At the very least I think it is our duty as Canadians and here in the House of Commons to examine and discuss this matter. It may be difficult to judge whether media ownership concentration is detrimental to the industry or to society as a whole but it is important to talk about it nevertheless.

We should therefore be vigilant as mergers and acquisition tend to concentrate the media even more. This is especially true in many areas of the country. Accordingly, I reiterate that we should exhibit caution as mergers and acquisitions in the media take place. We should monitor the situation closely, recognizing there may come a time when further government action is required.

I thank all hon. members for participating in this very valuable dialogue and debate.

*Private Members' Business*

**The Acting Speaker (Mr. McClelland):** The time provided for the consideration of Private Members' Business has now expired and the order is dropped from the order paper.

It being 7.07 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).  
(The House adjourned at 7.07 p.m.)

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# CONTENTS

Tuesday, November 3, 1998

## ROUTINE PROCEEDINGS

### Government Response to Petitions

Mr. Adams ..... 9739

### Committees of the House

#### Fisheries and Oceans

Mr. Hubbard ..... 9739

### Issue of Ceremonial Statements of Service Act

Bill C-453. Introduction and first reading ..... 9739

Mr. Bélair ..... 9739

(Motions deemed adopted, bill read the first time  
and printed) ..... 9739

### Petitions

#### Copyright Board

Mr. Abbott ..... 9739

#### Marriage

Mr. Abbott ..... 9739

#### Impaired Driving

Mr. Abbott ..... 9740

#### Transportation

Mr. Lavigne ..... 9740

#### Multilateral Agreement on Investment

Mr. Solomon ..... 9740

#### Health Benefits

Mr. Kerpan ..... 9740

#### National Highway System

Mr. Kerpan ..... 9740

### Questions on the Order Paper

Mr. Adams ..... 9740

## GOVERNMENT ORDERS

### Supply

#### Allotted Day—Canadian Farmers

Mr. Breitzkreuz (Yorkton—Melville) ..... 9740

Motion ..... 9740

Mr. Nystrom ..... 9742

Mr. Breitzkreuz (Yorkton—Melville) ..... 9742

Mr. Manning ..... 9743

Mr. Vanclief ..... 9744

Mr. Manning ..... 9744

Mr. Solomon ..... 9745

Mr. Manning ..... 9745

Mr. Vanclief ..... 9745

Mr. Manning ..... 9747

Mr. Vanclief ..... 9747

Mr. Proctor ..... 9747

Mr. Vanclief ..... 9747

Mr. Breitzkreuz (Yorkton—Melville) ..... 9748

Mr. Breitzkreuz (Yorkton—Melville) ..... 9748

Mr. Vanclief ..... 9748

Mr. Borotsik ..... 9748

Mr. Vanclief ..... 9749

Ms. Alarie ..... 9749

Mr. McGuire ..... 9750

Ms. Alarie ..... 9750

Mr. Johnston ..... 9750

Ms. Alarie ..... 9751

Mr. Proctor ..... 9751

Mr. Borotsik ..... 9752

Mr. Proctor ..... 9752

Mr. Breitzkreuz (Yorkton—Melville) ..... 9752

Mr. Proctor ..... 9752

Mr. Kerpan ..... 9753

Mr. Proctor ..... 9753

Mr. Borotsik ..... 9753

Mr. Speller ..... 9754

Mr. Borotsik ..... 9755

Mr. Nystrom ..... 9755

Mr. Borotsik ..... 9755

Mr. Morrison ..... 9755

Mr. Borotsik ..... 9755

Mr. Breitzkreuz (Yorkton—Melville) ..... 9755

Mr. Hoepfner ..... 9756

Mr. Borotsik ..... 9757

Mr. Hoepfner ..... 9757

Mr. Stoffer ..... 9757

Mr. Hoepfner ..... 9757

Mr. Casson ..... 9758

Mr. Stoffer ..... 9759

Mr. Casson ..... 9759

Mr. Mark ..... 9759

Mr. McGuire ..... 9760

Mr. Mark ..... 9760

Mr. Paradis ..... 9760

Mr. Stoffer ..... 9761

Mr. Paradis ..... 9761

Mr. McGuire ..... 9762

Mr. Chatters ..... 9763

Mr. McGuire ..... 9763

Mr. Speller ..... 9763

Mr. McGuire ..... 9764

Mr. Breitzkreuz (Yorkton—Melville) ..... 9764

Mr. Chatters ..... 9764

Mr. Easter ..... 9764

Mr. Chatters ..... 9764

Mr. Reed ..... 9766

Mr. Chatters ..... 9766

Mr. Breitzkreuz (Yorkton—Melville) ..... 9766

Mr. Chatters ..... 9766

Mr. Morrison ..... 9766

Mr. Breitzkreuz (Yorkton—Melville) ..... 9768

Mr. Morrison ..... 9768

Mr. Harvard ..... 9768

Mr. Morrison ..... 9768

Mr. Pickard ..... 9768

Mr. Ritz ..... 9770

Mr. Pickard ..... 9770

Mr. Muise ..... 9770

Mr. Pickard ..... 9770

Mr. Speller ..... 9770

Mr. Chatters ..... 9771

Mr. Speller ..... 9771

Mr. Stoffer ..... 9771

Mr. Speller ..... 9772

Mr. Benoit ..... 9772



## STATEMENTS BY MEMBERS

|                                                  |      |
|--------------------------------------------------|------|
| <b>The Canadian Justice System</b>               |      |
| Mr. Maloney .....                                | 9773 |
| <b>Canadian Finals Rodeo Week</b>                |      |
| Miss Grey .....                                  | 9774 |
| <b>Municipal Elections</b>                       |      |
| Mr. Lincoln .....                                | 9774 |
| <b>Natural Disasters</b>                         |      |
| Mr. Pickard .....                                | 9774 |
| <b>Transportation</b>                            |      |
| Mr. Lavigne .....                                | 9774 |
| <b>Government Expenditures</b>                   |      |
| Mr. Williams .....                               | 9774 |
| <b>Middle East</b>                               |      |
| Ms. Carroll .....                                | 9775 |
| <b>First Job Fair</b>                            |      |
| Mr. Patry .....                                  | 9775 |
| <b>Remembrance Day</b>                           |      |
| Mr. Goldring .....                               | 9775 |
| <b>Jacques Parizeau</b>                          |      |
| Ms. Folco .....                                  | 9775 |
| <b>Trade</b>                                     |      |
| Mr. Blaikie .....                                | 9775 |
| <b>L'Islet Association of Unemployed People</b>  |      |
| Mr. Dubé (Lévis—et—Chutes—de—la—Chaudière) ..... | 9776 |
| <b>Election Campaign in Quebec</b>               |      |
| Mr. Coderre .....                                | 9776 |
| <b>Trans—Canada Highway</b>                      |      |
| Mr. Price .....                                  | 9776 |
| <b>Reform Party of Canada</b>                    |      |
| Mr. Finlay .....                                 | 9776 |
| <b>Federal—Provincial Conferences</b>            |      |
| Mr. Bigras .....                                 | 9777 |
| <b>Government appointments</b>                   |      |
| Mr. Lunn .....                                   | 9777 |
| <b>Presence in Gallery</b>                       |      |
| The Speaker .....                                | 9777 |

## ORAL QUESTION PERIOD

|                                    |      |
|------------------------------------|------|
| <b>Employment Insurance</b>        |      |
| Mr. Manning .....                  | 9777 |
| Mr. Chrétien (Saint—Maurice) ..... | 9777 |
| Mr. Manning .....                  | 9777 |
| Mr. Chrétien (Saint—Maurice) ..... | 9778 |
| Mr. Manning .....                  | 9778 |
| Mr. Chrétien (Saint—Maurice) ..... | 9778 |
| Mr. Solberg .....                  | 9778 |
| Mr. Martin (LaSalle—Émard) .....   | 9778 |
| Mr. Solberg .....                  | 9778 |
| Mr. Martin (LaSalle—Émard) .....   | 9778 |
| Mr. Duceppe .....                  | 9778 |
| Mr. Chrétien (Saint—Maurice) ..... | 9778 |
| Mr. Duceppe .....                  | 9778 |

|                                    |      |
|------------------------------------|------|
| Mr. Duceppe .....                  | 9778 |
| Mr. Chrétien (Saint—Maurice) ..... | 9779 |
| Mr. Crête .....                    | 9779 |
| Mr. Pettigrew .....                | 9779 |
| Mr. Crête .....                    | 9779 |
| Mr. Pettigrew .....                | 9779 |

|                     |      |
|---------------------|------|
| <b>Health Care</b>  |      |
| Ms. McDonough ..... | 9779 |
| Mr. Rock .....      | 9779 |
| Ms. McDonough ..... | 9779 |
| Ms. McDonough ..... | 9779 |
| Mr. Rock .....      | 9780 |

|                                    |      |
|------------------------------------|------|
| <b>Airbus</b>                      |      |
| Mr. MacKay .....                   | 9780 |
| Mr. Chrétien (Saint—Maurice) ..... | 9780 |
| Mr. MacKay .....                   | 9780 |
| Mr. Chrétien (Saint—Maurice) ..... | 9780 |

|                                    |      |
|------------------------------------|------|
| <b>APEC Inquiry</b>                |      |
| Miss Grey .....                    | 9780 |
| Mr. Chrétien (Saint—Maurice) ..... | 9780 |
| Miss Grey .....                    | 9780 |
| Mr. Chrétien (Saint—Maurice) ..... | 9780 |

|                                       |      |
|---------------------------------------|------|
| <b>Technology Partnerships Canada</b> |      |
| Mrs. Lalonde .....                    | 9780 |
| Mr. Manley .....                      | 9781 |
| Mrs. Lalonde .....                    | 9781 |
| Mr. Manley .....                      | 9781 |

|                               |      |
|-------------------------------|------|
| <b>APEC Inquiry</b>           |      |
| Mr. Abbott .....              | 9781 |
| Mr. Scott (Fredericton) ..... | 9781 |
| Mr. Abbott .....              | 9781 |
| Mr. Scott (Fredericton) ..... | 9781 |

|                                                |      |
|------------------------------------------------|------|
| <b>Canada Mortgage and Housing Corporation</b> |      |
| Mr. Lebel .....                                | 9781 |
| Mr. Gagliano .....                             | 9781 |
| Mr. Lebel .....                                | 9781 |
| Mr. Gagliano .....                             | 9781 |

|                          |      |
|--------------------------|------|
| <b>Health Care</b>       |      |
| Mr. Hill (MacLeod) ..... | 9782 |
| Mr. Rock .....           | 9782 |
| Mr. Hill (MacLeod) ..... | 9782 |
| Mr. Rock .....           | 9782 |

|                          |      |
|--------------------------|------|
| <b>Datura Stramonius</b> |      |
| Mr. Bellehumeur .....    | 9782 |
| Mr. Rock .....           | 9782 |

|                             |      |
|-----------------------------|------|
| <b>Canadian Wheat Board</b> |      |
| Mr. Harvard .....           | 9782 |
| Mr. Goodale .....           | 9782 |
| Miss Grey .....             | 9782 |
| Mr. Hanger .....            | 9782 |
| Mr. Goodale .....           | 9782 |

|                         |      |
|-------------------------|------|
| <b>Veterans Affairs</b> |      |
| Mr. Goldring .....      | 9782 |
| Mr. Mifflin .....       | 9783 |
| Mr. Hanger .....        | 9783 |
| Mr. Mifflin .....       | 9783 |

|                               |      |
|-------------------------------|------|
| <b>Social Program Funding</b> |      |
| Mr. Nystrom .....             | 9783 |

|                                              |      |
|----------------------------------------------|------|
| Mr. Martin (LaSalle—Émard) .....             | 9783 |
| Mr. Nystrom .....                            | 9783 |
| Mr. Martin (LaSalle—Émard) .....             | 9783 |
| <b>Canada Pension Plan</b>                   |      |
| Mr. Brison .....                             | 9783 |
| Mr. Martin (LaSalle—Émard) .....             | 9783 |
| Mr. Brison .....                             | 9784 |
| Mr. Martin (LaSalle—Émard) .....             | 9784 |
| <b>Canada Customs</b>                        |      |
| Mrs. Longfield .....                         | 9784 |
| Mr. Dhaliwal .....                           | 9784 |
| <b>Year 2000</b>                             |      |
| Mr. Williams .....                           | 9784 |
| Mr. Massé .....                              | 9784 |
| <b>Agriculture</b>                           |      |
| Ms. Alarie .....                             | 9784 |
| Mr. Vanclief .....                           | 9784 |
| <b>APEC Inquiry</b>                          |      |
| Mr. Mancini .....                            | 9784 |
| Mr. Scott (Fredericton) .....                | 9785 |
| <b>Canadian Heritage</b>                     |      |
| Mr. Nunziata .....                           | 9785 |
| Ms. Copps .....                              | 9785 |
| <b>Bill S-13</b>                             |      |
| Mr. Thompson (New Brunswick Southwest) ..... | 9785 |
| Mr. Boudria .....                            | 9785 |
| <b>Presence in Gallery</b>                   |      |
| The Speaker .....                            | 9785 |
| <b>Remembrance Day</b>                       |      |
| Mr. Mifflin .....                            | 9786 |
| Mr. Goldring .....                           | 9786 |
| Mr. Godin (Châteauguay) .....                | 9787 |
| Mr. Earle .....                              | 9788 |
| Mr. Price .....                              | 9788 |

## GOVERNMENT ORDERS

### Supply

#### Allotted Day—Canadian Farmers

|                                          |      |
|------------------------------------------|------|
| Motion .....                             | 9789 |
| Mr. Breitzkreuz (Yorkton—Melville) ..... | 9789 |
| Mr. Benoit .....                         | 9789 |
| Mr. Ramsay .....                         | 9789 |
| Mr. Ramsay .....                         | 9790 |
| Mr. Benoit .....                         | 9790 |
| Mr. Ritz .....                           | 9790 |
| Mr. Easter .....                         | 9792 |
| Mr. Ritz .....                           | 9792 |
| Mr. Easter .....                         | 9792 |
| Mr. Ritz .....                           | 9792 |
| Mr. Harvard .....                        | 9792 |
| Mr. Morrison .....                       | 9794 |
| Mr. Harvard .....                        | 9794 |
| Mr. Hoepfner .....                       | 9794 |
| Mr. Harvard .....                        | 9794 |
| Mr. Kerpan .....                         | 9794 |
| Mr. Harvard .....                        | 9794 |
| Mrs. Ur .....                            | 9794 |
| Mr. Breitzkreuz (Yorkton—Melville) ..... | 9796 |

|                                            |      |
|--------------------------------------------|------|
| Mrs. Ur .....                              | 9796 |
| Mr. Easter .....                           | 9796 |
| Mrs. Ur .....                              | 9797 |
| Mr. Hilstrom .....                         | 9797 |
| Mr. Easter .....                           | 9798 |
| Mr. Hilstrom .....                         | 9798 |
| Mr. Stoffer .....                          | 9798 |
| Mr. Hilstrom .....                         | 9798 |
| Mr. Breitzkreuz (Yorkton—Melville) .....   | 9799 |
| Mr. Hilstrom .....                         | 9799 |
| Mr. Bailey .....                           | 9799 |
| Mr. Easter .....                           | 9800 |
| Mr. Bailey .....                           | 9800 |
| Mr. Stoffer .....                          | 9801 |
| Mr. Bailey .....                           | 9801 |
| Mr. McCormick .....                        | 9801 |
| Mr. Hill (Prince George—Peace River) ..... | 9802 |
| Mr. McCormick .....                        | 9802 |
| Mr. McGuire .....                          | 9802 |
| Mr. McCormick .....                        | 9802 |
| Mr. Mahoney .....                          | 9802 |
| Mr. McCormick .....                        | 9803 |
| Mr. Mahoney .....                          | 9803 |
| Mr. Abbott .....                           | 9804 |
| Mr. Mahoney .....                          | 9804 |
| Mr. Hill (Prince George—Peace River) ..... | 9804 |
| Mr. Mahoney .....                          | 9804 |
| Mr. Hilstrom .....                         | 9804 |
| Mr. Mahoney .....                          | 9804 |
| Mr. Hill (Prince George—Peace River) ..... | 9805 |
| Mr. McGuire .....                          | 9805 |
| Mr. Hill (Prince George—Peace River) ..... | 9806 |
| Mr. Kerpan .....                           | 9806 |
| Mr. Easter .....                           | 9806 |
| Mr. Kerpan .....                           | 9807 |

### Foreign Publishers Advertising Services Act

|                                                           |      |
|-----------------------------------------------------------|------|
| Bill C-55. Second reading .....                           | 9807 |
| Motion agreed to .....                                    | 9808 |
| Mr. Kilger .....                                          | 9808 |
| Mr. Strahl .....                                          | 9808 |
| Mr. Bergeron .....                                        | 9808 |
| Mr. Solomon .....                                         | 9808 |
| Mr. Harvey .....                                          | 9808 |
| Mr. Nunziata .....                                        | 9808 |
| (Bill read the second time and sent to a committee) ..... | 9809 |

### Personal Information Protection and Electronic Documents Act

|                                                               |      |
|---------------------------------------------------------------|------|
| Bill C-54. Second reading .....                               | 9809 |
| Mr. Kilger .....                                              | 9809 |
| Mr. Strahl .....                                              | 9809 |
| Mr. Bergeron .....                                            | 9809 |
| Mr. Solomon .....                                             | 9810 |
| Mr. Harvey .....                                              | 9810 |
| Mr. Nunziata .....                                            | 9810 |
| Motion agreed to .....                                        | 9810 |
| Mr. Kilger .....                                              | 9810 |
| Mr. Strahl .....                                              | 9810 |
| Mr. Bergeron .....                                            | 9810 |
| Mr. Solomon .....                                             | 9810 |
| Mr. Harvey .....                                              | 9810 |
| Mr. Nunziata .....                                            | 9810 |
| (Bill read the second time and referred to a committee) ..... | 9811 |

**PRIVATE MEMBERS' BUSINESS**

**Concentration of Print Media in Canada**

|                  |      |
|------------------|------|
| Motion .....     | 9811 |
| Mr. Myers .....  | 9811 |
| Mr. Jaffer ..... | 9813 |

|                     |      |
|---------------------|------|
| Mrs. Tremblay ..... | 9814 |
| Ms. Lill .....      | 9816 |
| Mr. Jones .....     | 9817 |
| Mr. Lastewka .....  | 9819 |
| Mr. Myers .....     | 9820 |

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