



CANADA

# House of Commons Debates

---

VOLUME 137 • NUMBER 087 • 1st SESSION • 37th PARLIAMENT

---

OFFICIAL REPORT  
(HANSARD)

**Thursday, September 27, 2001**

—

**Speaker: The Honourable Peter Milliken**

## **CONTENTS**

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

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

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

# HOUSE OF COMMONS

Thursday, September 27, 2001

The House met at 10 a.m.

---

*Prayers*

---

## ROUTINE PROCEEDINGS

• (0955)

[*Translation*]

### INTERPARLIAMENTARY DELEGATIONS

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Mr. Speaker, pursuant to Standing Order 34, I have the honour to table, in both official languages, two reports by the Canadian branch of the Assemblée parlementaire de la Francophonie and the accompanying financial report.

The first report has to do with the bureau meeting held in Quebec City, on July 6, 2001. The second has to do with the 27th regular session held from July 8 to 10, 2001 in Quebec City as well.

\* \* \*

• (1000)

[*English*]

### CRIMINAL CODE

**Mr. Jim Pankiw (Saskatoon—Humboldt, PC/DR)** moved for leave to introduce Bill C-398, an act to amend the Criminal Code (consecutive sentence for use of firearm in commission of offence).

He said: Mr. Speaker, it is my pleasure to introduce the bill entitled an act to amend the Criminal Code (consecutive sentence for use of firearm in commission of offence). The bill could also be known as the 10-20 life law because it would provide that for anyone who commits a violent crime and uses a firearm in the commission of that offence an additional 10 years would be added to any sentence, 20 years if the firearm is discharged, and life if someone other than the perpetrator of the crime or an accomplice is injured.

It is the criminal use of firearms that we should concern ourselves with. The Liberal government should have brought forward a 10-20 life law instead of forcing law abiding Canadians to register their firearms.

The purpose of the legislation is to fill a void that exists because there are no current laws or provisions within Canada's criminal code that adequately deter someone from using a firearm when committing a violent crime.

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

## PETITIONS

### KIDNEY DISEASE

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I rise to present another petition from citizens of the Peterborough area who are concerned about kidney disease, which is a huge and growing problem in Canada.

Their petition requests that parliament do all it can to explicitly include kidney research as one of the institutes in the Canadian Institutes of Health Research. They suggest that the institute be called the kidney and urinary tract diseases institute.

I would like to point out these citizens are not criticizing the kidney research being done in Canada at the present time but simply the name of the institute under which it is being done. The name of that institute is the Institute of Nutrition, Metabolism and Diabetes. The citizens in Peterborough believe that this institute would be even more effective if the word kidney could be included in its title.

### VIA RAIL

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I have another petition from citizens of Peterborough who wish to see VIA rail service between Toronto and Peterborough returned. They see environmental and business advantages to this. It is not just a matter for Peterborough; it is a matter of improving transportation in the greater Toronto area.

• (1005)

[*Translation*]

### ROAD TRANSPORTATION

**Mr. Gérard Asselin (Charlevoix, BQ):** Mr. Speaker, pursuant to Standing Order 36, I am tabling today a petition with 5,800 signatures.

Transportation is an important issue for all of the businesses in the riding of Charlevoix. At the Baie-Sainte-Catherine/Tadoussac ferry crossing, there are increasingly longer lineups, which hinder economic development and tourism in the region.

Waiting times at the ferry translate into extra costs for businesses located in our region, which makes it difficult to attract new industries.

The petitioners are asking parliament to intervene by requesting that the federal government commit to funding for the construction of a bridge linking Tadoussac and Baie-Sainte-Catherine.

*Routine Proceedings*

[English]

## POST-SECONDARY EDUCATION

**Mr. John Herron (Fundy—Royal, PC/DR):** Mr. Speaker, today I present a petition from the students, parents and teachers of Hampton High School in Hampton, New Brunswick.

This petition has been duly certified by the clerk of petitions. It calls upon the government to focus attention on the urgent problem of crushing student debt loads facing millions of young Canadians. The signatories call upon parliament to develop a comprehensive strategy to ensure that post-secondary education is more accessible.

Mr. Speaker, you have a university in your own riding so you know that tuition rates have skyrocketed over 126% in the last 10 years and that student debt loads have quadrupled. We need to ensure that post-secondary education is accessible to all Canadians in the country and through this petition that is what is being asked for.

\* \* \*

## QUESTIONS ON THE ORDER PAPER

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the following questions will be answered today: Nos. 59 and 60.

Question No. 59—**Mr. John Duncan:**

How much money has been spent on the software program known as “The Firearm Reference Table”, first to implement it and later to correct its flaws and re-implement it?

**Mr. Stephen Owen (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** The Firearms Reference Table, FRT, has been updated and modified since its inception in the fall of 1997. Generally, an updated release of the FRT is the result of an increased collection of data. The program functionality is also enhanced in newer CD ROM releases of the FRT to improve user friendliness for clients. The information in the FRT must be kept current in order to make it an accurate resource for users.

The continuous addition of information is only one area of responsibility for most of the Canadian Firearms Registry, CFR, staff involved in contributing to FRT development. Therefore, there are no figures available reflecting the cost to date of the FRT. Extensive research would be required in order to calculate these costs.

The first release took place in June 1998. There have been seven subsequent releases, with the most recent release taking place in June 2001. In this regard, the client base has grown from approximately 200 users to over 6,500 users in 2001.

Question No. 60—**Mr. John Duncan:**

Of the approximately 600,000 “possession-only” firearms licences issued without the mandatory background checks, in order to expedite the process, how many have now had the background checks completed as of May 31, 2001?

**Mr. Stephen Owen (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.):** Possession-only licences were never issued without the necessary background checks. Public safety checks were performed on all applicants who were issued a possession-only or possession and acquisition licence.

Because of the high volume of licence applications received at the end of 2000, temporary licences were issued for those who already possessed firearms and who applied for a possession-only or a possession and acquisition licence by January 1, 2001.

Before temporary licences were issued, background checks were carried out on each applicant to determine their eligibility in accordance with the Firearms Act.

Temporary licences allowed firearm owners to lawfully possess their firearms and to purchase ammunition while their licences were being processed. The temporary licences did not allow individuals to purchase additional firearms.

\* \* \*

## QUESTIONS PASSED AS ORDERS FOR RETURNS

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, if Question No. 62 could be made an order for return, the return would be tabled immediately.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

Question No. 62—**Mr. John Cummins:**

With regard to programs and all other special expenditures for aboriginals in Delta—South Richmond, what was the total expenditure by department for the fiscal years 1996-97 to 2000-01 inclusive, for each band or aboriginal organization?

Return tabled.

**Mr. Geoff Regan:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

## AGRICULTURE

**The Speaker:** The Chair has received an application for an emergency debate from the hon. member for Selkirk—Interlake.

**Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance):** Mr. Speaker, on September 4, 2001, I wrote to you requesting an emergency agriculture debate for September 17. The tragic and horrific events of September 11 have overshadowed all the other issues that we refer to as domestic issues. Some of these domestic issues have reached the point where many people involved in the industry are now facing a crisis situation. The industry I am talking about is agriculture. I had resubmitted the request to have this crucial debate for the evening of September 26, but once again events in the House resulting from the tragedy of September 11 did not facilitate a ruling on my request.

I still feel that these issues must quickly come before the House of Commons. Therefore, pursuant to Standing Order 52, I request leave to make the motion for an emergency debate. Mr. Speaker, you have granted me permission to speak requesting this debate for the purpose of discussing a specific and important matter, which is the drought and the farm income crisis facing grains and oilseed farmers as well as potato growers.

*Government Orders*

I would like to point out that the drought is severe and it is national in scope. It is not related to just one area. Environment Canada's senior climatologist has stated that he cannot recall a year when we have had such an extensive drought across the country.

Last year was the eighth driest for southern Alberta since weather records were started in 1886. Only 50 millimetres of rain fell between April and August. The PFRA out of Medicine Hat, Alberta, has stated that 95% of surface water is depleted. In Saskatchewan this was the fifth driest year on record since the 1800s. Waterloo airport is another example. July was its driest month since measurements were first taken at the Waterloo airport over 30 years ago. Nova Scotia has gone through an extensive drought, with vegetable crops being put under.

Many farmers have continued to indicate that the present safety net programs need a lot of revision. By having this debate tonight we can emphasize the crisis we are talking about and provide solutions that cabinet can take note of and which would help alleviate the situation.

• (1010)

## SPEAKER'S RULING

**The Speaker:** I thank the hon. member for Selkirk—Interlake for bringing this matter to the attention of the House. I believe it is a request that is reasonable in the circumstances and complies with the provisions of the standing order. Accordingly, I grant the debate requested. It will take place this evening at 8 o'clock.

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I rise on a point of order now that you have given your ruling. There have been consultations with all political parties in the House and I would like to move the following motion. I move:

That notwithstanding any standing order, the House shall continue to sit after private members' hour later this day for the purpose of considering the item under Standing Order 52 and it shall do so in a committee of the whole, provided that during consideration thereof, (1) the Speaker may from time to time act as Chair of the committee (2) no Member shall speak for more than 10 minutes (3) the Chair of the committee shall not receive any quorum call or any motion except a motion "That the committee do now rise", (4) when no Member rises to speak, or at 10:00 p.m., whichever is earlier, the committee shall rise and (5) when the committee rises the House shall immediately adjourn to the next sitting day.

**The Speaker:** Does the hon. government House leader have the unanimous consent of the House to propose this motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

---

**GOVERNMENT ORDERS**

[English]

**INTERNATIONAL BOUNDARY WATERS TREATY ACT**

The House resumed from September 24 consideration of the motion that Bill C-6, an act to amend the International Boundary Waters Treaty Act, be read the third time and passed; and of the amendment.

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, there has been consultation among parties, and again I want to thank hon. members for their co-operation. I think if you would seek it, you would find consent to the following. I move:

That the amendment to Bill C-6, standing in the name of the hon. member for Athabasca, be deemed withdrawn and that the House resume consideration of the main motion thereto.

**The Speaker:** Does the hon. government House leader have the unanimous consent of the House to propose this motion?

**Some hon. members:** Agreed.

**The Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Amendment withdrawn)

[Translation]

**The Speaker:** Resuming debate on the main motion. When this bill was last debated, the hon. member for Sherbrooke had the floor, and he still has 17 minutes of debate left.

• (1015)

**Mr. Serge Cardin (Sherbrooke, BQ):** Mr. Speaker, I am indeed pleased to continue with debate on Bill C-6 for 17 minutes.

I would of course be tempted to provide a brief summary of my first 23 minutes. I had thought of asking you to provide one, but the person in the chair has changed, so I cannot do that.

What I said, in substance, as my introduction, was that water, like air, is a vital and essential element that we should in no way compromise.

Water is such an essential element that having too little is as bad as having too much. When there is none, things dry up, and when there is too much, things drown. A balance must therefore be maintained, both in quantity and in quality.

I referred to several past experiences which related to water or which had taught me more about it. I said that I was quite quickly introduced to the concept of a water basin involving a good many people.

I spoke of the rights and obligation, again in terms of quantity and quality, each person has toward his neighbours, both upstream and downstream. I also referred to the rights and obligations the municipalities and regions have toward each other, not to mention countries, such as Quebec and Canada.

I also said that we tend to think that the water level in lakes and rivers stays the same. This is, however, completely wrong.

We need only consult my illustrious and eminent colleague from Terrebonne—Blainville on this. A great fisherwoman, she has told me of catching fish whose bellies showed the effects of having to swim on the bottom to keep themselves submerged.

I also touched briefly on the entire problem concerning water and the International Boundary Waters Treaty Act.

*Government Orders*

On average, barely 1% of the waters of the Great Lakes is renewed annually by precipitation, surface water runoff, and inflow from groundwater sources. Under the circumstances, we must recognize that, while the Great Lakes and St. Lawrence River system represents one fifth of the earth's fresh water, this resource is not unlimited.

Because of climatic risks, increased desertification worldwide, limited supplies of drinking water around the world and energy development based on this resource, the idea of exporting large quantities of water on tanker ships or of diverting rivers has emerged as a serious option in the past ten years or so in Quebec and Canada.

To the list of environmental threats to water supplies is added the new and significant threat of bulk water exports and large scale diversion of our lakes and rivers.

After a quick overview of Bill C-6, I of course came to the issues involved in this bill. I mentioned that, while most people agreed that water resources need protection, it is far from clear that Bill C-6 ensures their increased protection.

Is the Liberal government not using the current panic over the issue of water protection to grab powers that are beyond its jurisdiction? That is a legitimate question.

We identified three major problems that could be raised in connection with the bill we are looking at today. The first relates to the definition of a water basin. The second concerns the many powers given the federal minister in connection with exceptions and with licensed activities. The third relates to the usefulness of the bill we are looking at.

● (1020)

Because of these three elements, Bill C-6 goes beyond federal jurisdictions and infringes on provincial ones.

The fact that the notion of watershed is not defined in the bill is of course a source of concern, but the fact that it is up to the governor in council to define it by regulations, on the recommendation of the Minister of Foreign Affairs, is hardly acceptable. This is undoubtedly very dangerous from a jurisdictional point of view and regard to the ownership of natural resources, which essentially belong to the provinces.

In fact, in a document dated February 10, 1999, the Department of Foreign Affairs and International Trade clearly indicated what a watershed is, and I quote:

A land area draining into a common watercourse. Often called a catchment area, drainage basin or river basin. Examples of watersheds in Canada include Atlantic (including the Great Lakes and St. Lawrence River), Hudson Bay, Pacific and Arctic. A single watershed can cover a relatively large section of the Canadian landscape. For example, the waters of the Great Lakes include not only the lakes themselves but also the many rivers, and their tributaries, that ultimately flow into the lakes.

Why not make this clear in the act? Chances are the definition that will be proposed through regulations will be the one found in the February 1999 document and will therefore directly infringe, by law, on relevant provincial jurisdictions.

The second point concerns the powers given to the Minister of Foreign Affairs. These powers are considerable. From issuing licences to selecting the types of projects that may be eligible, not to

mention the practices that may be exempted from the application of the act, the minister's responsibilities under the constitution are being greatly expanded.

It is true that, under the 1909 treaty, projects directly affecting boundary waters already require a review and the approval by the parties concerned. In case of a dispute, it is up to the IJC to settle the issue. Under the treaty, Canada cannot take any unilateral action that would change the level and flow of waters on the American side of the border.

In that sense, the bill only formalizes the already common practice of requiring a licence to build a dam, for example, or to install works that obstruct waters.

However, article VIII of the 1909 treaty sets out the three possible uses of water in order of precedence and, as long as there is no conflict among these uses, the contracting parties have equal and similar rights in the use of the waters.

The various uses of water provided for are as follows: uses for domestic and sanitary purposes; uses for navigation; uses for power; and for irrigation purposes.

In Bill C-6, only the ordinary use of waters for domestic purposes, the concept can be stretched, for uses are not necessarily that clearly defined, and for sanitary purposes is expressly excluded. There is no reference to the use of water by the provinces for power purposes.

The provinces' energy choices could be ignored, especially since, with a broad definition of water basin, the extent of waterways affected by Bill C-6 could be greater.

Amendments to the International Boundary Waters Treaty Act could allow the Minister of Foreign Affairs to interfere in the management of Quebec's natural resources. Yet these provisions clearly violate established law and the division of powers between the provinces and the federal government.

● (1025)

Section 109 gives indisputable property rights to the provinces. It is this section, taken together with sections 92.5, 92.13 and 92A, which prompted Senator Gérald Beaudoin to say, in his book on the Constitution of Canada, that the provinces have:

—broad powers with respect to the use, acquisition and management of lands, and the development and marketing of natural resources.

What comes to mind here is the development of the extensive hydroelectric resources in Quebec. Jurisprudence has also established that the expression "lands" in section 92.5 also extends to waters and mines.

What we have here therefore are flagrant, I would even say reprehensible, encroachments on provincial jurisdictions.

Finally, we must also question the relevance of the bill.

To protect water resources from the perils of unlimited trade, Canada, Mexico and the United States declared in 1993 that "NAFTA creates no rights to the natural water resources of any Party to the Agreement". The federal government is thus saying that, given the existence of this joint statement, as long as water is not considered a good or a product, and is in its natural state, it does not come under the provisions of trade agreements, including NAFTA and WTO. However nothing could be less certain.

*Government Orders*

Such a statement, common or not, would have no value whatsoever before an arbitrator because, as the Vienna convention on the law of treaties stipulates, the contexts, the elements external to a treaty or international convention, cannot be taken into consideration in its interpretation if the text itself remains obscure and if the parties agree on the pertinence of these external elements.

Since the United States has clearly stated, the very day of the joint statement, that nothing in it changes the NAFTA treaty in any way, it is therefore legitimate to state that water is subject to consideration as a good within the meaning of the various international trade agreements.

In fact, from the moment that Canada exports this resource, it becomes a good under NAFTA and GATT. Even if not legally considered a product, it could be the object of proceedings under NAFTA chapter 11 on investments and services, and under national treatment. In addition, it is clear that, if the federal government issues export permits, water will henceforth be considered a commercial good within the meaning of these trade agreements.

However, should a province decide to issue a licence, this appears to be applicable only within its own jurisdiction, within one territory, according to the department, and I quote:

—the fact that certain projects have been approved does not in any way indicate that future bulk water removal projects must also be approved. Canada's federal and provincial governments retain full sovereignty over Canada's water.

Officials have indicated that:

Any precedent due to the approval of a water export project would be limited to the province concerned and linked to the legislation that allowed the water to be exported, not to trade agreements.

Despite these statements by the government, a reading of the trade agreements, NAFTA in particular, does not leave one convinced of this. We cannot know what the outcome might be of court proceedings entered into by private investors against Canada or a province if an export permit were issued to a foreign company. In addition, the IJC states that certain observers make reference to Canada's tariff listing to conclude that all waters must be considered a good and that this stance is incorrect.

It goes on to say that this list “merely indicates that, when water is classified as a good, it enters into a specific tariff category”. According to a number of observers, we do not know with any certainty whether water could be considered a good, and the BAPE itself could not settle this.

• (1030)

It would be safer to be sure of the situation before passing such a bill. For now, it appears completely inadequate and clearly threatens the jurisdiction of the provinces over their natural resources, in this case, water.

The federal government is clearly using opposition to water exports to justify, in the eyes of the public, its interference in the form of Bill C-6. However, this legislation appears inadequate, and the effect it would have on international trade is uncertain.

Furthermore, the important issue of groundwater, despite the fact that it was clearly raised in the IJC's preliminary and final reports, is not even mentioned. Yet this issue is directly linked to flow

maintenance and to both the level and quality of the Great Lakes waters. The federal government is silent on this issue.

The Speaker has indicated that my time is running out as swiftly as the spring runoff. I will therefore wrap up quickly.

The government, through Bill C-6, contrary to what it says, is overstepping its constitutional jurisdiction with respect to boundary waters, is interfering in Quebec's jurisdiction with regards to potable water, and is, in reality, offering no satisfactory guarantees as to the impact of this bill on international trade agreements.

There is a fairly quick solution to the problem, since we know quite well that a sovereign country has complete control in negotiating its own treaties. If procedure will allow me, I would like to make a proposal. In order to sign its own treaties, Quebec must become sovereign if it wants to continue to have water that is good in terms of both quality and quantity.

[English]

**Mr. Joe Comartin (Windsor—St. Clair, NDP):** Mr. Speaker, as I have made clear in the past, the bill would not meet the commitment made by the government and the entire House in February 1999 when it declared to Canadians that it would introduce legislation to prohibit, and I emphasize prohibit, bulk freshwater exports and interbasin transfers. Bill C-6 would not do that. It is a failure with regard to that commitment.

At the same time that commitment was made the NDP put forth a motion in the House that was unanimously adopted and supported by all parties. The motion stated that Canada:

—should not be a party to any international agreement that compels us to export freshwater against our will in order to assert Canada's sovereign right to protect, preserve and conserve our freshwater resources for future generations.

Bill C-6, which is before the House today for debate, fails to address the vital concern that we would be compelled by international agreements to export our water.

It is appropriate to set in context the pressure Canada is under with regard to conserving and preserving its fresh water. I draw to the attention of the House two issues that are very current.

First, the whole issue of climate change and specifically climate warming could have a potential impact on our fresh water and our freshwater reserves and supplies.

Second, flowing in part from that and in part from a number of droughts around the continent has been pressure to export water to other parts of North America and the world to deal with drought conditions elsewhere. Statistics show the pressure the international community is under with regard to supplying fresh water to its citizens. We must play a leading role in dealing with the problem.

*Government Orders*

However the export of bulk water from Canada is not the answer. As I pointed out during second reading, I found it somewhat odd that the Minister of Foreign Affairs and the Minister of the Environment led the debate on the bill instead of the Minister for International Trade. I was surprised because the bill is to a great extent about trade and, more specific, the failure of the government to protect our fresh water from trade challenges.

As I noted previously in debate, the bill is about trade. The Minister of Foreign Affairs said Bill C-6 is "consistent with Canada's international trade obligations". That is the problem. Bill C-6 represents the government's continued failure to keep our freshwater resources off the international bargaining table and safe from the unfair trade deals it has negotiated. During debate on Bill C-6 earlier this week the hon. member for Vancouver Quadra stated in the House:

Canadian governments have full sovereignty over the management of water in its natural state, and in exercising this sovereignty are not constrained by trade agreements, including the NAFTA.

The reality, contrary to what the member and those in his government claim, is that the strategy of the Liberal government is not necessarily NAFTA proof. Bill C-6 is part of a water strategy designed more to protect NAFTA than to protect Canada's water.

● (1035)

The 1993 joint statement on which the government's argument is primarily based is not legally binding. That statement was made by the three NAFTA partners and their governments, namely Canada, the United States and Mexico. However, the way NAFTA works, under the investor state procedure investors have the power to challenge Canadian water protection laws.

In fact we have seen that. We have the outstanding challenge by Sun Belt Water Inc. against the province of British Columbia that is still pending. We have seen the ability of a private company to come forward and make that challenge, specifically on fresh water.

That joint statement was not agreed to by the investor sectors. There would be no way of doing that. Therefore it offers no protection whatsoever against claims made directly by investors.

We could say to the governments of the United States and Mexico that they agreed to this, but we cannot say it to Sun Belt Water Inc. because it was not at the table and is not bound by the letter exchanged among those three levels of government.

It is important to look at the history under NAFTA because international trade tribunals, and I should not just say under NAFTA but under a number of other international agreements that we have entered into, have been very willing to strike down environmental protection laws if they are simply disguised as trade barriers. That is open to very wide interpretation, as we have seen.

For example, a GATT tribunal rejected Canada's ban on the export of unprocessed fish even after it was redrafted. We went through it and we lost. We redrafted it and focused it exclusively on environmental conservation, and we still lost.

Simply stating that a bill is motivated by environmental rather than trade concerns will not likely be enough to withstand a trade challenge. The fish case is a clear precedent in that regard.

The bill is fairly limited in the geographical area that it covers. The strategy of the government has been to say this is what it would do and this is how it would do it. As I have indicated, that is nowhere near sufficient. It does not do anything to prohibit a province from exporting bulk fresh water.

I would assume any province that wishes to seek a financial opportunity in that regard is in no way prevented from doing so.

The bill, if it becomes law, would not be binding on the provinces. We could change that. Enough jurisdiction has been recognized by the Supreme Court of Canada in this area indicating that we could do that as a legislature at the national level. That is what we need to do. We need to provide a legislated ban that would be binding on all provinces that would prohibit the export of bulk water. This is not a fancy. It is not something out there in the ozone. Newfoundland is currently looking at the export of bulk water.

My next point concerns NAFTA. It was raised when the bill was before the foreign affairs committee. One of the witnesses suggested much more forcefully than I did how questionable the interpretation was and how out of touch the government was with the reality of how we saw NAFTA functioning.

There are very strong legal opinions that the bill would not protect us from a NAFTA challenge. The government, therefore, should not be so confident that its approach would withstand those challenges. What it should be doing is looking at how to fix NAFTA, how to incorporate into NAFTA the real protections we need, because that is where we need them and not in this type of legislation.

● (1040)

We have heard explanations from the government on how the bill would work if it became law. The government is saying that the bill contains a ban, but there is also a licensing provision to allow for the diversion and export of water. We are hearing that there are regulations, which we have not seen, that would define more extensively when that licensing would be allowed.

I say to the government and to the House that we should take the government and the minister at face value in that they would not allow for this type of licensing for the diversion or export of water.

What about the next minister? What about the next government, whether it be this party or some other? Rather than putting into place an absolute ban, what it has done is left the door open to what could very easily be major diversions of our water and abuse of our environment in that regard.

I will make one point with regard to the amendment, and I want to give the foreign affairs committee an acknowledgement in this regard. As originally drafted, the bill did not contain a provision that recognized there would be no derogation to treaty rights of the first nations. As a result of a motion made on behalf of my party at committee stage the committee recognized the necessity of including that, and it has been incorporated into the bill. I acknowledge the work done by the committee and its willingness to respond to that type of amendment.



*Government Orders*

The NDP is not willing to support Bill C-6. We would not be protected from the NAFTA provisions with this bill. It would not apply to the whole of the country and would not be an absolute bill. For those reasons we will be voting against the bill.

• (1045)

**Mr. John Herron (Fundy—Royal, PC/DR):** Mr. Speaker, I compliment the NDP critic for the environment on the sentiment he expressed and on his willingness to ensure that we do not have exports of bulk water, whether they be in bulk form or interbasin transfers. That is the intent of the particular piece of legislation. I state publicly that the Progressive Conservative Party clearly supports the position that our natural heritage water is not for sale.

However I want to correct a particular point with respect to the Sun Belt application that was made under chapter 11 of NAFTA. It had nothing to do with the capacity of actually selling bulk water. The lawsuit was initiated because the province of British Columbia had granted permission for bulk water to be considered to be sold. It then got its head on straight and said it was not something it was interested in doing and chose to compensate the British Columbia company.

Once that was done, under NAFTA companies need to be treated equally on both sides of the border. The provincial government in B. C. compensated the B.C. company but did not want to compensate the American company. It made sense from the perspective of the approach and that is why the company was able to launch the challenge. It is not a bulk water perspective. It is a matter of treating companies on both sides of the border properly.

We suspect that the absurd amount the company is asking for will not be awarded in any way, shape or form. The most it should ever expect to get is what the province of British Columbia had initiated in the first place, and that actually protects investors.

**Mr. Joe Comartin:** Mr. Speaker, the points made by my friend from the Progressive Conservative Party are well taken with regard to the very specific aspects of that case. We have not had a ruling on it, but we must be very careful.

It is quite clear that we could not stop the application in the Sun Belt case. We cannot say that there is a ban, even though that is what the province British Columbia did. It did not protect the province from it, so the case went ahead.

I am also struggling with another case that I remember where a Mexican community was challenged on having to accept a toxic dump by a private investor from the American state of California. There are a great number of similarities. The award in that case was not pennies. It was millions of American dollars against a very small community in Mexico.

There is a provision for licensing the export of water. In effect we have set up a framework, which I realize has been an historical past practice. We have now incorporated that into the legislation. The framework was there for Sun Belt to bring forth the application.

As I said earlier in my address to the House, most of the trade experts to whom I have spoken are very uncomfortable about the outcome of this case. They are very concerned that Sun Belt is likely to win.

**Ms. Wendy Lill (Dartmouth, NDP):** Mr. Speaker, I was interested in my colleague's speech on bulk water and on Bill C-6. I find it somewhat parallel to the culture issue with which I deal on a daily basis.

As critic for culture and heritage for the New Democratic Party I constantly hear parallel assurances that culture, which is another valuable commodity, is protected within our trade agreements. I get that kind of assurance from the foreign affairs department. I hear that there will be carve-out clauses and that there is work afoot to protect culture. However, when the rubber hits the road, I do not see that language in NAFTA or in GATS.

Therefore we have to be very vigilant about language and about what is to take place at the table when some kind of claim is made against our valuable commodities.

I guess we have to talk about water as a commodity, but what provisions would my colleague say we need in the bulk water act to make this precious commodity truly sacred and protected from trade challenges?

• (1050)

**Mr. Joe Comartin:** Mr. Speaker, what we require goes well beyond the legislation. As I said earlier, the legislation is geographically restricted. It does nothing to mandate the provinces to prohibit the export of water. We need an all-encompassing bill for the whole of the country which is an absolute ban on the export of water. That deals with the domestic issue.

The second requirement is an actual amendment to NAFTA to incorporate wording that would be binding on both governments and private investors and that would allow Canada, the United States and Mexico to control their water without any challenges from other governments or private investors.

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, I have a question for the member. The U.S. is trying to change the natural flow of water into the Mississippi so that it would go into the Red River which flows north into Canada. We are opposed because the water could be polluted. More important, our dam procedures and our frequent flooding of that river, particularly in Winnipeg, is always iffy.

Does the member see any opening in the International Boundary Waters Treaty Act which would guarantee that Canada could prevent this from happening?

**Mr. Joe Comartin:** Mr. Speaker, there is nothing in the existing treaty, as I read it, that prevents water from being dumped in that way. In that case the water is highly polluted and would flow north into Canada. However, there is nothing in the treaty that would prevent the United States, and I believe it is the state of Minnesota, from doing that. The amendments being proposed in Bill C-6 would also do nothing to prohibit a U.S. state from doing it or, in the converse, a Canadian province from doing it.

**Mr. Bill Casey (Cumberland—Colchester, PC/DR):** Mr. Speaker, it is a pleasure to speak to the act to amend the International Boundary Waters Treaty Act.

*Government Orders*

Like so many of these issues that come up, they are very interesting to me because I was here when the Conservatives were on the other side of the House and the Liberals were on this side, and of course the argument was completely reversed.

In that case it was very vocal. The Liberals were adamant that we must ban all bulk water exports from Canada. They were adamantly against us and raised a huge furor in the House about it during the free trade debate in 1988-89. Now all of a sudden they have come in with this half-baked half measure of a bill to protect some of our water, the water closest to the United States border but not the water in the inland provinces, such as Nova Scotia and Newfoundland, only those waters that straddle the borders.

This is a complete reversal of their position in 1988-89 when they were most eloquent and forceful in their arguments about banning all bulk water transports. They were fearmongering about all the things that were going to happen, that all the bulkwater was going to be transferred and sold. Now what do they do? They come up with a half-baked, half measure program to ban some waters, put in some rules and put on some restrictions but it in no way addresses the needs and feelings of Canadians and the actual issue at hand.

It is absolutely amazing to hear the Liberals now stand and defend their position when just a few years ago they were on this side demanding far more measures. In fact, we have had events in Canada that increase, not decrease, the sensitivity and the demands for protection. The Liberals are slipping and going the other way instead.

Some of the things we have talked about in the House recently really focus on the need for the protection of our water. One obviously was the Walkerton issue involving safety. The other more recent one was the terrorist acts in the United States which involves security. However, both involve potential demands and potential threats to our water.

Since the Walkerton case, there have been many more examples of contaminated water as we become more sensitive to the issue, which means our water is even more important than ever. The future and safety of our water is far more important than it was even 10 years ago. We have had changes in reporting and in identifying the contamination and the sources of contamination of water. We have had complete changes in the responsibility and accountability for the safety of water right across the country. Probably every single member of parliament in the House has had reports of contaminated water since Walkerton because the standards are so much higher and our sensitivities are so much more focused on our water.

The recent terrorist acts in the United States present tremendous security issues for huge amounts of water. There is now speculation that some terrorists have planned to contaminate water using spray planes. Some of these discussions and plans appear to have occurred in Canada and could involve Canadian waters. However, whether it is in the United States or in Canada, if any water is contaminated through natural sources or through man-made initiatives, it would mean an increased demand for water in North America, which would also mean an increased demand for our water and increased pressure on us. If we do not have the legislation to prevent bulk water transfers we will be under a lot of pressure. As the last speaker said,

the effects of global warming and droughts will put increased pressure on our water supplies.

This is not a time for half measures and half-baked actions like Bill C-6. Any of the three issues I have talked about could create a large shortfall in the water supply in Canada and in the United States, which will put increased demands on our Canadian water and demands for access to Canadian water.

Those of us involved in foreign trade recently have had just a sample of the strength and the power of the Americans and the tools they use to access our resources. In the case of softwood lumber, they have used laws, legislation, political influence, the administration, the media and every possible angle to prevent access to our softwood lumber by the U.S. and to gain access to our raw materials in the softwood lumber industry. They leave no stone unturned. They apply extreme pressure. If there is a shortage of water in the U.S., their efforts to access our water will be even more focused and more intense.

We require legislation to ban all exports, not just some exports, not just the export of water in the 300 lakes and rivers that straddle the border between the United States and Canada.

● (1055)

We have thousands of lakes and natural reservoirs. They must all be protected from bulk exports, not just those that straddle the border. Now is the time for strong legislation on this, not after the horse is out of the gate, not after the fact.

Many people predicted that it was just a matter of time before terrorist acts took place in the United States but no one reacted or prepared for it. I predict that it is just a matter of time before North America has a strong demand on our water. I do not know where it will come from or what the reason will be, but I predict that we will have increased demands on our water, even above the projected increased demands by demographics, which predicts a 40% increase in demand on water in Canada and a large explosion of growth in the world's human population. Many millions of people already have no access to water. As the population grows the demands will be more and more.

Bill C-6 does not meet current realities. It does not meet potential threats. It does not impose conditions on provinces. Even if Bill C-6 passes, bulk sales of water are still possible. If the bill is not amended we will be subject to demands on our water, and when the pressure does come, it will be enormous.

I hope that somewhere in the bowels of government there is a group of people drafting further legislation or amendments to the bill that would ban all water exports. As I have said, it is just a matter of time before the demand for our water will be unbearable.

*Government Orders*

So often a government tries to react on issues but this government, in particular, reacts after events have happened even though they were clearly predicted in advance. One that comes to mind is the one in my area close to Burnt Church where everybody predicted there would be a problem with the fishery when the judgment came down. The government was not prepared for it and is having a huge problem now trying to react to it. It is trying to manipulate the rules. It is trying to work with the natives and the non-natives and the lobster fishery. It has been a disaster and is continuing to be a disaster.

The government had lots of warning but it did not act. It has lots of warning now on the water issue and it is not acting. It has brought in this half-baked bill to protect some of the water but none of the water on Prince Edward Island especially. It is imperative that the government move quickly to bring in a full ban on all bulk water exports.

We will reluctantly support the bill even though it is a half-baked measure. However, we will continue to press the government for the proper legislation that bans all exports of bulk freshwater from Canada.

• (1100)

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, I would like to inform my hon. friend that if he were to follow some water treaties that were made in the past, and I am including the Louisiana Purchase, there is a fair amount of land just south of where I live that drains into the Mississippi River. It is the only area in Canada that does so. Therefore, according to that treaty, where I live would be part of the U.S.

Two places in Canada, and I refer to Newfoundland and British Columbia, have large tarns. These are lakes way up on the mountains. The only drainage is right into the ocean. One inch is billions of gallons of water. There is lots of rain and they could very easily use that as an income to fill a bulk boat below and ship the water. It would not interfere with anyone, which is the argument B. C. and Newfoundland would put forward.

What would the hon. member have to say about the argument that it is provincial jurisdiction, that it is income for the people and that they have the right to take the water, which normally runs down the rocks into the ocean, and sell it.

**Mr. Bill Casey:** Mr. Speaker, earlier, in a question the member addressed to a previous speaker, I thought he was using unparliamentary language. I was so shocked when I heard him refer to our damn procedures. I now realize that he was referring to our dam procedures.

In answer to the member's question, the Liberal government in Newfoundland proposed the bulk sale of water but it has since retracted that proposal. The fear with any export of bulk water is that once we start to export it to the United States or some other country we are obligated to continue that export. If we do not export there is no obligation to export it. Once we start there is an interpretation under our trade agreements that would convert water to a commodity, which means we cannot stop.

If sometime in the future British Columbia or Newfoundland needs that water, they are committed now and obligated to continue

to export, even though the people in British Columbia would not have a glass of water to drink.

• (1105)

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, let me congratulate the federal environment minister for taking a watershed approach with the bill. Such an approach would ban the removal of water from its natural basin. Hopefully, this will be a more comprehensive approach than a simple export ban, and we will agree that it makes good ecological sense to stop the bulk water removal at the source, not only at the border.

However, the Minister of the Environment relies on a federal-provincial voluntary agreement to ban water removal from major drainage basins. This approach, I suggest, ought to be broadened and expanded to include all Canadian water bodies and not limited only to boundary waters.

I say this for three reasons. First, the proposed voluntary accord would be just that; it would be voluntary. It would not legally bind any province to protect our water resources. We recently had some ideas ventilated in Newfoundland, which have to be taken very seriously.

Second, the proposed accord would not prohibit export initiatives undertaken by municipalities, crown agencies, corporations or even private parties. Even if the provinces wanted to ban water removals and exports, the federal government has the constitutional authority to regulate trade.

Understandably, the federal government hopes that a province by province voluntary ban would keep water protection strictly as an environment issue and that trade lawyers perhaps would not notice this disguise. However, water removals and exports seem already to be a trade issue since there is a challenge under NAFTA brought by a water export company against the Government of Canada for compensation because of British Columbia's decision to ban water exports.

Through the proposed accord, the federal government is thus asking the provinces to take their own action on banning water exports, and we may hear more from that.

Before I go into the third reason, Mr. Speaker, I will be sharing my time with my esteemed and distinguished colleague, the member for Toronto—Danforth.

Third, the current proposal would only prohibit removals of water from major basins but would allow the export of water as long as it stayed in the same basin. The government's definition of basins as Canadian leaves a lot to be desired because basin describes a geographical feature without regard to political boundaries.

The concept of basin is problematic and we understand it. However, for an accord or legislation intended to secure resources management for political institutions, it is a very key central issue. It is also an essential concept for any legislation that intends to withstand trade challenges that are exactly intended to transcend political boundaries.

*Government Orders*

The proposed accord will lead to some kind of a patchwork of provincial initiatives, thus possibly making Canada more vulnerable to trade challenges. I regretfully conclude that the legislation tabled today is too limited in scope to provide protection to most of our water bodies.

•(1110)

It seems quite clear that any meaningful protection of our water resources requires the federal government to face the reality of international trade agreements. This is the point that I would like to make as clearly as I can.

In search of the most effective strategy to protect our water resources from exports, I would recommend first, that we enact federal legislation designed specifically for the purpose of banning bulk transboundary water removals from Canada.

Second, I would recommend that we renegotiate international trade agreements to seek an exclusion or waiver of water from such agreements, which would perhaps be the easier route at the present time.

This debate is an extremely important one and has long term significance. The Great Lakes are a tremendously important water body as we all know. We are passing this legislation hoping that it will work, but we have no assurances at the present time that a mirror legislative initiative is not being launched and completed by our neighbours to the south.

Therefore, I will conclude by urging the government to see to it that in Washington an initiative that would mirror the Canadian initiative, as contained in the bill as a minimum, would be launched so that we would have reciprocity in this very delicate field, which is of great significance for many generations to come.

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, I listened with interest to the hon. member and think he zeroed in on the main concern, which is the Great Lakes. However, we would be remiss in this debate if we did not refer to and mention those rivers which have their origin in Canada and flow into the U.S. Through real co-operation, the damming of those rivers or streams in Canada has helped to control the flow into the U.S. In most cases this has worked very well to the benefit of both nations. We have to say this because we have so many wonderful examples.

In my constituency, for example, we built a dam with the help and approval of North Dakota. It controls the flooding down there. That river then flows back into Canada, which is rare, and comes out in Souris, Manitoba.

Overall, I would not want people listening to think the House was at odds with the U.S. on this issue when we have had so many good treaties and outcomes from damming water.

**Hon. Charles Caccia:** Mr. Speaker, I wish to thank the hon. member for Souris—Moose Mountain for his intervention and for what he said about rivers which originate in Canada.

Let me first deal with his last point. We certainly are not at odds with the United States on this matter. On the contrary, we are interdependent. We have a classic example just looking at water. We would be wise though to pursue legislative reciprocity so that we are not the only ones to pass legislation and that our legislation is

reinforced by American legislation that has, hopefully, exactly the same objectives as the Canadian.

As to rivers that flow into the U.S. and then come back into Canada, this is a very complex issue on which I am not really competent to comment.

•(1115)

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR):** Mr. Speaker, I want to congratulate the hon. member from Davenport for his remarks. I also want to congratulate him on the leadership role that he has played with regard to this specific issue. I know this is one that he holds very near and dear to his heart as do other members. He has certainly shown the way for many in this regard.

With respect to the subject matter before us, I have a rather specific question for him regarding the requirements under NAFTA for Canada to continue the exportation of water when we enter into these agreements, whether it be for bulk water or bottled water or any natural resource. Is there an obligation upon entering into these contractual obligations to then continue regardless of the source or the amount? Could he enlighten the House and Canadians in this regard?

**Hon. Charles Caccia:** Mr. Speaker, I wish I could. This is a subject of intense discussions and different interpretations of the NAFTA agreement.

As I understand it from having read the sections in the NAFTA agreement dealing with water, the agreement only contemplates the trade of water in bottled form. Therefore, my interpretation would be that water is not in the agreement.

There are people, however, who like to raise this issue and interpret it in a different way, but I would like to think that we would stick to the written agreement and make sure that water never becomes a traded commodity.

**Mr. Dennis Mills (Toronto—Danforth, Lib.):** Mr. Speaker, I am happy to have the opportunity to follow my colleague from Davenport. He has been a constant source of inspiration and guidance for all of us who have been working on the issue for the last number of years.

The bill is a good first step. It is not complete but it is a start. The challenge we will have in dealing with the whole issue of water security over the next 10 to 15 years is inextricably intertwined with the same challenges our neighbours to the south will face.

As the member for Davenport said near the end of his speech, if Bill C-6 is to be effective there must be a mirror of the bill in Washington. As legislators that is where our biggest challenge will be.

*Government Orders*

My riding is on Lake Ontario. I have a Great Lakes riding. It is no secret to everyone in the House that the Great Lakes governors of the United States signed a deal this summer with the Great Lakes premiers. If 10 years from now the midwest governors or legislators found themselves in desperate shape in terms of water, the geopolitical reality is that those legislators would outnumber our Great Lakes legislators and we would have a challenge. The leaders to the south would not sit there unable to function in terms of water requirements while we sat here pretending we were an independent operation. It would not work.

The words of my colleague from Davenport, who has been my environmental mentor for the 14 years I have been here, are important. He said we must have a mirror of the legislation in Washington.

There is another problem. At the foreign affairs committee in May we heard from witnesses who talked about the Great Lakes. Some of them said we must preserve the ecological integrity of the Great Lakes.

Who would argue with that? We all know that levels are down and that with climate change the ecological integrity of the Great Lakes is at risk. We share them with the United States, so what will we do? Will we look the other way? In my humble opinion we must examine every option within our water inventory to preserve the ecological integrity of the Great Lakes.

● (1120)

As much as I respect the bill and say it is a good first step, it is only the tip of the iceberg. It is for this reason that I have been trying for a long time to interest leaders of all parties in a committee that would look into the comprehensive nature of dealing with water security.

My first speech to the House of Commons in 1988 was about water and the free trade agreement. I gave the speech because I went to school in Houston, Texas, at the University of St. Thomas. Houston is the home of Clayton Yeutter, chief negotiator for the United States during the free trade agreement talks.

Clayton Yeutter did a doctoral thesis on North American water management at the University of Nebraska. His entire life has been devoted to water. He worked for Congressman Jim Wright as a young assistant. Congressman Wright, as we all know, wrote the book *The Coming Water Famine*. When a man who has spent his entire life dealing with water becomes the chief free trade negotiator I cannot believe his interest in water and the free trade agreement are separate. I have always held that view.

I appealed to then Prime Minister Brian Mulroney to attach a one page protocol letter to the free trade agreement saying that water would be excluded. I never got the letter but *Hansard* will show that I asked for it.

I think most people would agree that I am not a person who scares easily. However I am deeply concerned because the issue of water security is complex and involves economic realities with our neighbours. The U.S. has incredible leverage over us in terms of our economy.

The bill before the House today should be used as a first step to lever our complex discussions, hearings, investigations and relationships with legislators in the United States in such a way that North American water policy will ensure sound water management and the ecological integrity of the Great Lakes. These issues will affect not only our citizens but ultimately all citizens of the United States.

● (1125)

**Mr. Rick Casson (Lethbridge, Canadian Alliance):** Mr. Speaker, the member who just spoke talked about a special committee being struck to study the whole issue of water. Could he tell the House what the progress is in that regard?

He mentioned that in 1988 he pleaded with then Prime Minister Mulroney for an addendum to the free trade agreement that would deal with water. In 1993 his government came to power. It added one line to the free trade agreement that caused more confusion rather than solve the problem and deal with the issue of water.

Could the hon. member comment on those two issues? What is the status of the special committee on water? When his government came to power why was the member not able to persuade it to deal with the water issue in a more complete manner?

**Mr. Dennis Mills:** Mr. Speaker, my House leader is responsible for designing and organizing committees. As the hon. member knows, the government cannot strike committees without the co-operation of all opposition parties. That is where the committee system sits right now. The discussion is ongoing.

With regard to the hon. member's second question, I stood in the House as a government member and supported Nelson Riis, the NDP environment critic, who had a private member's bill on banning bulk water exports.

I have sent flyers in my riding regarding bulk water exports and the Grand Canal. I have had townhall meetings. I have found that one of the most difficult challenges of being a member of the House of Commons is trying to get not only my own government but all MPs to grab the issue and deal with it in a comprehensive way.

That is why the issue should not be looked at by a subcommittee. That is why I have appealed to my House leader and other leaders that it be a special committee of the House, the same status as the committee that looked into the Meech Lake accord.

It is that serious. Anything less would not give the issue its proper due. I would apply the same pressure here. I am saying in the House what I have said privately and publicly, that we as a government must deal with the issue.

I am constantly hopeful that we will and I am seeing signs that we are. My government House leader is trying hard to get the committee going but we need the support of opposition parties.

*Government Orders*

[*Translation*]

**Mr. Antoine Dubé Lévis-et-Chutes-de la-Chaudière, BQ:** Mr. Speaker, the hon. member is justifiably concerned about the environmental impact that a change in the water level of the Great Lakes would have.

As a Quebecer, I too am concerned about this because when the water level of the Great Lakes goes down, it affects the water level and shipping on the St. Lawrence.

This is a serious issue and the solution that he is proposing is a major one, but he is forgetting something critical; namely, the constitutional aspect of the issue. Water is under provincial jurisdiction.

What did his government do, or what does it intend to do regarding this responsibility, which is usually assumed by the provinces? Does his government intend to consult provincial ministers responsible for this issue?

Before passing such an important bill, we should consider this aspect. I do not know whether the hon. member agrees with me, but we cannot downplay the importance of this issue.

● (1130)

**Mr. Dennis Mills:** Mr. Speaker, the hon. member raises a good point—

**An hon. member:** Which requires a good answer.

**Mr. Dennis Mills:** I might give him a good answer.

[*English*]

The Government of Canada has constitutional responsibility for water quality on all reserves across Canada. I recognize and respect that off reserve water quality is under the jurisdiction of the provinces. However international waters like the Great Lakes are ultimately the responsibility of the Government of Canada.

**Mr. Rick Casson (Lethbridge, Canadian Alliance):** Mr. Speaker, it is good rise to add some comments to the debate because water is and will be a topic of serious discussion for a long time. I will be sharing my time with the hon. member for Esquimalt—Juan de Fuca.

I spoke to the bill at second reading and I would like to add some comments to that, particularly with respect to the comments of the member on the government side who wanted a special committee with full committee status to look at this issue because it is so important. That is a good idea and certainly I would like to participate in such a committee.

As some other members have alluded to, the bill does not really address the entire issue of bulk water exports. All it does is deal with the International Boundary Waters Treaty Act, and that is between ourselves and the U.S.

My riding is unique in that the Oldman River, which flows through my riding, ends up in Hudson Bay and the Milk River ends up in the Gulf of Mexico. Talking about interbasin transfer and water that leaves our country and goes to another is pretty important to the area I live in, and has been even more so in the last couple of years because we are in a drought. We have seen very little precipitation

during the spring and summer. The winter runoff coming out of the mountains is almost non-existent. If it does not snow this winter we are going to be faced with some very serious problems. Whether it is for agriculture or civic use in our communities the safety of water is of concern to Canadians. Canadians have become very concerned with what has happened in the last two years with the quality of water. This emphasizes the need to focus a discussion on water. The government should look at all aspects of it.

The act was created in 1909 so I guess it is about time it was dusted off and tuned up a little bit. It prohibits the removal of waters out of the water basin in which they are located. That stops interbasin transfer. It requires a licence from the Minister of Foreign Affairs for any activity in boundary or transboundary waters. If Canada were to do something on a river that flowed into the United States and back, it would need the blessing of the Minister of Foreign Affairs. It gives sanctions for penalties.

Addressing bulk water exports in the way the government has clearly lacks in scope. The government has used a three-pronged approach, one of which is the amendment of the International Boundary Waters Treaty Act. The second is a proposal to develop, in co-operation with the provinces, and the hon. member for Davenport alluded to this as voluntary, a Canada-wide accord to prohibit bulk water removal. The third aspect is that Canada and U.S. agree to a joint reference, the international joint commission, that would deal with the Great Lakes. That is a problem because the water in the Great Lakes is at an all-time low. It is a precious commodity to so many people in that area of Canada and the United States and it has to be handled properly.

Those are the three areas that have been put forward to address the issue of bulk water, and to me they do not. It gets back to NAFTA. The only thing that was put into NAFTA to deal with water was in 1993. Actually raw logs and unprocessed fish were exempted but water was not. All it says is that NAFTA creates no rights to the natural water resource of any party to the agreement. There has been a debate since that was created whether or not that protects our water. I have a tendency to say that it does not. If we sell bulk water to each other, i.e., B.C. could sell water to Alberta or vice versa, that makes bulk water a commodity and it allows the other signatories to the free trade agreement to have access to it and we would not be able to stop that.

● (1135)

The whole idea of the provinces being involved is that it is a natural resource and the provinces have control over natural resources. Thus, the provincial issue has been brought into it. We feel as a party that this resource falls under provincial rights and that it is shared, but the provinces have ultimate control. It is important that this aspect was brought forward.

Canadians have brought to our attention some of the issues they are concerned with. Canada has 9% of the world's renewable water, which is a huge amount. Protecting that and keeping sovereignty over it is paramount to Canadians. We have to have absolute control over our water. We cannot even consider any marketing or selling of it until we have that control.

*Government Orders*

Challenges have already been put forward by our neighbours to the south and deals have been made with some companies. There are Internet sites advertising Canadian water for sale. This cannot be allowed to proceed until we have clarified that as a country we can control the use of water because NAFTA does not put a complete and outright ban on bulk water exports.

What brings this to a head I suppose is the fact that we need stronger legislation. We need to reaffirm the power that the provinces have over this resource. We cannot use the three-pronged approach which the federal government has put forward as the means to put the minds of Canadians at ease. This is the means to keep our bulk water exports completely under the control of Canada. It does not do that. In order for this to be done we have to study the issue.

Water safety has been a topic of debate in Canada since the Walkerton and North Battleford incidents and there have been a few others. Every community is concerned. It has to be addressed along with the issue of exports.

Right now the lack of water in many parts of Canada has had a devastating effect on our agricultural community. Thanks to the member for Selkirk—Interlake we will have an opportunity this evening to debate the effects that the drought has had on the agricultural community and the income crisis it has created.

We see what is happening in the United States right now, the predicament that it is in and the support we are offering. If this were to happen in a different way and some major water supply were to be affected, what would we be able to do?

We have to be very careful because when our neighbours run out of water, and they will, how are we as a nation going to deal with that issue? There are places in the world right now where fresh water could be shipped by tanker. Here in North America it could be shipped by pipeline. It could be done in many ways. Until we have the absolute power to control that resource, we have to proceed with utmost caution, and rightfully so. Whether we sell it or not will be the ultimate debate, but we have to get the control first. When we do that, then we can proceed with the next step.

This bill is a small step. It is not the right thing to do at the moment. It needs to be broadly expanded, but because it is a small step in the right direction we will be supporting the bill.

• (1140)

**Mr. Brent St. Denis (Algoma—Manitoulin, Lib.):** Mr. Speaker, I listened carefully to my opposition colleague's remarks with respect to this very important legislation. My own riding of Algoma—Manitoulin is a Great Lakes riding and has a vast stretch of the north shore of Lake Huron and the eastern shore of Lake Superior.

Great Lakes issues are very important to my constituents. We have seen great drops in the water levels over the last couple of summers. People understand that on average the temperatures are higher and there is low precipitation and so on, but they worry that perhaps some large U.S. cities are diverting the water out of the system.

When I listened to my colleague's remarks, I wondered if he really made it clear enough what he would do if the government was not doing enough. I appreciate that he and his party will support the bill. If I heard him correctly he mentioned that the provinces should have

ultimate jurisdiction. If that is the case, where does the federal government fit in?

I think the federal government, in co-operation with provincial and local governments, should have ultimate authority over international boundary waters. We should not necessarily leave it to the provinces to decide among themselves the resolution of international issues when it comes to such things.

I wonder if the hon. member could be more clear. In the big picture, where does he see the federal government fitting in?

**Mr. Rick Casson:** Mr. Speaker, the federal government must be involved in any issue regarding a natural resource or whatever that deals with international law or commitments. Whether it be natural resources such as oil, gas, coal or forestry, the provinces presently have control over how those resources are managed and produced. In my mind, water has to be treated the same way. The provinces have to be full partners in this issue and will have the ultimate say on their internal water resources. We have water that flows into the ocean, into Hudson Bay and into the United States. They are all different and must be treated differently. The International Boundary Waters Treaty which this bill deals with is just part of that solution.

On the issue of the Great Lakes and the joint commission, one of the people who appeared before the foreign affairs committee said that states one or two tiers south of the Great Lakes are eyeing that water with much interest. The states and provinces in that area are very keen on keeping that water under control so that it is not completely drained off. Those lakes are not replenished at the same rate that the water is being extracted, especially in the dry times we have seen over the last number of years.

On the whole issue of bulk water, we can ship water and sell water in bottles and other containers, but even on the Great Lakes, things such as ballast water ships are looked at and considered. It has to be broadened. I am not saying that the provinces in the international boundary waters should have control because the federal government needs to be there. However, because water is a natural resource they have to be full partners in any discussion on the waters within their boundaries.

I do not know if that completely answers the member's question, but we do need co-operation with the provinces. We need to look at all environmental issues and accords. We have to bring everybody into this thing together because if we do not, just as we have seen in Newfoundland and B.C., there will be bulk water exports. We have to make sure that the provinces buy into whatever agreement the federal government comes up with, particularly having to do with international waters.

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Mr. Speaker, I thank my colleague from Lethbridge for kindly allowing me to share his time.

*Government Orders*

Bill C-6 is extraordinary in that it deals with a substance that we cannot live without. Millions of people live without love. We can live without food for a month, but we will die within a week if we do not have water. As an ancient poet said: "Water, water, everywhere, nor any drop to drink". It is not quite that bad but we have some significant problems.

As my colleague and others have mentioned, the bill is very important in terms of securing our water resources. Canada has 9% of the world's freshwater. This is a significant issue from an international perspective and is one which I will address later in my speech.

The bill does a good job of guarding our water but much more needs to be done. Ninety-seven per cent of the water in the world is salt water, which is made up of 3% solids and 97% freshwater. Therefore, only 3% of all the water in the world right now, if we exclude salt water, is freshwater in various pockets and pools. Extraordinarily enough, the amount of water we have today is the same as we had at the beginning of time. It just changes and flows through the hydrological cycle throughout the world, which is quite fascinating. However, we are abusing it. With our burgeoning population, increasing demands and urbanization, we are putting extraordinary stresses on the world's water systems.

My colleagues mentioned the stresses on the Great Lakes system, such as acid rain, acidification of waters, the damming of waters, the changing of the hydrological cycle, the modifying of it, pollution, mercury and cadmium, the latter of which has caused significant health problems in a number of populations around the world, including Canada. In the St. Lawrence system, the content of carcinogenic and teratogenic substances in the meat of beluga whales is so high that a dead beluga whale would be considered toxic waste. That is the result of the elements and pollutants in the water.

Internationally, more than one billion people do not have access to safe drinking water. In North America we are prolific users of water. We use a lot of it, waste a lot of it and pollute a lot of it. Internationally the impact upon water has been significant. In the Dead Sea the water level has dropped by about 10 metres. In China more than 80% of the rivers do not support fish anymore. That is extraordinary and is a growing problem all over the world.

Pollution, desertification, the damming and wasting of our waters is having a significant effect. I had hoped that the bill would have had something to say about these important issues.

As I mentioned before, we are prolific users because we do not value water. The cost of water in North America is far less than its value. Some places in the United States have about \$500 worth of subsidies per acre on some lands, which greatly exceeds the value of those lands. Some farmers pay about 3% of the value of the water they receive.

What can we do to preserve it? Domestically, we have to ensure that the cost reflects the value. Australia has done some very exciting work in terms of having a market oriented approach to water. This has greatly improved its ability to conserve water, reducing consumption by about 40% with no effect on the GDP.

We also have to conserve more. In Asia they are using pour toilets instead of flush toilets, saving between six and sixteen litres of water

per flush. Australia and the Middle East specialize in new and better irrigation systems where they can use salt water for certain crops or use desalinization processes which are becoming more efficient.

Internationally, more than 300 river systems are transboundary. They will have a massive effect on the future as our population grows. We fear that countries will fight that over water. None of us can survive without water. Thomas Homer-Dixon, Robert Kaplan and many other authors have repeatedly and quite eloquently warned that in the future, water is what we will fight over.

• (1145)

When one looks at the Middle East as an example, people are fighting over land, land which is by and large desert. It is land where the aquifers are so low that in the future there will not be any water there at all. The wars which are taking place right now will wars over pieces of land which will be largely uninhabitable in the future, yet nobody really talks about that.

Internationally, we have to look at other countries such as India, Bangladesh, Sudan and Egypt and many other areas where water will be a potential area of conflict. Part of Canada's role in the future will be looking at ways to conserve and improve water not only at home, but also internationally by researching and developing new methods of water conservation, finding new ways to use salt water, such as desalinization procedures which would be more efficient, and finding ways to stop polluting our waters.

This has been a significant problem. We saw the tragedy in Walkerton. We have seen the effect of acid rain. We know that many of our lakes and rivers have been completely destroyed. The fish are toxic. As a country it behooves us to take responsibility for our water systems. What we do to our water systems not only affects us but affects people in other countries too. The House of Commons and the government has a responsibility to all Canadians to ensure that the very essence of life, which is water, will be preserved in some way.

Ways of doing that would be by decreasing demand, looking at new conservation tools and spreading them widely across the country, having new pricing mechanisms so that the value of water is truly reflected in its cost and making sure that existing conservation mechanisms are more efficient.

A lot of exciting work is being done all over the world demonstrating the ways we can preserve and conserve water. I hope the government works with its provincial counterparts to do that.



*Government Orders*

Speaking now on the international scene, there are a lot of water borne diseases. Malaria can be considered a water borne disease. Bilharzia, which is spread by snails and affects almost 200 million people, is expanding dramatically and is having a profound impact on people. This disease can kill. I remember treating a 20 year old woman in Africa who bled to death as a direct result of being infected by this parasite. Her veins in her esophagus burst and we could not stop the bleeding.

This is not an academic exercise at all. This issue affects people all over the world. In Canada we have seen the effect of the Walkerton tragedy and our inability to secure our water system. Canadians have a deep seated concern. There are boiled water warnings. I do not have the exact figures but they are quite significant. From Newfoundland to British Columbia, boiled water advisories are out because we have been unable to secure our water resources and ensure that safe, potable water is the right of all Canadians.

At the present time none of us see adequate leadership on this level. I hope the federal government will work with its provincial counterparts to develop a national strategy to secure our water resources. The bill is good in terms of ensuring that we will not damage our water resources or impede or damage the water resources that go to other countries. It is very important that we ensure that the water within our borders is secure. It is important that we ensure that Canadians have access to potable water so we do not have further tragedies such as Walkerton.

There are two basic elements in what we should do beyond this. There are domestic issues in terms of conservation, dealing with the pollution of our water systems and new irrigation methodologies which can be very efficient. Internationally, it is important that our Minister of Foreign Affairs work with other countries and point out that water is a potential flash point for conflicts in the future and things have to be done to ensure that this is dealt with.

• (1150)

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I enjoyed the member's comments because I have a very deep interest in the issue of water. I recognize that he has a great deal of knowledge and his background as a medical doctor would give him additional knowledge. I appreciated hearing that awful story from his time in Africa of the young woman who died because of parasites.

I would ask the member about the connection in his view between global warming and water. It strikes me that at a time when we have low water tables and have a lot of heat, dryness and lack of rain, we also have had high levels of problems, of boil orders, parasites and of various kinds of bacteria found in water throughout the continent. I think there is a very strong connection between the two that is obvious.

I am interested in hearing from the member what he feels are the things that can be done to combat global warming, thereby increasing our ability to have good water supplies. Scientists are telling us that when temperatures increase through global warming, there is as much water in the atmosphere but more of it evaporates. It is in the form of clouds or evaporated water. How does he feel we can combat those issues related to global warming, which affect our water supplies?

• (1155)

**Mr. Keith Martin:** Mr. Speaker, I thank the hon. member for his very impressive comments on global warming. If anybody in the House or in the world had a pat answer on how to deal with global warming, he or she would have a Nobel prize.

I am an expert in nothing so I cannot add anything beyond what is already out there on global warming, other than to say we have to deal with the facts on the issues of Kyoto and global warming.

There are a lot of misnomers about what is taking place. Regardless, there are things that we can do. There are some very good technologies on energy utilization, such as decreased use of fossil fuels and new non-fossil fuel alternatives, but they do not get the exposure they ought to.

If we put a fraction of the resources we put into subsidizing other elements of the energy section into developing new techniques and energy tools, we would have a much greater chance of dealing with the phenomenon of global warming.

In the end, one of my friends, who is an expert in this, said that it will probably require a multifactorial approach by the energy sector, diminished use of fossil fuels, probably greater use of nuclear energy in the end and other alternative sources of fuel. Some people think that solar power and wind power will be the panacea that will address all the problems, but they have a cost inherent in them too. They are not a magic bullet but need to be worked into the whole energy system and used more efficiently where appropriate. Then we will have a better system.

**Mr. Brent St. Denis (Algoma—Manitoulin, Lib.):** Mr. Speaker, notwithstanding my general preoccupation with Great Lakes water issues and the fact that my riding is a Great Lakes riding, one thing that often strikes me, as the member who just spoke mentioned, is that only 3% of the water in the world's oceans and seas is fresh water. With so much emphasis on high technology these days, it makes wonder why the world is not spending more money on desalinization research and technology.

As I seek it, bulk water export is only an issue between Canada and the U.S. In practical terms, I do not see any great danger or any prospect that we will be shipping boat loads of water around the world.

In his view, does desalinization have potential?

*Government Orders*

**Mr. Keith Martin:** Mr. Speaker, the member is absolutely right. I believe it does. The Middle East has done some very good work, not only with desalinization procedures but also on how to use salt water. It is interesting to note that we can use salt water to irrigate crops such as melons, corn and many others. We need to look at that.

One thing we cannot do is pump, at a great energy cost, water from a central region to a coast where there is salt water, which can be used for other things such as irrigation purposes. We could also use the irrigation we have in more efficient ways. There are micro methods of irrigation. There are more efficient uses of irrigation in California. Those technologies need to be spread to many other parts of the world.

There is an energy cost in desalinization of which we have to be cognizant. That cost has to be weighed against the benefits of desalinization.

• (1200)

[*Translation*]

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, I am pleased to address Bill C-6, an act to amend the International Boundary Waters Treaty Act.

As we all know, water represents an inestimable resource for humans. We all agree that it is vital to life on Earth. However, contrary to what was long believed, it is not an inexhaustible resource.

This is why it is important to recognize that even if the Great Lakes and St. Lawrence River system accounts for one fifth of the world's fresh water resources, it is not unlimited. Moreover, in recent years, discoveries and research on greenhouse gases and on the potential risks of a rise in temperatures have increased our awareness of the fragility of our resources and of the threats to these resources.

Because of climatic risks, increased desertification worldwide, limited supplies of drinking water around the world and energy development based on this resource, the idea of exporting large quantities of water on tanker ships or of diverting rivers has emerged as a serious option in the past ten years or so in Quebec and Canada. To environmental threats to water supplies is added a new and significant threat of bulk water exports and large scale diversion of our lakes and rivers.

There is no doubt that bulk water exports offer significant economic possibilities. It is because of this potential that some provinces have examined the possibility of issuing permits to companies to allow them to consider bulk water exports.

In the early eighties, following a drought in California, British Columbia delivered such permits to five Canadian companies and one American one. However, over the years, the province changed its position and, concerned about the possible impact of such business on B.C.'s natural resources, it passed legislation to prohibit bulk water exports.

We know that the possibility of issuing similar permits was examined by other provinces. The case of Newfoundland recently made headlines. The province quickly gave up the idea, but the possibility remains. This, combined with the recent lawsuit by the California-based company Sun Belt Water against the Government

of British Columbia, raises concerns and brings back the issue of trade risks associated with exporting this resource. In this context, the federal government has been promising to legislate for the past year

It is in this context that the Minister of the Environment introduced Bill C-15 in the last parliament. Bill C-6 is therefore an exact replica of it.

Permit me to provide a little background. On February 10, 1999, Canada and the United States gave the International Joint Commission, or IJC, the mandate to study the matter. After noting a growing number of proposals to export water from the Great Lakes and other areas of the United States and Canada, the two countries agreed to ask the commission to study the issue and make recommendations within the following year. A preliminary report was tabled on August 18, 2000, and the final report of the IJC was tabled on February 22, 2001.

In its preliminary report, the International Joint Commission recommended that, during the next six months it would need to complete its study, the federal, provincial and state governments prohibit bulk removal or sale of water. It emphasized a number of points worth mentioning here.

• (1205)

It indicated:

—there is never a surplus of water in the Great Lakes system, that bulk removals of water could reduce the resilience of the system, and that there is a lack of adequate information about withdrawals of groundwater

There is a problem here, because groundwater can have a major impact on the integrity and quality of ecosystems. The report also points out that it is impossible to forecast the demand for water. Moreover, the possibility of climate change and all sorts of natural factors make it impossible to evaluate with any degree of certainty the level and rate of flow of the Great Lakes over the next few years.

The final report includes these three conclusions:

The waters of the Great Lakes are a nonrenewable resource; on average less than 1% of the waters of the Great Lakes is renewed annually.

If all interests in the Basin are considered, there is never a surplus of water in the Great Lakes system. Every drop of water has several potential uses.

International trade law obligations—including the provisions of the Canada-United States Free Trade Agreement (FTA), the North American Free Trade Agreement (NAFTA), and World Trade Organization (WTO) agreements, including the General Agreement on Tariffs and Trade (GATT)—do not prevent Canada and the United States from taking measures to protect their water resources and preserve the integrity of the Great Lakes Basin ecosystem.

Canada and the United States cannot be compelled by trade laws to endanger the waters of the Great Lakes ecosystem.

In early February, the federal Minister of the Environment proposed to his provincial and territorial counterparts a Canada-wide accord to prevent bulk water removal from watersheds.

The response of the provinces was rather lukewarm. Alberta, British Columbia, Manitoba and Saskatchewan said they would indicate their positions later, while the government of Quebec dissociated itself, saying that it found the accord premature and felt that its Bill 73, an act to protect water resources, was sufficient. It said it would await the public hearings of the BAPE before defining its comprehensive water strategy.

We should note, however, that Quebec established a moratorium on the issue of new licenses to pump underground water.

Three major problems may be raised in connection with the bill before us today, namely, the definition of watershed, the extensive powers accorded the federal minister in connection with exceptions and with licensed activities and the usefulness of the bill we are looking at.

Because of these three, Bill C-6 goes beyond federal areas of jurisdiction and encroaches on provincial jurisdictions.

The fact that the concept of watershed is not defined in the bill is of obvious concern, but the fact that it is the governor in council who defines it by regulation and on the recommendation of the Minister of Foreign Affairs will not be readily supported. This concept is, clearly, very risky for the division of jurisdictions and for the ownership of natural resources, which is essentially provincial.

In a document dated February 10, 1999, the Department of Foreign Affairs and International Trade indicated clearly what constituted a watershed, and I quote:

—a land area draining into a common watercourse. Often called a catchment area, drainage basin or river basin.

Examples of watersheds in Canada include Atlantic (including the Great Lakes and St. Lawrence River), Hudson Bay, Pacific and Arctic. A single watershed can cover a relatively large section of the Canadian landscape. For example, the Great Lakes waters are not restricted to the lakes themselves but include the many rivers and their tributaries that ultimately flow into the Great Lakes.

Why not specify this in the bill? Why not specify what a watershed, or catchment basin, is? The definition given in the regulations has a strong likelihood of being the same as the one set out in February 1999, and thus will directly encroach, and with force of law, on provincial jurisdictions in this area.

• (1210)

This is very serious. The powers given to the Minister of Foreign Affairs are considerable. From granting permits to selecting the types of projects that may be eligible, and including practices that may be exempt from application of the law, the minister is, in our opinion, padding the responsibilities conferred upon him by the Constitution.

The amendments made to the International Boundary Waters Treaty Act might enable the Minister of Foreign Affairs to interfere in the management of Quebec's natural resources. Yet these provisions are clearly contrary to established law and the division of powers between the provincial and federal levels. Section 109 of the constitution awards incontestable property rights to the provinces. This, in conjunction with sections 92.5, 92.13 and 92A, elicited from Senator Gérald Beaudoin, in his work on the Canadian Constitution, the following comment in respect of the provinces, that they have:

broad powers relating to land development, acquisition and management, natural resource development and sales; what we are thinking of here specifically is the

### *Government Orders*

development of Quebec's hydro-electric resources... As well, according to the jurisprudence, the expression "lands" in section 92.5 also extends to waters and to mines.

Thus, these are flagrant encroachments into areas of provincial jurisdiction. As well, the pertinence of this bill bears questioning.

To protect water resources from the disastrous effects of unlimited trade, Canada, Mexico and the United States declared in 1993 that "the NAFTA creates no rights to the natural water resources of any party". The federal government is therefore saying that, given the existence of this joint statement, as long as water is not considered a good or a product or is in its natural state, it does not come under the provisions of trade agreements, including NAFTA and WTO. But nothing could be less certain.

Such a statement, even if it is jointly issued, would not stand up under arbitration because, as provided for in the 1969 Vienna convention on the law of treaties, the context, factors outside the scope of an international treaty or convention, cannot be used to interpret it unless the text itself remains obscure and the parties agree on the relevance of the outside factors.

Since the United States made it very clear on the very day this joint statement was issued that nothing in it in any way changed NAFTA, it is therefore legitimate to say that water might become a good within the meaning of the various international trade agreements. In fact, from the moment that Canada exports this resource, it becomes a good within the meaning of NAFTA and GATT. Even if it were not legally considered a product, it could be the object of proceedings under chapter 11 of NAFTA on investments, services, and under the national treaty.

Furthermore, it is clear that if the federal government issues export licences, water will henceforth be considered a marketable commodity within the meaning of these trade agreements.

In short, the federal government boasts that its bill is consistent with its constitutional responsibilities and with Canada's international trade obligations. We do not agree. Contrary to what it says, the government, through Bill C-6, is overstepping its constitutional jurisdiction with respect to boundary waters, is interfering in Quebec's jurisdiction with regard to drinking water, and is, in reality, offering no satisfactory guarantees as to the impact of this bill on international trade agreements.

Although the protection of water resources is vitally important, as it stands, Bill C-6 strikes us as risky and contrary to the way jurisdictions are divided between the federal and provincial governments. In fact, it has considerable potential of encroachment on provincial areas of jurisdiction, while not providing any additional protection against bulk water exports. The Bloc Québécois is opposed to the principle underlying Bill-6.

Far from us the idea of questioning the need to protect Canada's water resources and to support bulk water exports. The IJC's preliminary report sounds, and rightly so, the alarm and it reminds those who are in favour of an aggressive marketing approach of the need to deal with these issues with greater insight, while also giving more importance to the protection of our ecosystems.

*Government Orders*

•(1215)

However, natural resource management is the provinces' responsibility. Through Bill C-6, the federal government is grabbing the power to eventually get involved in provincial jurisdictions. We are thinking here of the all important hydroelectricity sector.

It goes without saying that indepth studies on the development of our water supply are essential. Before considering marketing this resource, it is vital to fully understand the whole issue, so as to ensure that decisions take into account the well-being of Quebecers and of future generations.

[English]

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

**Some hon. members:** Question.

**The Deputy Speaker:** The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Deputy Speaker:** Pursuant to Standing Order 76(8) the recorded division on the motion stands deferred until Monday, October 1, at the end of government orders.

**Ms. Marlene Catterall:** Mr. Speaker, I rise on a point of order. Further to discussions that have taken place among all parties, I think you would find unanimous consent that the recorded division of the motion be further deferred until Tuesday, October 2, at the end of government orders.

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

**Some hon. members:** Agreed.

\* \* \*

### NUCLEAR FUEL WASTE ACT

The House resumed from May 18 consideration of the motion that Bill C-27, an act respecting the long-term management of nuclear fuel waste, be read the second time and referred to a committee.

**Mr. Joe Comartin (Windsor—St. Clair, NDP):** Mr. Speaker, the NDP is quite pleased to see legislation come forward on this issue, not this legislation in particular but at least some legislation.

If there is any area of the environment that speaks to the necessity of having the precautionary principle applied before an industry such as the nuclear industry is allowed to develop, this is it. It is necessary

when one is considering the legislation to look at a bit of the history. As we all know the nuclear industry was an offshoot of the development of nuclear weapons flowing from research and work done during the second world war. It began to be used for non-war purposes subsequent to the second world war. We got our first small nuclear reactors in the 1950s and 1960s and in the process of doing that began to identify even back then the very serious problem of the byproduct, nuclear waste.

However identifying the level of seriousness seems to have come to the attention of governments only after the huge expansion that occurred in the 1970s, particularly in Canada with the Candu reactors. At that point there was a recognition that we would have to do something about nuclear waste.

Because we allowed the continuous development of this industry, what did not happen at that point was an economic assessment of the real cost of nuclear power. In fact, we have not even done that up to this point. That is one of the problems with the bill. However, we did allow the expansion and there was very substantial expansion through the 1970s.

At the end of the 1970s the atomic energy commission of Canada was prompted to begin to seriously look at what it would do with all the nuclear waste from the nuclear plants. Over a period of extensive research and time, it came up with a proposal which was, in simple, man on the street terms, to dump it. It put some fancy words around it and talked about deep rock burial. That is the phraseology. In essence, they wanted to dump it in the Canadian Shield.

As this proposal came forward, as I think any sensible person could imagine it got a less than overwhelming response from local communities that might have been the site of this dump. Because the reaction was so strong from the Canadian citizenry, a commission was appointed, chaired by Blair Seaborn, and it became generally known as the Seaborn commission. The commission studied this over an extensive period of time, almost 10 years, and reported in 1997 with a very damning summary of the AECL proposal.

The government, in response to that, to a great extent rejected the commission but pretends now in the legislation to allow for the implementation, or at least the potential implementation, of the recommendations from that commission.

•(1220)

To some significant degree the bill is a fraud if its intent is in fact to implement the Seaborn commission recommendations because it does not do that. What it does do is allow the industry to make all of the decisions, to do that in a relatively short period of time given the level of intense research required and probably using a methodology that will be relatively inexpensive for the industry but totally unsatisfying for the Canadian public.

As I said when I began my remarks we welcome the legislation coming forward because this issue has to be addressed by the House. We will be supporting the bill on second reading to have it passed on for committee review. The work in that committee hopefully will get us to a result by way of significant amendments that in fact would make the treatment of nuclear waste something in which Canada can be a leader in the world, as opposed to what we see in the bill now.

*Government Orders*

I want to deal with a few of the specifics in the bill that we will be looking at and attempting to alter at committee stage. The first, which I have already made reference to, is the composition of the decision making body. The bill provides for the establishment of a waste management organization. We welcome that. It was part of the Seaborn recommendations that a body of that nature be established. What we are opposed to and will attempt to get changed is the composition of the panel that will form that commission, because as it stands now the only people who would be on it are from the industry. Those people who need regulation would be doing the regulating.

The Seaborn commission recommended that there be experts on that panel, that it involve extensive public consultation, that it be at arm's length and independent from the utilities that provide the services and the product, from the other vested interests or offshoots of those utilities, and from government itself, in other words, that it be completely independent. We will be looking for those recommendations to be incorporated in the bill.

There is a second group that is established under the bill, advisory panels and committees. Again, that was recommended by the Seaborn commission. These would be more broadly based and somewhat localized to the areas where there are current nuclear facilities. The bill would restrict participants to being from just that area. In effect the local community would be given a chance to sit on these committees but would not be given any resources either in the form of personnel to act as secretaries or money for things like travel or hiring experts. The bill does not provide for any of this. Again, the Seaborn commission recommended all of that. In addition, any people from the outside who may be able on a volunteer basis to provide expertise would not be allowed to sit on the committees. We will be looking for some significant changes in that structure.

• (1225)

It is important to note that after all its research, study and consultation, one of the Seaborn commission's major conclusions was that even though deep rock burial may be technically feasible, not one community in Canada would risk accepting the nuclear waste.

The credibility of both the waste management organization and the advisory councils is extremely important. Ultimately, the only way nuclear waste will be adequately dealt with and dealt with to the satisfaction of the Canadian public, both generally and specifically in some of these communities, is for it to have absolute credibility. Bill C-27 goes in the opposite direction.

I want to spend a few moments on the funding for nuclear waste disposal. I had the opportunity to spend some time at the nuclear site in Darlington, Ontario, which has currently four reactors operating and four more that are idle. I spent the better part of a day looking at the system. The current system is simply that it is stored, first in water and then it is moved into containers, very high tech in both cases, but obviously short term in that it does not deal with the waste itself. It is strictly storage. That is the only methodology we have at this point.

The financing that is being recommended in the bill, I believe, and it is where there is some shortfall, is based on the original AECL proposal of deep rock burial. I am not entirely convinced that the

proposed funding will even be sufficient to do that because of what I expect will be very strong opposition from whatever community in which the site may end up, if that ever proceeds.

However, I am convinced that it is clearly not enough money if we continue short term storage. The reason for that is that this waste has no end in terms of its lifespan. The best scientific minds in this field cannot tell us what the life expectancy is of this material.

We may be storing nuclear waste above ground or in limited, below ground facilities for centuries and millenniums, and that has not been costed into the bill at all. This is very clear from the dollars. We are not talking about peanuts. We are talking about billions and billions of dollars that are being proposed but the amount will be nowhere near adequate for long term storage. That is a matter that has to be looked at very closely.

If the government were serious about paying attention to the work done by the Seaborn commission, it would do a number of things in this legislation as opposed to the smokescreen it is creating here. If it set out the legislation along the lines of what the commission recommended, we could have a real independent agency, one that would be arm's length from the nuclear industry and from the government.

That independent agency would be entitled and authorized to look at the various options. This is another real flaw in the legislation. It really only provides for two options: the storage that is going on now, short term, or the deep rock burial.

• (1230)

There are other potential options. Extensive research has been going on over what is called a transmutation of the waste. It is believed there are ways of reprocessing it. This has not been done yet, I would hasten to add, but it is believed that we may be able to run the waste back through the system. At this point it would be very dangerous to do that but if it can be developed, it may reduce the volume of waste quite significantly and, subsequently, storage capacity requirements would be dramatically reduced.

The other research that has been going on has to do with using the waste as fuel repeatedly and eventually completely eliminating the issues of storage and disposal. The forecast of us ever being able to do that, either in this country or any place in the world, is long term. The point is that there are some other potential options to look at rather than just the two that the waste management organization, which will be authorized by this bill, are supposed to look at.

The other problem with the bill is that it only allows the waste management organization three years to come up with its proposal. Again, what we will be faced with is an organization that is completely dominated by the industry, which has already taken the industry's position of what it wants to do with it, and it will be given three years to come up with a recommendation. We already know what the result will be. We will be going back to the original AECL proposal of deep rock burial.

As I have said, if the bill remains the way it is and is passed into law, this will be, to a great extent, a charade that the government has put us through.

*Government Orders*

I would like to talk a bit more about the options. We have heard some hair-brained ones. I thought that one of the most interesting ones, which was quite star trekkie, was to load the nuclear waste onto a spaceship and shoot it into the sun. With this option we would not only have *Star Wars*, we would also have all this nuclear waste that potentially could end up in our outer atmosphere. This is not an option that I think any reasonable commission would follow, but there are others.

A fair amount of research is going on in this area and it should be pursued. We are not the only ones doing it. A number of other countries are very active in this regard.

With regard to the timeframe, whatever the waste management organization eventually ends up looking like, there is no way it should be mandated to come back with a report within that timeframe. We have been working on this issue since the late seventies, although it probably should have been longer, and to mandate the organization now when we have this type of controversy, is grossly unfair however it is composed.

In conclusion, I just want to make one additional point concerning the whole issue of the phase out of the nuclear industry.

Although I think most of us are already aware of this, I want to bring to the House's attention that Germany has now moved on this issue. The German government has formerly reached an agreement with the industry that it will phase it out. A number of other countries in Europe are following suit. This waste issue with which we are dealing cries out for Canada to do the same. We have a major problem on our hands that may go on for centuries or even millenniums. We do not need to compound that by increasing the volume of this waste.

As I said earlier, we will support the bill at second reading to get it to committee and for us to make those significant changes. It is obvious from my comments that if those significant changes do not come forward we will be vigorously opposing the legislation at third reading.

● (1235)

**Mr. Gerald Keddy (South Shore, PC/DR):** Mr. Speaker, I listened attentively to the comments made by my colleague for Windsor—St. Clair and, as always, his comments were mostly reasoned and fairly judicious. I do have one question on his statement regarding Germany.

I think what we have seen on a world scale is that this problem will not go away. A significant point should be made about Germany. The fact remains that although Germany has decided not to support nuclear power plants on German land, it has absolutely no qualms about buying electricity made by nuclear power plants in France. As a matter of fact, it buys a considerable amount of it. I believe this shows that there is a very significant issue at stake here. This problem is not going to go away and we cannot ignore it.

I do agree with having a timeline of three years—and perhaps it should be five but it certainly should not be ten—to actually take action and deal with nuclear waste in some way because the problem is not going to go away.

I would like the hon. member's comments on that.

**Mr. Joe Comartin:** Mr. Speaker, my colleague from the Progressive Conservative Party caught me on this once before during a take note debate. I went back to take a look at this because I did not have an answer for him then, but I have one now.

The answer is that in fact Germany does buy from some of the other countries, France in particular. In France, by the way, active consideration is being given to phasing out its nuclear industry. Germany has seen the purchase of that, and the continued use that it is making of its own plants, as temporary. Germany has set a quota for alternative energy sources, which I have asked our Minister of Natural Resources to do, and I am still waiting to hear back from him on, and in fact has a specific quota for wind power.

If Germany achieves that, which it fully expects to do over the next 10 to 15 years, it will be able to phase out its own industry and cease purchasing electricity in the form of nuclear energy from France and other countries.

With regard to the time limit, my friend is wrong. It is grossly unfair to impose that type of time limit on anybody when we know there are other options that may be coming.

I want to talk about the storage bins that I saw at Pickering. They are designed to last for up to 50 years and are monitored on a 24 hour basis. If there are any problems with them, any cracks or deterioration in the material, they are identified immediately and can then be placed in another storage bin. There is no reason whatsoever for us to impose that type of time limit other than to dump this stuff on some community in the Canadian Shield and let the industry off the hook for the cost of it.

● (1240)

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I thank the member for Windsor—St. Clair for a very interesting speech on a very serious and important subject. I noticed that early on in his remarks he mentioned something about how we as users of energy must start to think about the whole cost of energy sources, which means it is not only the cost of generating a unit of energy but also the costs associated with cleaning up the impact of that energy production.

As an example, we are all used to paying an extra \$5 when we buy a tire for our cars. The \$5 is built into the price knowing full well that when we are finished using that tire we will have to find a place to dispose of it.

Could the member expand on this new world view that we have to take about energy to deal with the whole cost of energy use.

**Mr. Joe Comartin:** Mr. Speaker, it is interesting that whenever I get into this specific topic I always think of the chair of the environment committee and the work he has done, not only with regard to the nuclear industry and the major advantages that we have created for them both by subsidizing and by favourable tax treatment, but also the work he has done with the fossil fuel industry. He is a national expert on this. I believe a couple of private members' bills and some reports have come out of that committee over the years. I acknowledge the work he has done on that committee.

*Government Orders*

What that work clearly shows is that we have subsidized the nuclear industry and the fossil fuel industry quite extensively. That does not show up in the cost. We have done that with tax dollars as a bottom line. We have subsidized those industries.

Unfortunately I do not have the documents to share with my friend and I will try to get them to him, but what is interesting is that the Canadian Wind Energy Association, which is an association of a number of companies and associations around the country, is trying to develop wind as an alternative form of energy. It was lobbying us in the spring. It was at that time I asked the Minister of Natural Resources for some commitment on alternative energy use.

What that association brought forth was some very interesting research that set out the specific types of subsidies we have had in those two other industries going back to the 1950s. We have not accorded those to solar or wind power companies that are trying to develop those as alternative forms of energy.

We always hear the argument from the nuclear industry that it would only cost so many cents—and it is always gets the amount down to pennies—for a unit of energy if we were to go to nuclear energy. It completely ignores the costs that we are talking about, which I think are minimal in this bill, but it does not show up in that accounting form. It is quite significant, arguably, tripling and quadrupling, if not more, the cost of nuclear energy if we were to seriously analyze what it would cost to deal with nuclear waste.

**Mr. Gerald Keddy (South Shore, PC/DR):** Mr. Speaker, I will preface my comments with a few remarks relating to the speech of the hon. member for Windsor—St. Clair. A few other issues need to be recognized. Many alternative forms of energy including solar and wind are being continually developed. If we had put the kinds of dollar into those industries that we put into other industries in the energy sector, perhaps we would have a reasonable alternative now. However I think we must admit the fact that it is not here today or is it likely to be here tomorrow.

Another absolute issue we have to look at is the fact that the world, not just the western world as we know it, is more dependent on nuclear energy and will become even more dependent on nuclear energy not only in 2001 but in the next decade.

The energy requirements of the Indian subcontinent of Pakistan, China and Southeast Asia will have to be met for a growing and burgeoning population. Those countries intend to build 70 to probably somewhere around 180 nuclear reactors in the next 10 to 20 years just to meet the demand for electricity.

I do not think we can pretend that we do not have an issue, not just for Canada but for the entire world, in terms of finding a way to store nuclear waste safely or to change it into a safe form.

It is a pleasure to speak to Bill C-27, the nuclear fuel waste act. Nuclear fuel waste is an issue for all Canadians, even though only three provinces have nuclear power stations. Nevertheless the implications of nuclear fuel waste have long term and widespread impacts.

It is the fear factor associated with nuclear power and nuclear waste which continues to thwart attempts to deal with the issue solely from a technological and a technical standpoint. Unless Canadians can be assured of the relative safety of nuclear power it

will be difficult to reach any kind of consensus on how and where to store or to dispose of radioactive waste.

I have seen the fear associated with radioactivity and radioactive materials close up. Nova Scotia contains significant amounts of uranium. In the late 1970s some exploration was undertaken to determine the feasibility of mining uranium near my hometown of New Ross. The thought of uranium mining being undertaken in the area caused a public outcry.

Although the tests determined that the site was not economically feasible, even at the inflated rates of the time of \$40 per pound compared with today's value of \$8 per pound it demonstrated the fear associated with radioactive materials.

Since the early 1980s there has been a moratorium on uranium mining in Nova Scotia. We are not even talking about radioactive waste; we are just talking about uranium mining. While uranium is unlikely to be mined in Nova Scotia, Atlantic Canadians are well aware of the issue of nuclear fuel waste because of the presence of the Point Lepreau nuclear power station in New Brunswick, located in the riding of my colleague from Saint John.

Combined with the nuclear power station in Quebec and a further 20 nuclear power stations in Ontario, this brings Canada's total to 22. With the fuel waste produced by each of these power plants as they use nuclear fuel bundles to produce electricity, the issue of how to deal with the waste produced is long overdue. In fact the government has been studying the issue for decades, with the most recent report being in 1998.

● (1245)

It is long overdue for the federal government to introduce legislation addressing the matter. The 1998 report of the nuclear fuel waste management and disposal concept environmental assessment panel laid the groundwork for appropriate storage and disposal concepts. It was limited, however, in its examination of the waste management proposals, tasked only with the examination of Atomic Energy of Canada's limited proposal of deep geological disposal and not asked to propose other methods for long term management of nuclear fuel.

The panel, often referred to as the Seaborn panel after its chair Dr. Blair Seaborn, laid out a number of recommendations respecting the long term management of nuclear fuel waste. One of the comments in the report that has been picked up on extensively is the statement that while deep geological disposal is technically sound, it is not acceptable from a social standpoint to many people.

*Government Orders*

Senator Lois Wilson, a member of the panel at the time, stated that this observation had been misconstrued or misread. Instead of saying that such a disposal method is technically sound, the panel was trying to state that the definition of safety had both a technical and a social aspect. In this regard the method does not meet the criteria on safety. That is the way I understood Senator Wilson's comments on the matter.

We can all appreciate the fear and the questions that Canadians have regarding the issue. We all know about the nuclear bomb from World War II and remember the meltdown at Three Mile Island in the United States.

On March 28, 1979, a series of malfunctions, mistakes and misinterpretations led to the worst nuclear accident in the United States when the nuclear reactor at Three Mile Island experienced a meltdown. Although the accident did not release significant amounts of radiation into the nearby area, the consequences could have been disastrous.

The disaster at Chernobyl augmented these fears. In 1986 the reactor in Kiev, Ukraine, part of the Soviet Union at that time, ruptured the containment structure and sent radiation through the northern hemisphere. As many as 75 million people were exposed to high levels of radiation.

I mention these points not to confuse the issue of dealing with radioactive waste but to further submit the fear of general public about radioactivity and the nuclear sector. It is difficult to say whether this fear is valid and whether there are technological ways we can deal with.

Whether for war or peaceful purposes like power generation anything involving nuclear capability represents the unknown to many Canadians. However it also represents two of the reasons legislation dealing with nuclear fuel waste is important, first, to address the long term need to deal with waste so that nuclear power continues to represent a viable and productive energy source and, second, to establish a fund to ensure that if problems occur money is available.

Whether for compensation, repair or other extraneous matters, without an independent third party body to deal with waste management responsibility falls to the federal government. Already accused of conflict of interest because of the desire to augment sales of Candu reactors, the government needs to be open and transparent in its examination of nuclear fuel waste disposal proposals.

The Seaborn panel carried out public consultations throughout its study. Since then there have been discussions with aboriginal groups about possible deep geological storage within the Canadian Shield in northern Ontario. These discussions must be open and encourage debate and a thorough examination of all issues involved.

The legislation would establish a waste management organization that would report to the minister. It would collect and oversee financial contributions by the 22 nuclear power stations and Atomic Energy of Canada Ltd. It would be an independent third party organization, but already I question some of the parameters or lack thereof respecting this organization.

It is important for all Canadians to be privy to information that affects their safety. This means information must be publicly reported on a timely basis. I will be expecting more detailed answers as the legislation is studied at committee stage. I hope the minister plans to live up to his commitment that no concessions would be made respecting safety or transparency.

• (1250)

Some experts suggest that long term storage and above ground storage containers could continue for extended periods of time, while others argue that the issue must be dealt with in the near future. Reports indicate that there are 1.3 million spent fuel bundles from nuclear power stations in temporary storage in Canada.

The waste management organization would be tasked with determining what storage method is safest. The legislation would be one step toward a long term storage initiative for nuclear fuel waste. As the world's leading supplier of uranium Canada needs to look at the overall impacts of nuclear power which includes nuclear fuel waste and its management.

I look forward to informed debate on the issue in committee. Like other members of the natural resources committee, I hope the process will be entirely clear and transparent, that we will be able to call informed and expert witnesses before the committee, and that we will take the time to study all areas and all clauses of the particular piece of legislation.

• (1255)

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, the hon. member mentioned a number of times during his speech how it is quite likely we will see 100 or 125 new nuclear reactors in the immediate future to meet the increasing demand for electricity.

One thing I noticed was that the hon. member did not dwell on or mention some interesting news out of the United States. The Bonneville power authority, which I believe is the largest power authority anywhere in North America, covers a lot of the western seaboard, California and the coast. It has actually precluded the need for eight nuclear power plants through a comprehensive demand side management program. In other words, by reducing the amount of electricity that it uses, it precluded the need for eight nuclear power plants in that geographic region alone.

The Tennessee Valley hydro authority, which covers a lot of the eastern-southern states, has also had similar effects with an aggressive demand side conservation program.

Rather than take a fait accompli attitude that we will have these nuclear power plants and therefore we better find a way to deal with the waste, would the hon. member care to dwell on perhaps a more positive approach? The fact is that as citizens of the planet we can find a way to produce the energy we need or to deal with our precious energy resources in a lot more responsible way.

**Mr. Gerald Keddy:** Mr. Speaker, I entirely agree with the hon. member's comments. However we must continue to try to find alternatives. Where I disagree is that we cannot ignore reality. The reality is that there are no available alternatives at the present time for all energy needs of the planet.



*Government Orders*

If we stop producing nuclear energy tomorrow we still have a responsibility as stewards of the planet to look after the radioactive waste that is produced and lying in wait to be disposed of in some form right now. We have to face that serious burden.

The Bonneville power station is a power complex and is able to shut down eight reactors. I applaud that but I am very suspicious. I do not have all the details, but one of my colleagues thought it was because it had switched those reactors and was burning Canadian natural gas, which I suspect is true.

We need to seek alternatives. We need to look at all of them, including hydro, tidal, deep ocean currents, solar, and essentially all aspects and prospects available to us.

We cannot ignore that we have a problem with nuclear fuel waste with which we have to deal today. We have a responsibility not to put it off but to deal with it now and not store it for another 50 years for someone else to deal with.

• (1300)

**Mr. Julian Reed (Halton, Lib.):** Mr. Speaker, 22 years ago in a former incarnation as a member of the Ontario legislature and as a member of the select committee on Ontario hydro affairs the subject of the storage of high level nuclear waste was on the front burner. The committee was taken to Whiteshell, Manitoba, and exposed to the technology to be used for the long term burial of that waste. It is the same technology being proposed in the bill. It was highly developed 22 years ago. I believe that is rather ironic.

Politics entered into the debate because storage required the location and development of a natural formation of impervious rock known as a pluton. There are some hundreds of plutons in the northern parts of Ontario, Manitoba, and elsewhere. When it got down to actually developing it, public resistance did not allow for it.

The bill before us might have been more useful 22 years ago. However the minister must be commended for bringing the legislation before the House at this time. It shows that he understands the problem is still with us and growing.

The bill would provide a three year study period which is felt to be quite adequate despite my friend from Windsor—St. Clair claiming that it is not enough time. Enough is known and understood now about the technology. This is a great step forward.

I remember some 22 years ago raising the question of long term storage of nuclear waste at power sites being vulnerable to terrorist attack. The plants were not designed to be secure. The waste being stored in what we called swimming pools at that time was vulnerable because they could have been drained and have released radioactive material. That is still the case. Over the years the amount of radioactive material has compounded. Whether or not nuclear power has a long term future in Canada, the waste is still there and must be dealt with.

In spite of my overwhelming support for the bill I have a concern about its content. My concern is provincial in nature and has to do with financing. We may have difficulty amending the legislation in an effective manner. The bill clearly states that funding would come from the utility involved or a third party. When I see the expression

third party I begin to get concerned about the fact that I could read it as subsidy.

• (1305)

If there is third party funding that results in a subsidy for electric power generation, it once more gives us a false sense of what it really costs to produce electricity from nuclear power. There is no energy in Canada that is not subject to some form of subsidy, whether it is financing on the tar sands or the \$16.2 billion that has already gone into nuclear subsidy over the last 40 years or so. The time has come, especially looking into the future and the energy options as my friend across the way mentioned, to deal with the real costs of producing energy and the real environmental costs as well.

In an article in the *Globe and Mail* a couple of weeks ago, two professors in California did a comparison of generating electricity with wind power versus coal. At first coal was half the price of wind generated power but when the true environmental costs were injected into the equation, wind power won. Such is the case with many other forms of energy and energy comparisons.

As long as we keep the blinders on and fail to look at the true costs and keep convincing ourselves that what we are paying at the moment is the real cost, we will not be able to proceed into a new and necessary era of renewable and environmentally sustainable energy. Those technologies are there, they are mature and developed but they are not attracting sufficient investment to make them work. That is why I have a concern for the third party addition in the bill.

When the bill is studied at committee, I will attempt to introduce an amendment that may be satisfactory, if we can satisfy ourselves that it is also constitutional because electric power generation is the purview of the provinces and we are not the provinces. At least we will make that attempt. Hopefully through the discussion and debate that will ensue we will expose the fact that we are not looking at true costs for energy and that we need to do what my friend across the way described as whole costing. Whole costing must be the way of the future.

We can no longer hide our heads in the sand as we have done for so many years, particularly in Ontario. The premier told us a few months ago that the stranded asset, and I use that term advisedly because it should be stranded debt, has now reached \$38 billion. That is unrecoverable money that was never passed through the electric power system and the power corporation act clearly stated that the mandate was to produce power at cost. We have deluded ourselves over the years. I am not familiar enough with other provinces to know whether similar activities have gone on but this has resulted in a serious concern inside the province. Ultimately the taxpayers of Ontario will be the ones who will have to cough up the \$38 billion one way or another.

*Government Orders*

•(1310)

In conclusion, I support the bill and what it is intended to do. Finally we are getting a grip on one of the key components of nuclear power generation. If nuclear power has any chance of a future, this has got to be dealt with. I think the bill does it but I will be supporting an amendment at committee stage that will do something with the wording of third party.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, perhaps I could just pick up on something the member said just before he sat down. He said that it was necessary to deal with the question of waste in order that there be a secure future for nuclear power. That is just the point that we are trying to make.

The question of how we deal with the waste should be separate from any interest, either at the level of the hon. member or vested, that is to say at the level of AECL, in the future of nuclear power. We should be dealing with the question of waste independently of whether or not we agree about the role of nuclear power. Otherwise, particularly as this bill is drafted, the people who are put in charge of determining waste solutions, determining what is acceptable and determining if in fact there is an acceptable way of dealing with nuclear waste are the same people who have a vested interest in saying that there is a solution, even if there is not. If they cannot arrive at a solution it is more difficult for them to promote nuclear power and it is more difficult for them to market Candu reactors around the world.

There is a conflict of interest regardless of whether one is in favour of nuclear power or against it. Does the hon. member not see that? The argument that people are making about the conflict of interest is a bit like the old analogy of putting the fox in charge of the henhouse. We would not tolerate this kind of conflict of interest in any other industry. Why do we tolerate it? Why does the government tolerate it in this industry when the Seaborn panel, which the government set up in order to make recommendations, recommended against that very kind of conflict of interest?

**Mr. Julian Reed:** Mr. Speaker, this bill was introduced by the federal government. It is the federal government, the minister and the elected representatives who are accountable to the people. If decisions are made that would be erroneously approved by a minister or a subsequent minister or whomever, it is he or she who would be directly accountable to the people.

The other comment I should make is that nuclear knowledge, the technology, lies within these bodies. It always has. I am not sure how my hon. friend would deal with putting a decision in the hands of a third party who probably would be about as knowledgeable as the member or myself and once again would be vulnerable to making an erroneous decision.

I think that the best path has been struck. We go to the technology and then have the people who are accountable to the public make the ultimate decisions.

**Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance):** Mr. Speaker, I enjoyed the deliberation by the hon. member for Halton very much. I can tell he has a real interest in the issue and I am sure he is a valuable member on the committee.

The member mentioned one thing which has excited me since before the days of rural electrification, wind power. I had one of those 32 volt batteries.

Why is it that in Canada we have been so far behind what we find in Denmark and in parts of Germany in wind power? We have recently put some in, as the hon. member from Regina said, in a place called Gull Lake. Why have Canadians not taken advantage of this more in Canada? For example, they tell me that Pincher Creek, Alberta is where God invented wind yet those wind towers have never really proven to be successful.

Could the hon. member give me any reason why we have not progressed in that field?

•(1315)

**Mr. Julian Reed:** I would be pleased to, Mr. Speaker. In 1996 the federal government signed memoranda of understanding with every province, undertaking to purchase a percentage of its electricity needs from green energy. The only province to ratify that memorandum of understanding was Alberta. It is only in this year that Prince Edward Island and Saskatchewan have ratified.

The result in Alberta is that green energy is moving on and doing well. When we were in Edmonton a few weeks ago, the people who run the LRT in Calgary announced that they would be buying green power to run that train. The slogan they have adopted is wonderful; "ride the wind".

The elements were put in place by the federal government in 1996, but only a few provinces have ratified. We are most anxious that all the provinces get on board. The result in Alberta has been that private industry is now saying that it wants to hang up the green sign too.

**Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance):** Mr. Speaker, I would like to ask a question with regard to a problem we have right now with nuclear waste. The member for Provencher is not here to talk about AECL and Whiteshell, which is a research facility that has been decommissioned, so to speak. The solution to the winding down of the Whiteshell research plant was in essence to mothball it, leaving the nuclear materials still in place. My riding is right beside it and many people from my riding worked there. We were sorry to see it close down. We would really like to see that place cleaned up and put back so that we can use the whole thing for tourism and so on.

What will happen to that waste material? Are we just going to have to leave that plant and store it forever?

**Mr. Julian Reed:** Mr. Speaker, the reason for its existence is that Whiteshell is located on impervious rock known as a pluton. All the early work for long term storage was done there. If the pluton concept is acceptable, which we were told it was 22 years ago, the pluton at Whiteshell is probably the safest place for the long term storage of that material. What would be gained by removing it and putting it above ground somewhere? That technology is now probably considered the front runner in terms of the choices that will be made in the future for ultra long term storage.

*Government Orders*

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Mr. Speaker, on behalf of the people of Surrey Central, I am pleased to participate in the debate on Bill C-27, an act respecting the long term management of nuclear fuel waste.

The bill, if passed, would require the creation of a long term management strategy for the disposal of nuclear fuel waste in an integrated, comprehensive and cost effective manner. To do this, major owners of nuclear waste would have to create a waste management organization to implement the long term strategies for handling, treatment, conditioning or transporting for the purpose of storage or disposal of nuclear fuel waste.

Nuclear fuel waste means irradiated fuel bundles removed from a nuclear fission reactor. This nuclear waste management organization has the responsibility to determine fiscally responsible and realistic options for the long term management of nuclear fuel waste. It would also direct the organization to establish trust funds to finance the above activities.

The act applies to Atomic Energy of Canada Limited or its assignees and nuclear energy corporations, which would deposit the following respective amounts to its trust fund within 10 days after the act comes into force: Ontario Power Generation, \$500 million; Hydro-Quebec, \$20 million; New Brunswick Power Corporation, \$20 million; and Atomic Energy of Canada Limited, \$10 million. Then additional amounts of \$100 million, \$4 million, \$4 million and \$2 million per year respectively from all these four organizations will be deposited until the minister approves the amount of the deposit.

I have some concerns regarding the bill. The fee or cost of managing seems to be vague, unclear and perhaps unjustified. I am concerned as to how they have calculated the amounts and for how long the deposits have to be made. I have no idea and the bill does not explain anything about that.

According to Bill C-27, the governor in council would decide as to the best approach to be implemented by the organization. I am concerned that the decision should be based on management and scientific facts with no political interference.

The other concern I have, which has raised eyebrows, is that the nuclear industry has stood alone for many years and no such levies were in place within the industry for disposal of their hazardous wastes. Whereas, other industries that have to deal with the cleanup of hazardous and potentially dangerous or damaging materials have to have similar funds as a condition of their licensing,

Why has this weak Liberal government been neglecting this important safety issue since 1993? It seems to be in line with the character, culture and attitude within the Liberal government to neglect, as it has with many other important issues, such as the budget, health care, defence, organized crime, terrorism, national security, the safety and welfare of Canadians and many other issues.

The nuclear industry cannot operate without the proper checks and balances in place.

• (1320)

This legislation would bring the nuclear industry, which deals with this most serious and dangerous stuff, at par with other industries in

providing overall safety for Canadians, which has not been a priority for the government for so many years.

The other concern I have is that the government and the waste management organization must be focused on results, not just on the process. The organization would create an advisory council to examine the study, the triennial reports that have to be submitted to the minister and comment on that study.

I am also concerned that the advisory council would be appointed by the governing body of the organization and nominated by government to include representatives of local regional governments and aboriginal organizations. Based on the track record of the Liberal government, I am afraid it will be used again as a patronage opportunity for failed Liberal candidates or their friends.

Another concern I have is highlighted in the *Ottawa Sun* of today. We have about 22 reactors in Canada. They were placed on enhanced security within hours after the September 11 terrorist attacks in the U.S.A. Could any of them withstand an attack similar to the World Trade Center attack? The fear is that an airborne attack could rupture the containment buildings designed to isolate radioactive materials. The president of the Canadian Nuclear Safety Commission has assured, according to the article, that the measures in place are adequate but are under evaluation.

Atomic Energy of Canada has imposed a secure airspace of 3,000 feet, or 3.5 nautical miles, around the research campus at Chalk River. However, the industry is in denial about the threat of airborne attacks, which the reactors were never designed to withstand.

The Canadian Nuclear Safety Commission said that there was no identified terrorist attempt against Canada. However, the crown corporation is in contact with the RCMP and CSIS on a daily basis. The interesting point is the U.S. Nuclear Regulatory Commission has conceded that its reactors are vulnerable to airline crashes, but Canadian officials are not making such admissions. Canadian officials are declining comment.

I am concerned that in such an unfortunate event how well equipped are we to handle such circumstances?

I hope and expect that the above concerns will be addressed. The bill does not yet address those concerns. The government has finally realized that a trust fund at the expense of the nuclear industry merely asks those who make the mess to clean up the mess and to pay for it.

The riding of Surrey Central, which I proudly represent, could have used something like a nuclear safety commission 25 years ago when it first became the temporary home of some 4,000 tonnes of radioactive material. For over two and a half decades, my constituents have been exposed to radioactive and toxic material in the heart of the community of Newton in Surrey.

*Government Orders*

●(1325)

In June 1972 a firm in Surrey was licensed by the federal government to import niobium ore containing radioactive thorium. The imported ore was used in smelting operations. Tonnes of hazardous waste was ignored and left unattended in the open until 1976. It was 1984 before the federal government accepted responsibility for it.

I heard from people in that area that children played on it. Some unconfirmed reports said that some cows from a nearby dairy farm died.

The feds forgot about the radioactive waste again until October 1989 when a special task force was appointed, on a volunteer basis, to deal with the storage, handling and disposal of the hazardous, unprotected piles of smelter slag and contaminated soil in a corner at 7800 Anvil Way in Newton. As well, there were barrels of concentrated radioactive material rusting in Thornton yard of the CN rail. I went there and took pictures. The barrels were rusted and contained concentrated radioactive material.

The slag, which was left in the open, remained there for a number of years. This material was also used as a filling when a building was constructed on that site.

The Surrey citing task force consulted with local, provincial and federal government. The federal government appointed, on a voluntary basis, an organization comprised of two people to look after this radioactive material. It stored the material in a concrete bunker for 25 years, calling it temporary storage.

The federal voluntary task force could not find a permanent solution to the problem. Communities it contacted, including remote and abandoned uranium mines, refused to accept that material. It is a crime to have kept that hazardous material in the heart of the country's fastest growing city, Surrey.

As a member of the foreign affairs committee then dealing with nuclear proliferation, I found out about this neglected storage site. After some research and consultation, I lobbied for three years and personally followed up with the Minister of Natural Resources until that 4,000 tonnes of dangerous material was finally removed from Surrey.

Some of it has gone to Chalk River, Ontario while more was finally dumped in Arlington, in Washington state.

The land slag was also excavated under the building. The building was supported and the material was excavated from under the building. The whole operation was very expensive to taxpayers and has been kept kind of secret by the federal government.

I am happy that finally my pressure had results and the Minister of Natural Resources was helpful in dealing with the issue. I thank him for that.

The longer the delay, the higher the cost and the more potential for harm and danger in the community. I knocked on doors in that area to find out how people felt, but many did not even know about it. The federal government did not educate the community members about that material.

That is a shameful story highlighting carelessness and neglect by the federal government in dealing with hazardous and radioactive waste in Surrey.

In conclusion, on behalf of the people of Surrey Central, I will be paying very close attention to the work of the proposed waste management organization to see that the travesty that occurred in my riding does not happen anywhere else.

●(1330)

I urge government members as well as the minister to look seriously at the issue, to look into the concerns and to make possible amendments if they can. While I support the bill because it is a step in the right direction, even though it is a baby step, I will also say that the measures such as those contained in the legislation obviously are long overdue.

●(1335)

**Mr. Bill Blaikie:** Mr. Speaker, I rise on a point of order. Not so long ago the government expressed an interest in suspending the House until question period if debate ran out but I did not realize it had the intention of suspending just one side of the House. Given that there are only three members of the government caucus present I would like to call for a quorum count.

*And the count having been taken:*

**The Deputy Speaker:** There is a quorum.

**Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.):** Mr. Speaker, I thank my colleague opposite for calling quorum because it guaranteed that there will be an audience in the Chamber for the remarks I am about to make.

**Mr. Bill Blaikie:** Give him 60 seconds.

**Mr. John Bryden:** With due respect to my colleague opposite, the remarks I will be making will I think engage the attention of all members because I would like to think they are of some importance.

Mr. Speaker, this is a very important bill. The problem of nuclear waste cleanup in the United States is a \$100 billion problem. Throughout the cold war period the Americans and their production of weapons grade nuclear fuel caused enormous damage to the environment, particularly in the western states. It has become a very serious problem in the United States. I think the bill correctly addresses the issue that if we are going to have nuclear power we have to put money up front to control nuclear waste.

However, I do believe this bill is seriously flawed. It has a flaw in it that I think must be attended to in committee. I will certainly support the bill in principle but it has to be attended to.

*Government Orders*

Mr. Speaker, as you know I have a certain passing interest in access to information. You will know that crown corporations like Atomic Energy of Canada Limited are outside the Access to Information Act. None of us can see any of the documentation or any of the information that internally travels within this crown corporation. The reason why that is important is that in my view there are not enough provisions in the legislation for the kind of transparency we must have in order to ensure that Atomic Energy of Canada Limited and the other corporations affected by this act will indeed proceed with nuclear waste disposal and treatment in a manner that is consistent with environmental protection and using the best scientific instruments possible and the best scientific knowledge possible.

Something as important as the deep burial of nuclear waste is something that needs to be tracked effectively by the public at large, by parliament, not just by, shall we say, relatively incomplete reports to the minister. Let me explain in detail.

**Mr. Bill Blaikie:** Mr. Speaker, I rise on a point of order. Unfortunately the member has not succeeded in holding the attention of his colleagues. Again we do not have quorum.

*And the count having been taken:*

**The Deputy Speaker:** Resuming debate, the hon. member for Ancaster—Dundas—Flamborough.

**Mr. Bill Blaikie:** Mr. Speaker, I rise on a point of order. Do the Liberals just have to appear behind the curtain standing in the aisles or do they actually have to take their seats? They are ready to leave again after quorum is reached.

**An hon. member:** How many NDP members do you have?

**Mr. Bill Blaikie:** Match our percentage.

**The Deputy Speaker:** Far be it from the Chair to engage in a debate with the hon. member for Winnipeg—Transcona who is so well experienced, but as to the specifics of the location within the Chamber of any individual member, provided he or she is within the view of the Speaker he or she will be counted.

• (1340)

**Mr. John Bryden:** Mr. Speaker, the opposition is fond of claiming that backbench government MPs are afraid to criticize government bills that are before the House. We have just had an example of an opposition member making it very difficult for a backbench MP on the government side to express his criticism of legislation. What I have to say is important. It is important to this piece of legislation and it is important to the entire House. I hope that I can continue without these continual interruptions because I do not use printed text and I do not use notes and it is very difficult with interruptions to maintain one's line of thought.

That line of thought deals with the fact that what we are talking about here is legislation that basically requires nuclear production authorities to set up regimes whereby nuclear waste will be properly disposed of, and moreover, that financial instruments will be in place to ensure that this is done in a responsible fashion. What is missing is that there is not the level of transparency on the part of AECL and the other corporations that are affected by this document that we as parliamentarians and all Canadians must have. I will give the House an example.

What this legislation proposes is that these authorities, AECL or whomever, are required, after this legislation passes, to submit proposals, studies first and foremost that deal with the disposal of nuclear waste or that may involve collection on site or the deposit of the nuclear waste in deep geologic formations. Once those studies are prepared and they are required to consider the risks and primarily the socioeconomic impacts, this legislation, just for starters, does not specify the kinds of risks that these authorities are supposed to be assessing. We do not know whether it is long term environmental risk they have to report on. There is no parameter explaining what AECL or any of these authorities have to describe. The study is produced and then submitted to the minister. The minister decides whether or not the study is adequate.

There is no legislative requirement for the minister to release that study. Because AECL is outside the Access to Information Act there is no requirement for AECL to release the study. So we have a situation where the minister will make a crucial decision and we have no right in legislation to see the basis on which he makes that decision. Once the minister has given approval to whatever process is proposed to him, not until three years later does the organization that is depositing the nuclear waste in a geologic formation or wherever, not until three years later does the corporation, be it AECL or whomever, have to do a report to the minister on the progress with respect to the deposition of nuclear waste under whatever plan is going forward. Even that report is inadequate because the report says that the corporation is required to give the minister a summary of its activities respecting nuclear waste and its social, cultural and economic impacts on the nearby communities where the waste is deposited.

Mr. Speaker, the requirement says nothing about an environmental assessment, nothing about scientific impact. There is no requirement in that report after three years to the minister to tell the minister what the environmental or scientific consequences are of whatever choice of nuclear waste disposal we are talking about.

The public has access to that report but it is not going to be an adequate document to tell us whether or not in the decision to bury nuclear waste underneath Sudbury or wherever else in the world that nuclear waste is leaching into the environment. It does not make a requirement that tests have to be taken.

• (1345)

In my view it is totally inadequate to give this kind of authority to Atomic Energy of Canada Limited, any crown corporation or any corporation whatsoever that is engaged in an activity that has a profound effect on public safety and on the environment, without a reasonable level of legislated scrutiny.

At the very least I think that whenever this government does come around to reviewing the Access to Information Act, there is no more eloquent an example of why crown corporations like AECL ought to be under the Access to Information Act. However, that does not deal with the other corporations affected by this act, so I really think that the committee, when it comes to review this legislation, needs to put in proper instruments of transparency and accountability.

*Government Orders*

[Translation]

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, I am pleased to address Bill C-27, an act respecting the long-term management of nuclear fuel waste.

As members know, I am very interested in the whole nuclear energy issue. Last year, Quebecers, and particularly people in the Saguenay region, realized that when the federal government had the ill-conceived idea of importing, by air, a radioactive product, namely MOX plutonium, over their heads.

Today's debate deals with an extremely important issue. Since Canadian nuclear power plants first came into operation, the federal government has never bothered to develop a long term management plan for its nuclear waste. To this day, hundreds of thousands of tons of uranium and plutonium are stored close to nuclear power plants, thus posing an explosive risk to the environment and to public health.

In light of this situation, in 1989, the Minister of the Environment asked an independent panel, chaired by Blair Seaborn, to examine the long term management of our nuclear waste.

The panel released its report nine years later, in February 1998. In a speech delivered on May 15, the Minister of Natural Resources mentioned that he would follow up on the recommendations of the commission to the effect that, to be considered acceptable, a concept for managing nuclear fuel wastes must have broad public support. It must, among other things, enjoy broad public support and it must be advanced by a stable and trustworthy proponent and overseen by a trustworthy regulator.

I must make a short digression here. Again, any management concept must enjoy broad public support. Hon. members will remember that, less than a year ago, I fought along with other groups against the import of MOX fuel. In spite of the short time frame given to the public to express its views and in spite of the fact that this was really a bogus consultation, hundreds of people took time to make comments and suggestions to the government, and particularly to the Minister of Natural Resources, and to say that they did not want other countries' radioactive waste.

I have in hand Transport Canada's report following these so-called public consultations. It is a 700 or so page document where virtually all of the stakeholders said no to this plan to import. The report also contains resolutions from close to 200 municipalities, including the Montreal urban community, the Quebec urban community and other regional municipalities that are also against importing plutonium into Canada.

Furthermore, a unanimous report from the Standing Committee on Foreign Affairs and International Trade mentions, and I quote:

The Committee recommends that the Government reject the idea of burning MOX fuel in Canada because this option is totally unfeasible.

Did the government take these comments into consideration? No. It proceeded against the whole world to import 680 grams of Russian military plutonium.

What is happening with Bill C-27? Is the minister going to take public opinion into consideration? The Minister of Natural Resources waxed eloquently during his speech about how Bill C-

27 had not been created in a vacuum, but took into account comments made by the public. I find that strange, because I do not recall reading in the papers any announcements regarding any "Consultation regarding establishing a long-term nuclear fuel waste management plan" with the lovely Canada logo above it.

If the minister thinks that asking the advice of a handful of specialists working in the field of nuclear energy constitutes a transparent process, he should think again.

The Seaborn panel's second recommendation asks that all nuclear fuel waste management proposals be advanced by a stable and trustworthy proponent and overseen by a trustworthy regulator.

• (1350)

Yet in his speech the Minister of Natural Resources said that, under this bill, the major decisions will be made by the governor in council.

As far as the methods of management are concerned, the bill as it reads states only that the minister "may" consult the general public. Everyone will agree with me that there is nothing transparent about this bill, since all decisions will be taken by the Minister of Natural Resources. Once again, all comments by the public will be shunted aside and public opinion will be ignored. But the question of nuclear energy is too important to be ignored.

I will also point out that the way our nuclear waste is to be disposed of is not yet defined. Here is a quick quiz question: who will define the selected method? The public? Of course not. What the bill indicates instead is that the final choice of method will be made by the Canadian government.

There is no nuclear tradition in Quebec. Of course, we have the Gentilly 2 generating station, but its output is insignificant compared to the hydroelectric output of LG-2 and Manic 5. Unlike Ontarians, the people of Quebec are not receptive to nuclear industry. The concept of long-term nuclear waste management, therefore, must not be implemented at the expense of Quebec.

The Seaborn panel recommended that nuclear fuel waste be stored permanently in a geological formation similar to the Canadian shield. From a geographic standpoint, this geological area represents about 90% of the area of Quebec.

Are we to conclude that all Canadian radioactive waste will be stored in Quebec in the Canadian shield? With C-27, it appears that that could be the case, since the final decision rests with cabinet and the Minister of Natural Resources.

How could such an approach be acceptable to Quebecers? After the fight waged by the people of Abitibi and Témiscamingue against the disposal of waste in an abandoned mine in northern Ontario, does the government think it will be able to bury radioactive waste in old mines in Val-d'Or or Amos without anyone having any say? I doubt it very much. Rest assured, because Quebecers are not the only ones who do not want this matter buried on their land.

Clearly, we cannot oppose the long term management of nuclear waste, but does this issue have to run afoul of Canadians and Quebecers? The minister has to realize that fear of things nuclear is strongly entrenched in people, and we cannot blame them, especially when we consider Canada's nuclear infrastructures.

In his speech, the minister refers to the "unequalled security record of Canadian nuclear facilities". I beg to differ.

On August 17, the French network of the CBC reported that the Canadian Nuclear Safety Commission had concerns about the quality of maintenance of the main reactor at the Chalk River nuclear facility near Ottawa. It feared that the numerous departures of experts and engineers in recent years might jeopardize the safety of its activities.

According to Paul Lafrenière, director of the Chalk River nuclear facilities, since 1957 its technicians have been trained on the job, believe it or not! I find this most disconcerting. As well, this is where building 220 is located, and military plutonium was stored there between 1950 and 1957.

I would like to revisit the question of importing the plutonium from dismantled ballistic missiles.

As the bill stands, there is no indication that the disposal of nuclear waste will involve just Canadian waste. The door is therefore opened to imports of MOX from the U.S. or Russia.

Let us recall the Prime Minister's promise made in April 1996 at the Moscow summit, that Canada would import close to 100 tonnes of this over the next 20 to 25 years. In January 2000, 120 grams of MOX arrived by helicopter from the United States, and another 680 grams from Russia.

•(1355)

At the time, the Minister of Natural Resources said that Canada would not import additional MOX until it had developed a concept for the long term management of nuclear waste.

Now, the last building block is in place. With this bill, the legislative framework will be complete. Once this concept is accepted, all by recommendation of the governor in council, 100 tonnes of plutonium will be transported by airplane, helicopter, boat or truck across our country to be burned in the CANDU reactors.

Setting aside the events of September 11, why is the Canadian government offering up on a silver platter to the Americans an easy way to dispose of their plutonium? All members know that the Americans are large producers of nuclear energy. Recently, we learned that the United States had extended the authorized operating life of their nuclear generating stations by 60 years.

More than ever, it is clear that the federal government is trying to prolong the life of its nuclear reactors. With this concept of waste management, it will be able to continue along this road. But what benefit does it hope to achieve?

Historically, the federal government has invested over \$5 billion dollars in nuclear energy and has been putting about \$150 million annually into this form of energy since 1994. Everywhere in the world, even among the nations which are the greatest users of nuclear energy, questions are being asked about this kind of energy

*S. O. 31*

and there are plans to gradually dismantle the stations. In this regard, we need only mention the case of France and of Germany.

In November 1999, during the meeting of parties to the convention on climate change in Bonn, Germany, Canada put forward a plan which would give emission credits to countries exporting nuclear reactors, thus allowing Canada to meet its objectives indirectly, without reducing its own emissions.

Despite growing opposition from the public, Canada is continuing down the nuclear path instead of promoting renewable energy and adopting strong policies for the reduction of greenhouse gas emissions.

We know that Canada is way behind when it comes to the reduction of greenhouse gas emissions. To remedy this, Canada is pushing nuclear energy, which does not give off greenhouse gases. This is a position which can even be found on the home page of Atomic Energy of Canada Limited's website. In fact—

**The Deputy Speaker:** I know the hon. member would like to continue her speech, but I must interrupt her because of the time. She will have seven and a half minutes to complete her remarks after oral question period.

\* \* \*

[*English*]

## WAYS AND MEANS

### NOTICE OF MOTION

**Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, pursuant to Standing Order 83(1) I wish to table a notice of a ways and means motion to amend the Customs Tariff and Excise Tax Act and related laws relating to ship stores. I ask that an order of the day be designated for consideration of the motion.

---

## STATEMENTS BY MEMBERS

[*English*]

### MARK CONLIFFE

**Mr. Joe Comuzzi (Thunder Bay—Superior North, Lib.):** Mr. Speaker, the events of the last few weeks have brought out many unsung outstanding citizens across the country. I want to refer to one such outstanding person in the community of Thunder Bay, Reverend Mark Conliffe, who is retiring after almost 50 years of serving communities throughout northwest Ontario as a minister of the Anglican faith. He is retiring not only as rector of St. Michael's and All Angels Anglican Church but also as archdeacon of Thunder Bay, a position he has held since 1987.

Reverend Conliffe has served in many capacities such as chaplain for the armed forces and many other worthy organizations. His untiring efforts on behalf of all citizens of northwestern Ontario regardless of faith will always be remembered. I am sure everyone in the House will join in offering Mark and Ena best wishes for a very happy retirement.

*S. O. 31*

•(1400)

### AGRICULTURE

**Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance):** Mr. Speaker, tonight the House of Commons will debate the serious implications for the agriculture industry of this year's national drought. The events of September 11 have overshadowed debate in the House. However there are other serious matters that must be addressed by parliament.

It is appropriate that the impact of the drought is one of the first of these issues brought to the floor of the House by the Canadian Alliance. It is clear to all rural MPs across the country that their constituents are facing increasingly difficult financial times. These difficulties are being made worse by severe drought conditions.

I call on all members of parliament to join with the Canadian Alliance in forcing the government to consider the needs of producers in rural communities. The Canadian Alliance promised that agriculture would be one of the first issues we pushed on to the agenda of the House of Commons. We are keeping our promise. We are effectively challenging the cabinet's indifference to rural Canada.

\* \* \*

### BREAST CANCER AWARENESS MONTH

**Mr. Lynn Myers (Waterloo—Wellington, Lib.):** Mr. Speaker, an estimated 19,500 Canadian women this year will be diagnosed with breast cancer and 5,500 women will die from it. This Sunday, September 30, over 100,000 Canadians in 32 cities from coast to coast including people in my riding of Waterloo—Wellington will participate in the largest fundraising event for breast cancer in Canada.

The Canadian Breast Cancer Foundation's CIBC Run for the Cure raises funds to support the advancement of breast cancer research, education, diagnosis and treatment.

Two entrepreneurs in my riding will be contributing financially to support this year's fundraiser. Beginning October 1, Don and Jeff Selby, owners of Noah Martin's Country Store in Elmira, Ontario, will donate 10% of their profits from product sales for the entire month.

Erb Transport of New Hamburg will be contributing to the fundraising campaign and lettering its trucks to help spread the word.

The run kicks off Breast Cancer Awareness Month in October. To participate or make a donation, people can visit [www.cbcf.org](http://www.cbcf.org) and help make the foundation's 10th anniversary run the most successful to date.

\* \* \*

### ARTHRITIS MONTH

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, September is Arthritis Month, the time when we give special thought to those who suffer from arthritis and those who help them.

My grandmother had rheumatoid arthritis most of her life. She became unable to walk soon after I was born so I only remember her in bed or in a chair. I never knew how tall she was. As a teenager I was one of those who lifted her from bed to chair.

Today, thanks to the Arthritis Society and its volunteers in branches across the country like the one in Peterborough and thanks to the fine work of health workers, the impact of arthritis can be greatly reduced and life with arthritis can be made more bearable and productive. Progress is also being made in preventing and controlling it. I call on all members to think and pray for everyone with arthritis and all those who help them.

\* \* \*

### PHYLLIS RAWLINSON PARK

**Mr. Bryon Wilfert (Oak Ridges, Lib.):** Mr. Speaker, I rise today to announce the official opening of Phyllis Rawlinson Park in my riding of Oak Ridges. Phyllis Rawlinson, an artist, naval officer, polo player, farmer, horsewoman, an all-round dynamic individual, passed away in 1995. She bequeathed the 90 acre property to the town of Richmond Hill on the understanding that it would be used as a park or for other public recreational purposes.

On Saturday, September 22, residents gathered to celebrate the wilderness at the official opening of exciting activities for those of all ages. The day's events promoted the preservation of vital land around the Rouge River, the wealth of wildlife and vegetation, as well as the abundance of natural resources and the rich history of Richmond Hill.

This is yet another way the town of Richmond Hill and environmental protection organizations are working to educate residents as well as maintain and beautify the natural environment for all of us to enjoy.

\* \* \*

### ROYAL CANADIAN AIR FORCES

**Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance):** Mr. Speaker, the eyes for the allies in World War II were radar installations whether ship borne, land based or aboard aircraft. Royal Canadian Air Force CW techs and radar ops served on the frontlines for freedom around the globe.

Radar, the great warfare equalizer, gave our allies the precious commodity of time and advance warning of impending attack. Royal Canadian Air Force radar technicians and operators were pioneers in the rapidly evolving technology of electronic long range air surveillance. Many thousands of allied lives were spared by their selfless and vital service.

The Royal Canadian Air Force motto speaks well of that service: *per ardua ad astra*, through adversity to the stars.

I congratulate the radar veterans of the Royal Canadian Air Force on the 60th anniversary of their valuable contributions to world peace.



•(1405)

### STEEL INDUSTRY

**Mr. Tony Valeri (Stoney Creek, Lib.):** Mr. Speaker, I rise today on the subject of the Canadian steel sector. Last Wednesday I had the privilege to address the International Trade Commission in Washington which began a section 201 global safeguard investigation on steel. As chair of the parliamentary steel caucus my testimony illustrated the challenges the sector faces in both Canada and the United States.

My message was clear. We have an integrated North American steel sector and Canada should not be included in any trade remedy. I publicly thank my U.S. counterpart who joins us in Ottawa today, Congressman Phil English, chair of the congressional steel caucus, for his support on the issue.

Canada also found support with the United Steelworkers of America and the American Iron and Steel Institute. The FTA and NAFTA have accomplished their goal of creating an integrated steel market. Canada-U.S. steel trade reflects the dynamic and overall balance of this integrated market. It is in our mutual interest and to our mutual benefit that it not be impaired.

\* \* \*

[Translation]

### VIOLENCE

**Ms. Caroline St-Hilaire (Longueuil, BQ):** Mr. Speaker, this morning again, another murderous and foolish act was committed. There were 14 victims, including three parliamentarians, in the shooting that took place in the parliament of the Swiss canton of Zug, in central Switzerland.

My first thought was that institutions are not immune to this extreme violence. But in the end, regardless of who the victims are, regardless of how human misery is expressed, we are deeply distressed because every loss of human life is a tragedy.

Even though this event is not related to the attacks on the United States, the fear and suspicion are still very much on our minds. We must not give in to this terror, but as parliamentarians we have a collective responsibility to find solutions to this violence, which is aimed at the very symbol of democracy.

The Bloc Québécois offers its most sincere condolences to all those who are affected by this tragedy.

\* \* \*

[English]

### STEEL INDUSTRY

**Mr. Carmen Provenzano (Sault Ste. Marie, Lib.):** Mr. Speaker, many Canadian and United States legislators understand that North American steel producers operate in an integrated marketplace. They appreciate the high value of the two way steel trade between our two countries.

That is why Canadian and U.S. legislators have pledged to work closely together to find long term solutions to the crisis created by world overcapacity and the market distorting practices of offshore steel producers which have devastated our steel industries.

S. O. 31

I specifically acknowledge the co-operation and efforts of Congressman Phil English, chair of the United States congressional steel caucus, who was in Ottawa today for meetings with our parliamentary steel caucus.

As member of parliament for Sault Ste. Marie, the home of Algoma Steel, my city and I are particularly grateful for Mr. English's submissions to the United States International Trade Commission urging Canada's exemption from any trade remedies that may be imposed as a result of the current global steel investigation.

\* \* \*

### NATIONAL DEFENCE

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance):** Mr. Speaker, the government says it is capable of helping the United States militarily in the war against terrorism. That is fiction. Yesterday's United Nations report and today's Conference of Defence Associations report prove we cannot meet our international obligations. That is fact.

Canada lags behind Belgium, the Netherlands and even tiny Bulgaria with only eight million people. Our military has shrunk from 80,000 to 50,000 troops, which shows that we can only send a maximum of 14,000 into combat. That is not enough to sustain a brigade for even six months.

Half our CF-18 planes cannot get off the ground because their electronics are obsolete. They cannot integrate with American pilots. We do not have enough soldiers to meet our domestic needs let alone our international obligations.

The reason for this is that our military has been gutted and used as a political punching bag by the government, which has compromised the security of all Canadians.

\* \* \*

### TERRORISM

**Mr. Paul Bonwick (Simcoe—Grey, Lib.):** Mr. Speaker, the Prime Minister and other world leaders have spoken in the strongest possible terms against those who have inflicted acts of terrorism. They have clearly stated the need for an international response and encouraged countries around the world to assist in the fight against terrorism.

One country that has risen to the challenge is Pakistan. President Musharraf has pledged his full support in the fight against terrorism. While it is difficult to thank Pakistan for taking such a bold and courageous stance in the face of difficult social and economic times, we must try. Friendship is a two way street.

President Musharraf has delivered on their friendship and now we must deliver on ours. I call on the government to work with other G-8 countries to provide the necessary support Pakistan requires in its hour of need.

Canada would like to join President Musharraf and the Pakistani people in celebrating their day of solidarity and thank them for their courageous stance against terrorism.

*S. O. 31*

●(1410)

**EMERGENCY WORKERS**

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, on September 11 in New York City we were all too painfully and tragically reminded of the deadly risks emergency workers like firefighters and police take every day on behalf of public safety and the lives of individuals who are threatened by various forms of danger.

At this time I would call the attention of the House to the sad fact that on Sunday, September 30, at the 24th annual Canadian memorial service for police and peace officers killed in the performance of duty, the names of nine Canadians will be added to the more than 600 already on the honour roll adjacent to the memorial pavilion on Parliament Hill.

As NDP justice critic I salute the courage and sacrifice of those who have died protecting their fellow citizens. We give thanks for men and women of such character and dedication, and we reassure their families that their fallen loved ones will not be forgotten.

\* \* \*

[*Translation*]**STEEL INDUSTRY**

**Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ):** Mr. Speaker, today, Canadian and American steel producers are faced with a new challenge. Increased dumping of foreign products on our markets is causing considerable harm to the steel industry in both countries.

The U.S. International Trade Commission is currently investigating, under title 201 of the 1974 Trade Act, allegations of dumping of foreign steel on the U.S. market.

Last week, the chair of our parliamentary caucus on steel travelled to Washington as part of this investigation. He was able to enlist the support of the Hon. Phil English, chair of the U.S. caucus on steel, who also pleaded against implementing any countervailing measure on Canada. Mr. English indicated that, on a priority basis, the unfair trade activities of certain countries should be targeted and the integrated character of the North American steel market protected by excluding Canada from the scope of the ongoing investigation.

In order to further extend the integration of this market and to promote a better mutual understanding of our respective and common problems, Mr. English is in Ottawa today. We are pleased about this and we wish him an excellent stay in the federal capital.

\* \* \*

**CHRYSOTILE ASBESTOS**

**Mr. Gérard Binet (Frontenac—Mégantic, Lib.):** Mr. Speaker, this year marks the 125th anniversary of the discovery of chrysotile asbestos.

Today a four-day cycling challenge will end here on Parliament Hill. Mine workers, all of them over the age of 50 and with at least 25 years of service in our chrysotile mines in Thetford Mines and Asbestos, have ridden more than 500 kilometres to get here.

The objective of this challenge is to contribute to raising awareness of the safe use of chrysotile asbestos.

All along the way, therefore, a team was distributing relevant information about this natural fibre and its exceptional properties, in order to foster positive attitudes toward chrysotile asbestos, first of all in the areas where it is produced, and then in Quebec and in Canada.

The safe and responsible use of chrysotile by Canada is absolutely necessary if jobs are to be maintained in these mines and if the manufacturing industry is to be developed.

\* \* \*

[*English*]**PROJECT L.O.V.E.S.**

**Mr. Gerald Keddy (South Shore, PC/DR):** Mr. Speaker, Project L.O.V.E.S., Let Our Voices Encourage Someone, is an initiative of a constituent in my riding of South Shore. In the wake of the tragedy of September 11, Bonnie Shand of Clark's Harbour, Nova Scotia, decided she wanted to help make a difference and show the people of the United States that their neighbour to the north would be there in support.

Project L.O.V.E.S. consists of lapel pins of red, white and blue ribbons held together with Canadian flag pins. Ms. Shand asks that people wear the pins in memory of those who lost their lives and in support of those left behind. All donations from the pins will go to help New York City.

The South Shore has always had close ties to the New England states, particularly Boston and New York. We have been cementing the relationship for years through travel and trade in products such as fish and Christmas trees.

Each member of parliament has been provided with one of the pins. Displaying the pin will represent one more way in which the people of Canada reach out to the victims of September 11.

\* \* \*

**UKRAINIAN CANADIANS**

**Ms. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, on Saturday, September 22, I had the honour of attending and celebrating the fifth anniversary of the Bloor West Village Ukrainian Festival in commemoration of the 10th anniversary of Ukraine's independence.

The anniversary gives us an opportunity to reflect upon the many and varied contributions made by Ukrainian Canadians. I truly appreciate how Ukrainian Canadians have enriched the cultural diversity of our society and their dedication to fostering greater understanding of the uniqueness of the Ukrainian community, thereby encouraging our society to prosper.

From its modest beginnings five years ago the festival has become the largest Ukrainian street festival in North America with some 15,000 people attending. I congratulate the organizing committee and the countless volunteers who worked so hard to make the event so successful.

•(1415)

### TERRORISM

**Mr. Brian Fitzpatrick (Prince Albert, Canadian Alliance):** Mr. Speaker, what is the government's moderate and balanced approach to the threat of terrorism? We are 17 days into the crisis and the government will not say what it is doing to protect Canada. The defence minister will not say what military resources will be available, probably because he knows we have none available. The solicitor general will not say if any assets have been frozen and he will not say why not.

President Bush's statement about bringing the terrorists to justice is in sharp contrast to the behaviour of the Prime Minister. The Prime Minister chose not to visit New York because a Liberal Party fundraiser was more important where he continued to talk about the Canadian way of doing things, which must be the Prime Minister's description of doing nothing. The hour demands leadership but the government is not responding to the call.

---

## ORAL QUESTION PERIOD

[English]

### TERRORISM

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, I would first like to acknowledge the Prime Minister's invitation to opposition members to accompany him on a visit to New York City on Saturday. We appreciate that.

The RCMP has now confirmed that Nabil Al-Marabh, who was recently arrested by the FBI in Chicago, is the same man who was actually released on bail by Immigration Canada in July.

Last night the RCMP raided four Toronto locations, including Al-Marabh's former apartment. It was looking for evidence that may be related to the September 11 attacks in the United States. Now there are further news reports just today that a bin Laden associate in London says that there are, as he calls them, sleeper agents in Canada.

Two weeks ago the Prime Minister was quick to say there was no Canadian connection to the attacks. Will the Prime Minister now admit that there may well be some Canadian connection?

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, the web of terrorism reaches into every country around the globe. It is a global problem.

What I would like to do now is pay tribute to the men and women who work for CSIS and the RCMP, who work day and night with their American counterparts to make sure that the people who are responsible for those events in New York and Washington are brought to justice.

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, we consistently acknowledge the personnel in our security agencies. We think the government should too with the resources and the policies to act.

A few days ago the attorney general warned that the Canadian border was porous as he said, and that Canada had become, as he

### Oral Questions

said, a transit point for several individuals involved with terrorism. Yesterday Senator Hillary Clinton said that the United States needs to ask "our friends in the north to crack down on some of the false documents and the illegals getting in".

When will the Prime Minister move to quickly defend our people and our trade relations with the United States and send out the message that Canada is not a haven for bogus applicants and bogus refugee status?

**Hon. John Manley (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I rise on this because in my meeting with Secretary of State Powell on Friday and many other exchanges at a ministerial level and an official level between our governments over the last two weeks, we have repeatedly asked the question whether there was any evidence that any of those suspected in the events of September 11 entered the United States through Canada or had substantial connections with Canada. They have repeatedly assured us that they have no such information. If the Alliance party has different information, it should make it public.

I also want to make very clear that what we have endeavoured to do in all of our communications is to ensure that we satisfy both them and our own population of the security of—

**The Speaker:** The hon. Leader of the Opposition.

**Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, I will leave it to the minister to question the U.S. attorney general and U.S. senator to see if their comments are accurate or not.

[Translation]

Ahmed Ressam and Nabil Al-Marabh both made unsuccessful refugee claims. They were not deported, however, and they created false identities for themselves. The Americans were the ones to finally apprehend them as they tried to enter the U.S. illegally.

How can the government explain that it did nothing for the year and a half between Ressam's arrest and the tragedy that has taken place in the United States?

•(1420)

[English]

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, my hon. colleague is well aware that CSIS and the RCMP work with all the other agencies around the world. The fact of the matter is Ressam was picked up at the border and the co-operation of our security intelligence agencies, as the U.S. indicated, was a great help in the prosecution. The man was arrested and is now in jail in the United States where he should be.

**Mr. Kevin Sorenson (Crowfoot, Canadian Alliance):** Mr. Speaker, Nabil Al-Marabh had a Michigan driver's licence to transport hazardous material. How did he get that licence? He got it by using his Canadian driver's licence for identification.

CSIS and the RCMP are now investigating crop dusting companies which were approached by suspicious individuals asking detailed questions about crop dusting aircraft. Hazardous material trucks and crop dusters are able to deliver chemical or biological weapons.

*Oral Questions*

Will the solicitor general confirm, were chemical or biological attacks either planned against Canada or from Canada?

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, would my hon. colleague expect me to announce that information to the world?

We have a security intelligence agency and the RCMP which work in this country and they do follow leads. What they do not do is publish what evidence they have found. That is not for the public. What we must do is make sure that we support our security intelligence agencies.

**Mr. Kevin Sorenson (Crowfoot, Canadian Alliance):** Mr. Speaker, it is not compromising our security to warn Canadians about possible terrorist attacks. Despite the ongoing investigation, the United States government has continued to warn its citizens when there are possible terrorism threats. For example, it warned them against crop dusters. It warned them against the potential attack in Boston.

Does the minister not know that it is the duty of the government and the solicitor general to warn Canadians of specific or potential terrorist attacks?

**Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.):** Mr. Speaker, what Canadians need is reasoned and effective action. In fact, that is what they are getting from this government and they will continue to get that from this government.

We have the security intelligence agency. We have the RCMP. We do provide security. We are one of the safest countries in the world and we will continue to be.

\* \* \*

[*Translation*]

**THE ECONOMY**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, yesterday, the Minister of Finance said that large federal investments would be ineffective against the economic slowdown, which has been worsening since the September 11 attacks. When the Prime Minister tells us that we must act with patience and wisdom, this does not mean inaction and a laissez-faire approach.

Given the thousands of job losses, particularly in Quebec, how can the Minister of Finance, with his \$10 billion surplus, continue to be so insensitive and refuse to step in to help the economy?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the leader of the Bloc Québécois should know that only this year we put over \$17 billion into the economy in the form of tax breaks.

This is a lot more help than anything the American government has given. At the same time, we have announced massive spending for health, education and provincial transfers. Again, this is a boost to the economy. So far, this is what has helped Canada weather the storm.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, what the Minister of Finance has told us is nonsense. He is surely not going to tell me that he saw this coming when he brought down his mini budget last year, and, if he did, he could have said so. His logic does not hold.

It takes a plan. It takes action, now and without delay. What is he going to say to workers who are losing their jobs at GM, Pratt & Whitney, Air Transat, Air Canada and Bombardier? What is he going to say to them? That he was thinking last year about things that he did not know in advance? It is going to take more than that. Is he going to do anything?

• (1425)

**Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.):** Mr. Speaker, there is no doubt that Quebec is having a rough time economically right now. In some sectors, obviously, people think that the transportation industry is the cause and that this is therefore essentially a temporary situation. In other sectors, such as in the case of GM, in Boisbriand, comes to mind, the Canadian government has been present and will continue to be present. We were the first to back the support committee.

I spoke with my provincial counterpart yesterday. I also spoke with another minister from Quebec this morning, and I have spoken with representatives of the support committee. A meeting is scheduled for next week. A strategy is already in the works, but we are certainly not going to sit idly by. We will ensure that we can try to hold on to the assembly division and go after part of the new—

**The Speaker:** The hon. member for Saint-Hyacinthe—Bagot.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, the Minister of Finance's approach is paradoxical. He did not hesitate to bring in a mini budget last fall, knowing that the elections were coming soon, but now when thousands are being affected by layoffs, he does nothing.

Is the minister going to acknowledge that the situation currently being experienced by thousands of unemployed persons requires him to produce an emergency plan to deal with the present crisis with as much haste as he demonstrated prior to the election call?

**Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.):** Mr. Speaker, as I have said on a number of occasions, it is obvious that in certain sectors the situation is a difficult one. I do, however, believe that there are enormous possibilities for the future, and that the future is bright for Quebec and for Canada.

One need only look at what this government has done since 1993, such as putting public finances in order and creating good and appropriate programs.

I was recently in the United States in connection with certain particular sectors and they acknowledge that we now have a modern society that is focussed on the new economy and that we have a quality workforce.

Working with those workers, with industry, with the other levels of government, we are going to be in a good position with the new sectors of the future and we will navigate through this temporary storm.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, he should try those technocratic explanations on for size with the thousands who lost their jobs yesterday.

*Oral Questions*

Do I need to remind the Minister of Finance that, in the first four months of this year along, \$10 billion in surplus has built up?

**An hon. member:** He is hiding.

**Mr. Yvan Loubier:** I wonder if he can show some originality for once, some leadership and some intelligence, and speed up some programs, for instance getting the infrastructure program into gear, improving the EI program and taking some other original steps, if he has any originality in him, to deal with the crisis and to help out the thousands of families faced with the massive layoffs announced in the past few days.

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, once again, in connection with the employment insurance program, the government has made some fundamental changes which will help the workers of Quebec.

As for the infrastructure program, let the hon. member tell the PQ that it will have to do business with us, as we are going to implement the infrastructure program.

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

**Hon. Paul Martin:** It is not working because of the Bloc and the PQ. But we are going to do it.

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

**The Speaker:** Order, please. The Chair must be able to hear all questions and answers. I would call for a little order, please.

\* \* \*

[*English*]

**EXPORT DEVELOPMENT CORPORATION**

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, the government will be aware of allegations about a Canadian company's involvement in sordid and shocking atrocities in Tanzania. The allegations are deadly serious: miners driven from their homes, miners buried alive. Through the Export Development Corporation the Canadian government provided risk insurance to this Canadian company.

Will the government today call an independent investigation into these horrifying allegations?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, the Tanzanian police, the World Bank and Amnesty International, all three have solely investigated these allegations in the past. They have found no substantiation.

As a matter of fact, recently the World Bank announced that it will be sending an investigative team to Tanzania to look into any new developments. The Government of Canada continues to monitor the situation closely and will assess the information gathered by the World Bank investigation.

• (1430)

**Ms. Alexa McDonough (Halifax, NDP):** Mr. Speaker, Canadians want to know about the Canadian government's role in this. As early as 1996 these human rights abuses and atrocities in Tanzania were known. It is not credible that the EDC did not know about these three years later when it decided to provide support to the company.

Will the government assure the House that it will get to the bottom of the story and specifically determine the Export Development Corporation's involvement?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, here again there has been an investigation by the World Bank and Amnesty International. They have looked into it and they have found no substantiation to it. When EDC got involved, it alongside with the World Bank only granted some political risk insurance in this particular case. I think it is very important to look into the facts on this one.

\* \* \*

**TERRORISM**

**Right Hon. Joe Clark (Calgary Centre, PC/DR):** Mr. Speaker, my questions are for the acting Prime Minister or the Minister of Finance if they happen not to be the same person. They follow from statements on terrorist funding made by the Prime Minister and the Minister of Finance.

Are there terrorists or terrorist activities in Canada related directly or indirectly to Osama bin Laden? Do any persons or groups related to Osama bin Laden have assets here? Have those assets been frozen?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the list of 27 that was presented by President Bush has been transmitted to the banks. If any such assets exist, they have been frozen. As to the other questions, the member will have to ask either the RCMP or the banks themselves.

**Right Hon. Joe Clark (Calgary Centre, PC/DR):** Mr. Speaker, I am a parliamentarian. I ask questions in the House of Commons and the House of Commons has a right to some responses from the government on issues that touch the public interest.

The authority to freeze assets owned or controlled by bin Laden or his associates is set out in the UN-Afghanistan resolutions. Those resolutions were gazetted in Canada on March 14. That gave Canada authority to act six months before the attacks.

What concrete actions did the Prime Minister take to ensure that those assets had been frozen and when did he take that action?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, I have already answered that question. The action was taken immediately forthwith upon the president presenting the list and us receiving that particular information.

As far as the quality of the answer, the fact is that I am not in a position to stand here and give detailed information on bank accounts. That is a matter between the RCMP and the banks.

**Mr. Vic Toews (Provencher, Canadian Alliance):** Mr. Speaker, the Minister of Finance said they waited until the tragedy. Although the United Nations has required action against bin Laden's assets for almost a year, Canada has failed to take any steps to seize his assets. The reason is clear. A finance department official has advised that Canada lacks the appropriate legislation to seize the assets.

Why did the government fail to enact legislation over this past seven months authorizing the seizure of these assets?

*Oral Questions*

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the legislation provides for the freezing of those assets and that has been done.

**Mr. Vic Toews (Provencher, Canadian Alliance):** Mr. Speaker, there is nothing about seizing it. Finance department officials are now admitting that they have no record of any of bin Laden's accounts being identified.

Not only has the government failed to enact the appropriate legislation, it has no reporting system in place. How can our allies rely on Canada when the government does not even have simple reporting procedures in place?

**Hon. Anne McLellan (Minister of Justice, Lib.):** Mr. Speaker, I want to refer to the hon. member's allegation that there are no laws in place that would permit seizure of assets. I refer the hon. member to subsection 3(2) of the United Nations Act which provides for civil forfeiture action against assets that are covered by the regulations, bin Laden's and his associates' assets.

\* \* \*

•(1435)

[Translation]

**THE ECONOMY**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, since the beginning of the crisis, the Prime Minister has acted without resorting to partisanship, rising to the debate, which clearly the Minister of Finance seems incapable of doing. When it gets to the point where the Bloc Québécois and the PQ are held responsible for the crisis, we know there is a problem.

I ask the minister to be serious, to show that he is worthy of the job and to tell us that a year ago it was impossible to foresee the current situation. He himself did not anticipate this in his forecast. The situation has changed.

Is it not time to act, to tell the public this is what we have to do now?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, if the member had read the Governor of the Bank of Canada's statement, if he had read the statements by Mr. Greenspan and by all those who are truly responsible for monetary policy, he would have seen that Canada's philosophy or policy of keeping interest rates down is critical.

It is the best thing we can do to help the economy, which depends entirely upon the financial integrity of the country. For this reason, we will continue following our plan, because that is what has given us the financial integrity that we need.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the Minister of Finance's smugness is not appropriate to the debate.

Yes, we read the statements; yes, we read the analyses.

**Mr. Yvan Loubier:** And we understand them.

**Mr. Gilles Duceppe:** But he should also read the papers and find out what is currently happening in the United States. Perhaps he should also read this morning's *Le Devoir*, rise above petty politics and say that it was impossible to predict what has happened.

We need more: a mini budget or measures designed for all Canadians. This is not about federal-provincial squabbling; this is an urgent situation which requires that all levels of government continue to fight the deficit, of course, but it also requires that they act. Will he act?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, we are dealing with a global downturn in the United States, France, Japan, and in Canada. We acted before the United States, Europe and certainly before the other countries involved.

That is why our tax cuts are so important. That is why lower interest rates are so important.

If we look at the sectors where other countries are taking action, such as in transportation, we have acted, and we intend to continue to act, while my colleague wrings his hands.

\* \* \*

[English]

**AIRLINE INDUSTRY**

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Mr. Speaker, yesterday the Minister of Transport sent a chilling message to Canadian taxpayers when he said that a bailout of Air Canada would "not be cheap".

Will the minister assure the House and Canadian taxpayers that any compensation given to Air Canada and other airlines will cover only provable losses directly associated with the shutdown of airlines during the week of September 11?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, when the question was asked of me in a scum outside the House, it was in the context of assistance to the airline industry. I have always been very specific that whatever we do will be done in a global context for the entire industry.

I said that any assistance will not come cheap. It will be expensive. Currently these matters are under review and I hope to be able to say something soon.

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** I take that as a no, Mr. Speaker.

My next question is for the Minister of Finance. Canadians are increasingly puzzled about the priorities of the government. Since the crisis of September 11, we have not heard a commitment for a single dollar in additional resources for National Defence, for the RCMP, for CSIS or for border control. Now the government is talking about \$2 billion more than we spend on CSIS and the RCMP combined as a bailout for a large government regulated, near monopoly corporation.

How can the government rationalize this misplaced priority?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, the premise of the hon. member's question is wrong. He is looking at published reports, speculative reports, requests by Air Canada for a certain level of assistance. Certainly whatever assistance will be given will not be cheap, but to make the assertion that he just made is completely unwarranted.

*Oral Questions*

•(1440)

*[Translation]***EMPLOYMENT INSURANCE**

**Ms. Monique Guay (Laurentides, BQ):** Mr. Speaker, yesterday, the Minister of Finance said in the House and I quote “The government will do everything to help those who have lost their job”.

Considering that surpluses in the employment insurance fund now stand at \$38.4 billion, will the minister seize this opportunity to give back to the unemployed what he has taken from them, by following up on the unanimous recommendations of the Standing Committee on Human Resources Development, which have been available since May and which propose more flexible rules regarding the employment insurance program?

*[English]*

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, the employment insurance program is there to help Canadians when they need it. Unfortunately for some workers in certain sectors that time is now. I want to assure the hon. member that we have mass layoff provisions so we can process employment insurance claims quickly, so workers who need income support can get it.

We transfer well over half a billion dollars to the government of Quebec every year so it can assist employees move from one employer to another. We also have agreements with that government to support older workers. Perhaps the time is now to expand those pilots.

The employment insurance system is sound and it is there for Canadians now.

*[Translation]*

**Ms. Monique Guay (Laurentides, BQ):** Mr. Speaker, what we are asking is that the government follow up on the report we tabled in May, for which we still have not received a reply here in the House.

Again, will the minister take steps to make employment insurance more accessible, in order to help the thousands of people who just lost their jobs?

*[English]*

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, we have made changes to the employment insurance program. The program is sound. Our priority now is to make sure that those employees who are eligible have access to the benefits they need. That is why we remain available to meet with employers, as we did with Air Canada. That is why we remain available to meet with employees and union representatives who want to talk to us about these programs.

We are there to support these Canadians when they need help.

\* \* \*

**AIRLINE SAFETY**

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, just as President Bush did

today in Chicago, the government could strengthen consumer confidence in airlines by dramatically improving safety.

President Bush is announcing the placement of air marshals on domestic routes, something this government is not willing to do. He has announced reinforced cockpit doors on American planes, something this government has not done. He has announced the retraining of airport security, something this government is not doing.

Why do Canadians have a lower safety and security standard than the United States?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, the hon. member's question is highly inaccurate. Transport Canada works with the FAA on all security matters and in discussing the responses to September 11, we agreed on certain measures.

The measures put in place by Canada are quite in accordance with what is being done in the United States. In fact, the U.S. is making adjustments to Canadian practice in the same way that we make adjustments to U.S. practice. There is a seamless security regime in place.

On the question of air marshals, I have already answered that. We believe security begins on the ground. The Canadian way of not having armed personnel on commercial aircraft.

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, after the September 11 attack, the transport minister did not respond quickly, he drafted a memo.

The united steelworkers union, which represents more than 600 security workers at Canadian airports, says that its members have simply been told by Transport Canada to be more diligent when it comes to scrutinizing passengers and baggage. No retraining has taken place. No new training for new technology has been scheduled. The temporary ban on knives has not been made permanent.

When will the transport minister issue new national standards for airport security and show leadership to those who are trying to make our skies safer?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, we already did that before the planes went back into the skies. The issue here is to have consistency of standards and enforcement across the country. As I said yesterday in the House, we are beefing up our enforcement by security personnel to ensure that compliance is fully practised across the country.

I do not think the opposition should come in here every day and try to scare the Canadian travelling public when we all have an obligation to tell people to get back into the skies and fly as normal.

*Oral Questions***CUSTOMS AND EXCISE**

**Mr. Roger Gallaway (Sarnia—Lambton, Lib.):** Mr. Speaker, members know that foreign ships in the St. Lawrence seaway are bound daily for Canadian ports.

Could the Minister of National Revenue tell the House what system is in place to determine who is on board these ships when they enter and who is on board when they leave?

• (1445)

**Hon. Martin Cauchon (Minister of National Revenue, Lib.):** Mr. Speaker, I would like to thank the hon. member for his very important question.

Prior to the arrival of any vessel at any Canadian port, the ship's master is required to send a list of crew members 24 hours before it arrives in Canada. Customs officers go through the list using our databank. Before the vessel leaves its last Canadian port, the ship's master is required to give to Canada Customs any modifications to that list with regard to crew members.

\* \* \*

**AIRLINE SAFETY**

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, Canadians are legitimately concerned about airport security in our country. This is hurting the airline business and it is adding to the economic recession.

My question is for the Minister of Transport. Will the government help restore Canadians' confidence in air safety by taking direct control of airport security operations or will it be content to continue having it contracted out to the lowest bidder?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, I have already answered this question. The focus right now should be on the new enhanced standards we put in place and making sure that those are enforced. Who does the actual screening at airports is a matter that we can debate another day.

What the travelling public wants to know is that the new standards are in place and being properly enforced, and that is what is happening across the country.

[*Translation*]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, today we are discussing safety problems in airports.

In 1993, Doug Young began privatizing airports.

According to the most recent report of the Commissioner of Official Languages, after a period of ten years private airports will no longer be required to provide services in the minority official language.

Is the Minister of Transport prepared to amend the airport legislation to fulfill his government's commitment, as stated in the throne speech, and more importantly to ensure the safety of Canadians?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, it is my intention to introduce in the House of Commons a new bill on airports and on the national airport network across the country.

I accept the advice of the hon. member and I am prepared to discuss this issue with my officials.

\* \* \*

[*English*]

**AIRLINE INDUSTRY**

**Ms. Val Meredith (South Surrey—White Rock—Langley, PC/DR):** Mr. Speaker, there is widespread support to compensate Canada's airlines for their direct losses stemming from the September 11 terrorist attacks. However, Air Canada is also seeking government assistance to offset its anticipated decline in passenger revenue which would allow it to proceed with the creation of a new discount carrier.

Will the minister assure the employees, the shareholders and the loyal passengers of WestJet Airlines that their tax dollars will not be used to allow Air Canada to create a government subsidized low cost carrier?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, in discussing this matter, we have always talked about potential compensation of the airlines for losses sustained as a result of September 11 and perhaps some other measures to ensure they get back to business normally.

We want to make sure that the competition that was developing before September 11 with WestJet, Canada 3000 and other carriers in the country with a rebalancing of the market share, continues and is enhanced.

I believe any financial assistance must take note of that particular policy of the government.

\* \* \*

**CITIZENSHIP AND IMMIGRATION**

**Mr. John Herron (Fundy—Royal, PC/DR):** Mr. Speaker, the Minister of Citizenship and Immigration insisted that she needed Bill C-11 to secure the Canadian system from abuse. On September 24, the minister contradicted herself in stating that we have the tools to detain where we feel there is a security risk. She knows that part 3, section 19 of the current act has the tools to detain anyone suspected of terrorism. The minister has admitted that she does not need Bill C-11 to act.

When will the minister address the real problem and demand sufficient funds and resources to enforce the existing law?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, regrettably, the Minister of Citizenship and Immigration is unable to be in the House today. I will take the hon. member's representations and bring them to her attention.

\* \* \*

**NATIONAL DEFENCE**

**Mr. Leon Benoit (Lakeland, Canadian Alliance):** Mr. Speaker, for years we have been calling for the government to make a serious commitment to Canada's armed forces.



*Oral Questions*

The CDA says today that this government must invest an additional billion dollars a year into Canada's forces just to stop the bleeding and much more to rebuild the forces.

The military is Canada's single largest security force and yet it is not a priority for the government. The CDA says that the government is not meeting its commitments regarding our national defence. The minister says we are. Who is wrong?

• (1450)

**Mr. John O'Reilly (Parliamentary Secretary to the Minister of National Defence, Lib.):** Mr. Speaker, through the 1999-2000 federal budgets and supplementary funding, the government has reinvested more than \$3 billion in defence over a period of four years. The CDA report also commends the government for the increased funding and the additional money that is being spent on the military.

We feel we are doing an excellent job and that our Canadian military is doing an excellent job. We will continue to meet all the commitments of the white paper.

**Mr. Leon Benoit (Lakeland, Canadian Alliance):** Mr. Speaker, the member still is not listening. Here are the facts. General MacKenzie, General Dallaire, the RCMI and a long list of military experts say that Canada simply is not meeting its commitment to our national defence. Today the CDA has backed this up in the strongest possible way.

Who is wrong, all these experts or the government?

**Mr. John O'Reilly (Parliamentary Secretary to the Minister of National Defence, Lib.):** Mr. Speaker, naturally the government welcomes the report of the CDA.

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

**The Speaker:** Order please. I am sure we all want to hear the answer of the parliamentary secretary.

**Mr. John O'Reilly:** I am glad to see the members are awake. For a party that is measured by the defence index, what can we expect?

The facts are the same. We have acquired 12 modern frigates and 11 steam-driven destroyers are being replaced. We have 4 Victoria class submarines, 650 new armoured personnel carriers and 15 new Cormorant helicopters. The government is acting.

\* \* \*

[Translation]

#### THE CANADA JOBS FUND

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, on June 22, 2000, the Department of Human Resources Development abolished the Canada jobs fund. Application was accordingly made to treasury board to have the money transferred to the four economic development agencies, including the one for Quebec, which is headed by the Minister of National Revenue. Unfortunately, over 15 months after this announcement, criteria have yet to be established for Quebec's regions.

My question for the Minister of National Revenue is very simple. How does he explain this unacceptable delay when thousands of dollars essential to the creation of jobs have been lying in the coffers for the past 15 months?

**Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.):** Mr. Speaker, Canada Economic Development has been, is and will be a major and fundamental player in economic development in Quebec.

In recent months, as will be the case in the coming months, a number of projects have been analyzed, and we have intervened and will intervene in all regions with projects that create jobs and that are visionary.

As to the money transferred from Human Resources Development, we are talking several million dollars that will be transferred in the next four years and that we will manage within our programs, which we will make more flexible, rather than create a whole slew of new dead end programs.

Our purpose is to help business by keeping the focus on the SMBs in all regions.

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, will the Minister of National Revenue acknowledge that time is of the essence and he must act as quickly as possible?

**Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.):** Mr. Speaker, in fact, part of my mandate in economic development requires me to spend most of my time in Quebec's regions.

We intervened in recent years with programs of enormous vision. We targeted the realities and economic forces of all the regions.

This very morning, in fact, I was in the Saguenay—Lac-Saint-Jean region to announce an important project for the region called Alumiforme, a project in the automotive industry. There is a lot of future for the regions, if they believe, as we in the government certainly do, in regional development, and we will keep working on it.

\* \* \*

• (1455)

[English]

#### NATIONAL SECURITY

**Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance):** Mr. Speaker, last night the revenue minister met with the U.S. ambassador. The United States is moving to create a secure perimeter with or without Canada. Our trade dependency dictates that we must be within that perimeter.

What, if any, concrete assurances did the minister give Ambassador Cellucci to ensure that Canada does not end up on the outside looking in?

**Hon. Martin Cauchon (Minister of National Revenue, Lib.):** Mr. Speaker, I first want to pay tribute to all customs officers who have been working very hard over the past few days. They have rendered wonderful services to our Canadian society and deserve a big round of applause.

*Oral Questions*

Second, I requested a meeting with the U.S. ambassador and the meeting took place last night. We had a meeting of the minds in the sense that we share exactly the same vision. We both want to protect our communities by working in co-operation with each other. That is the key to success.

**Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance):** Mr. Speaker, it is 17 days and counting and the minister has yet to reveal a plan to secure our borders.

Bill S-23 expedites trade but it does nothing to address the shortage of personnel, resources and laws required to properly secure our borders. Hopefully the minister reassured the U.S. ambassador last night. He now needs to reassure Canadians. What is his anti-terrorism plan?

**Hon. Martin Cauchon (Minister of National Revenue, Lib.):** Mr. Speaker, if members on the other side of the House were at all interested in the customs system, they would know that there was something announced last June with regard to the ports and airports across Canada requesting additional resources and involving additional resources.

I want to tell the member that on this side of the House the government is very proud of our customs system. We have been working to ensure that fantastic reforms will be put in place. The problem with those members is that they did not pay attention to Canadian security or to customs. Last night I was proud to say that we are the leader—

**The Speaker:** The hon. member for Hull—Aylmer.

\* \* \*

[Translation]

**WIRELESS TECHNOLOGY**

**Mr. Marcel Proulx (Hull—Aylmer, Lib.):** Mr. Speaker, this week marks the 100th anniversary of the first wireless transatlantic transmission by Marconi.

Will the Parliamentary Secretary to the Minister of Industry tell us what the government is doing to celebrate this historic event?

**Mr. Claude Drouin (Parliamentary Secretary to the Minister of Industry, Lib.):** Mr. Speaker, Canada and Newfoundland are sponsoring the international Wireless Vision Congress, Marconi's legacy, which is currently taking place in St. John's.

Wireless technology has a tremendous impact on our daily life, in the health care sector as well as in education and in the economy.

The congress welcomes more than 350 delegates representing over 20 countries. There will be a demonstration of wireless medical services between St. John's and Labrador, and the first Canadian course given in space, thanks to a link between students and the international space station.

\* \* \*

[English]

**NATIONAL SECURITY**

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, the Business Council on National Issues has called for the government to move quickly on Canada-U.S. co-operation on our border.

Canada's largest businesses want real action to deal exclusively with border issues. They want to harmonize immigration and security laws to ensure the free flow of trade that our economies have come to depend on.

Given the gravity of the situation, will the government stand up for Canadian business and take real action to immediately harmonize our border with the U.S.?

**Hon. Martin Cauchon (Minister of National Revenue, Lib.):** Mr. Speaker, as I said, following the meeting last night there was no doubt in my mind that it was a meeting of the minds in the sense that we were moving in the very same direction.

We recognize that change on both sides of the border for the two countries is important and that with trade being the cornerstone of our economic development, we have to make sure that the border works.

In order to make sure the border works, facing the volume that we have, we came to the conclusion that Bill S-23 is a good start and that we have to keep using innovation in our human resources in a more efficient manner.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, Bill S-23 might be a good start but Canadians want to know that there is much more coming from the government. This is a very serious issue in a time of crisis.

What is at stake? Hundreds of billions of dollars a day in two way business with the U.S., business that depends on a just in time delivery basis. We cannot allow Canadian businesses to be shut out of the U.S. market because of inaction at our borders.

Does the minister not understand the need to resolve these issues immediately?

● (1500)

**Hon. Martin Cauchon (Minister of National Revenue, Lib.):** Mr. Speaker, we do recognize that we have to pay attention to trade. Eighty-five per cent of our exports go to the United States.

However, we have to recognize as well that we started the reform the customs system a year and a half ago with Bill S-23. We are working in co-operation with the U.S. We have put in place some pilot projects, such as Canpass. We have a joint pilot project. We have to make sure that within the global marketplace, because of the volume with which we must deal, that the border works for our trade, for our business community and for our travellers. The goal of the two countries is to work hard to make sure that it does work because we do not—

**The Speaker:** The hon. member for Drummond.

[Translation]

#### CANADIAN BANKS

**Ms. Pauline Picard (Drummond, BQ):** Mr. Speaker, the European Union and the United States have taken very specific measures to track down and freeze the assets of terrorist groups.

Since September 11, all the government has done is ask Canadian banks to co-operate with the FBI, but this directive does not apply to Canadian bank branches located in tax havens.

Is the Minister of Finance prepared to close the Canadian market to banks located in tax havens which refuse to co-operate?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, we have asked Canadian banks to co-operate fully. They have issued a release in which they have said that they have fully implemented the process. I can tell the member that as far as Canadian banks are concerned, there is 100% co-operation.

I spoke with my counterparts in other countries, including U.S. Treasury Secretary O'Neill, and I can say that Canada is certainly in the forefront. We are setting the course in many countries because now is the time for international co-operation and Canada will lead the way.

\* \* \*

[English]

#### THE ENVIRONMENT

**Mr. Andy Savoy (Tobique—Mactaquac, Lib.):** Mr. Speaker, my question is for the Minister of the Environment.

Last summer we had too many days with poor air quality. Canadians are worried. Some Canadians are even suffering from respiratory ailments.

What is the Government of Canada doing to address this serious situation and when will Canadians see a difference in our air quality?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, the hon. member is quite correct. Last summer we saw an unprecedented number of bad air quality days. Sadly, it is also true that many thousands of Canadians die because of respiratory diseases exacerbated by bad air quality.

The measures in the ozone annex that I signed last December in the United States and in the domestic package which was introduced in the House and explained in the House I believe in February earlier this year will result in an overall reduction of some 40% to 45% in air quality problems.

In addition, in response to the hon. member's specific question, next summer, in June-July, the first reductions in sulphur and gasoline will—

**The Speaker:** Order, please.

\* \* \*

#### PRESENCE IN GALLERY

**The Speaker:** I draw the attention of hon. members to the presence in the gallery of Her Excellency Annelies Verstand, Secretary of State for Social Affairs and Employment of the Netherlands.

#### *Business of the House*

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

\* \* \*

#### BUSINESS OF THE HOUSE

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance):** Mr. Speaker, on my usual Thursday question I would like to ask the government House leader about the business for the rest of today, for the rest of this week and for next week.

Is he prepared yet to advise the country and the House on discussions he has had with opposition House leaders with regard to a special debate on air traffic in Canada?

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, this afternoon we will continue with Bill C-27, the nuclear waste bill, followed by resuming the debate on Bill C-33 on Nunavut surface rights. Should this bill be completed before the end of the day I would then propose to advance the emergency debate previously scheduled for this evening.

Tomorrow we will debate Bill C-32, the Costa Rica trade agreement. I do not propose to call other legislation tomorrow.

On Monday we will begin consideration of Bill C-31 concerning the Export Development Corporation, followed by Bill C-30, the courts administration bill, followed by any previously listed business that has not been completed if such is the case.

Immediately after I complete reading this statement I will be proposing a special order which will make it possible to have a take note debate on the airline industry on Monday evening.

Tuesday shall be an allotted day. On Wednesday we will deal with Bill C-34, the transport tribunal bill, and any unfinished business.

For Thursday and Friday I hope to be consulting with House leaders of all parties regarding the adoption of the modernization committee report, second reading of the foreign missions bill which will be introduced shortly, and the miscellaneous statute law amendment bill that we pass once per parliament.

Pursuant to the business statement I just made, I believe you would find unanimous consent pursuant to earlier discussions to move a motion. I move:

That, at 6.30 p.m. on Monday, October 1, 2001, the House shall continue to sit and shall resolve itself into a committee of the whole to consider a motion "That the committee take note of the difficulties experienced by the Canadian airline industry", provided that, during consideration thereof, (1) the Speaker may from time to time act as Chair of the committee (2) no Member shall speak for more than ten minutes (3) the Chair of the committee shall not receive any quorum call or any motion except a motion "That the committee do now rise", (4) when no Member rises to speak, or at 10.00 p.m., whichever is earlier, the committee shall rise and (5) when the committee rises the House shall immediately adjourn to the next sitting day.

● (1505)

[Translation]

**The Speaker:** Does the hon. government House leader have the unanimous consent of the House to move this motion?

**Some hon. members:** Agreed.

**The Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt this motion?

**Some hon. members:** Agreed.

*Government Orders*

(Motion agreed to)

[*English*]

**Hon. Don Boudria:** Mr. Speaker, there have been ongoing discussions throughout the day about the following. Although we did not review the text of what I am about to read, I would invite colleagues to consider it. I move:

That notwithstanding the Special Order adopted earlier this day, for the purpose of the debate under Standing Order No. 52 scheduled for later this day, the said debate will commence immediately after Private Members' Hour and for a period not exceeding three and a half hours.

In other words, should the debate on government orders and private members' hour finish earlier, the same amount of time will be used up and the House would actually adjourn earlier.

**The Speaker:** Does the hon. government House leader have unanimous consent of the House to propose the motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

---

## GOVERNMENT ORDERS

[*Translation*]

### NUCLEAR FUEL WASTE ACT

The House resumed consideration of the motion that, Bill C-27, an act respecting the long-term management of nuclear fuel waste, be read the second time and referred to a committee.

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, it is very hard to resume a speech after an interruption. I will pick up a bit of my first part and carry on from there.

In November 1999, during the meeting of parties to the convention on climate change in Bonn, Germany, Canada put forward a plan which would give emission credits to countries exporting nuclear reactors, thus allowing Canada to meet its objectives indirectly, without reducing its own emissions.

Despite growing opposition from the public, Canada is continuing down the nuclear path instead of promoting renewable energy and adopting strong policies for the reduction of greenhouse gas emissions.

We know that Canada is way behind when it comes to the reduction of greenhouse gas emissions. In order to remedy this, Canada is pushing nuclear energy, which does not give off greenhouse gases. This is a position which can even be found on the home page of Atomic Energy of Canada Limited's website.

In fact, it reads as follows:

AECL develops, constructs and markets one of the best sources of clean electricity in the world, the CANDU nuclear reactor. Nuclear energy is the only source of electricity that does not produce greenhouse gases and provides a solution for countries making an effort to fulfill the promises of the United Nations Framework Convention on Climate Change made in Kyoto in 1997.

Recently, there has even been an announcement of two new uranium mines to be opened in Saskatchewan.

Canada is a world promoter of nuclear technology. It provides 30% of the world's uranium production. In addition, on June 7, 2001, at a conference in Moscow attended by scientists from all over the world, it officially proposed to house the largest nuclear fusion research reactor.

Construction of the reactor, which should cost at least \$6 billion, should take eight years, with work scheduled to begin in 2003.

Nuclear energy creates highly radioactive waste that is very dangerous to people's health, witness Chernobyl. We have now accumulated, on the sites of Canada's nuclear facilities, over 24,000 tonnes of radioactive nuclear waste.

How do you expect Quebecers to believe the double talk of the Minister of Natural Resources? Clearly, the Canadian government intends more than ever to head blindly into the production of nuclear energy. It is moving against the current of the anti-nuclear movement worldwide.

As an MP and a citizen concerned about the future of our environment, Canada should manage the waste we currently have here, stop all funding to the nuclear fusion industry and have the \$150 million currently spent each year redirected to research and development for green energy.

Total elimination of nuclear energy would not be a first for the world. Just last year, Germany announced that it would abandon this type of energy production by 2021. Sweden wants to drop nuclear energy by 2010, and it looks like France will choose the same option in the coming months.

Naturally, Canadian taxpayers will have to foot the bill for our long years of dependence on nuclear energy. In its report, the Seaborn panel stated clearly in 1998 that the cost of long term management of nuclear waste would be between \$8.7 billion and \$13.3 billion. This is a considerable sum, but, at the outset of the Canadian nuclear program, people thought it would be a low cost and inexhaustible source of energy. However, today, we are awaking to a nightmare, because the radioactive waste we produced will cost some \$13 billion to manage and store securely.

● (1510)

I believe this figure is astronomical enough and we should not invest another penny in anything related to nuclear energy. We should most certainly not continue producing energy with uranium or plutonium. Why not go the route of biomass energy or wind energy? Contrary to nuclear energy, they do not create radioactive waste that lasts for 25,000 years. Let us stop making future generations pay the price for the mistakes we are making today.

I would like to repeat that nobody can be against the idea of nuclear waste disposal management. It is high time we act on this. However, the process developed by the Minister of Natural Resources in Bill C-27 is inadequate, seriously flawed, severely lacking in transparency, and, contrary to what the minister says, is not at all in line with the conclusions of the Seaborn Report.

Take the issue of public participation in the decision-making process, as an example. On the one hand, the minister says that he will hear input from the public, yet on the other, the bill stipulates that decisions will be made by cabinet. Furthermore, the bill provides that the minister “may” consult the general public if he so wishes.

Finally, I hope the government will make amends and admit once and for all that storing waste accumulated over 40 years has already cost us enough, and that it will not contemplate producing even more. Nuclear energy is an obsolete source of energy with more liabilities than advantages. The considerable sums of money that the government sinks into it every year should be put toward research and development in green energy.

In closing, I would like to tell the residents of Saguenay—Lac-Saint-Jean that I have not given up my fight against importing nuclear fuel. I made a commitment to defend the interests of future generations. If we use this long term plan to manage nuclear waste as an opportunity to launch ourselves headfirst into nuclear energy production, it will be our children and our grandchildren who pay the price.

The time has come to switch to greener energy sources, and the minister should announce that the \$13 billion to be invested in this project will be the last public money to be spent on nuclear energy.

• (1515)

[English]

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Madam Speaker, I am happy to have an opportunity to say a few words about Bill C-27, an act respecting the long term management of nuclear fuel waste. This is a matter which has interested me for many years. If I recall correctly, one of the first questions I ever asked in the House of Commons had to do with this issue.

Marc Lalonde was the minister of energy and his parliamentary secretary, Roy MacLaren, had a reputation for giving some of the most boring late shows one could ever imagine. He later went on to great heights as the high commissioner in London.

What I was concerned about then, and I raise this in a way to counterpoise my view of what has happened since then with what was said by the hon. member for Halton, was the fact that AECL was initiating a process that we are now near the end of, that is to say a process by which it set out to prove that deep geologic disposal of high level nuclear waste was the way to go.

I have chosen my words carefully because it did not set out to find out whether or not it was the best way to dispose of high level nuclear waste but to prove a conclusion it had already arrived at. The hon. member for Halton reinforced this earlier today when he said that 22 years ago he went to the Whiteshell nuclear research establishment where he was exposed to the technology, whatever that means.

The technology, the method of deep geologic storage or disposal of high level nuclear waste, had not been developed yet. In fact the lab is separate geographically, although in the same area, from the Whiteshell nuclear research establishment. It had yet to be built in 1979. If we listen to the hon. member for Halton we might have the impression that all this was fully developed in 1979. At that point

### *Government Orders*

they had yet to dig into the ground and create the underground space that they would use to test their theories about the safety of deep geologic disposal of high level nuclear waste.

That underground lab did not open until the mid-eighties. I first visited it very soon after it was opened in February 1986. For the hon. member to suggest that somehow this was already entrained in 1979 is not so.

What happened was that there was a process. The problem with the process all along was that the impression was never dispelled to my satisfaction or to the satisfaction of a great many others. There were certain people who knew what the outcome would be from the day the process began. The process was not open ended and did not allow for the possibility of coming to a different conclusion.

If we do not have the possibility of coming to a different conclusion it is not science. If we already know what the result of an experiment will be, and we are not open to the possibility that it might not work out the way we think it will, it is not science. It is politics.

It was a predetermined outcome based on a political decision that Canada as a maker, producer and seller of Candu reactors was determined to be able to tell its potential clients that it had a way of disposing of high levels of nuclear waste that would be produced by those reactors.

• (1520)

This is ultimately the conflict of interest at the heart of the entire process which has never been rooted out. We see it in the bill. Even now, at the end of the process, it is the industries themselves that will be put in charge of dealing with nuclear fuel waste without any participation by people who do not have a vested interest in the issue.

As long as the country continues to want to sell Candu reactors through a crown corporation, not only the crown corporation but the government itself will be in a conflict of interest. They and others involved in the industry who also have a vested interest are charged with the responsibility of determining whether there is a safe way to dispose of these high levels of nuclear waste. If they cannot say that, they will have a hard time selling the reactors.

This is a prima facie conflict of interest, yet we have not been able to successfully make the argument over the last two decades that the debate has been ongoing. That is my primary objection to the bill. It continues the conflict of interest of the government, AECL, and for that matter even AECEB, although from time to time it does tell AECL what to do.

The nuclear club is a very small club. It is almost like a religion subscribing to a particular world view. Anyone who does not share the basic presuppositions about the wonders and benefits of nuclear energy can never become a member of the club.

The member for Halton said that it was best to leave it up to the people who know how to do it. He asked why they would want to leave such a question up to us. That is a fair question.

*Government Orders*

I do not claim to be a nuclear scientist or physicist, but there are experts in the field who are not tied to the industry. There are people in academia and NGOs that know a lot about the subject. They are trained in the same way the people in the industry are trained. They would be capable of rendering an independent decision while participating in a collective judgment made at a table at which they and members of the industry were present.

That sort of thing was recommended by the Seaborn panel but it is not in Bill C-27. Instead there is the same closed little circle of so-called expertise tainted by vested interest.

Another point made by the member for Halton was the concern he had that there was a provision in the bill for third party funding in the financing of waste management costs. He was worried that the loophole might be an opportunity for a subsidy.

I actually started to listen with some sympathy to what he was saying at that point in his speech. I felt he had the narrative sort of wrong up until then, but when he talked about subsidy and the need for us to know the full costs of particular energy options he made a lot of sense.

One of the things that is wrong with our economy and that has all kinds of environmental and social consequences is that we externalize the costs of various ways of doing things instead of internalizing them and having them built into the price of things. That sounds to me like a market argument, yet when it comes to something like energy we do not have a market. We have all kinds of hidden subsidies.

One of the greatest acts of subsidy, that is the subsidy to the nuclear industry that has taken place over the years in Canadian society, has not always been that hidden. In some cases it has been right out front.

● (1525)

The member for Halton used the figure of \$16.2 billion. He was worried about there being the opportunity for further subsidy, and I think that is a legitimate worry. I commend him for that worry because we need to be aware of and take into account the full costs of the way we do things, particularly the full environmental costs, not only with respect to the nuclear energy option but also with respect to other energy options.

For example, the damage that is done to highways, the atmosphere, the safety of the travelling public and the tremendous overreliance on trucks instead of trains is a cost borne by society and government through road construction and repair. It will be borne by everyone in terms of health care and other environmentally related costs in the future, thanks to the greenhouse gas effect, et cetera. These are not costs that are figured into the cost that we pretend is associated with a particular energy option.

The member from the Alliance talked about the fact that our nuclear establishments were potential targets of terrorism. Unfortunately this is true. However, even more unfortunate, this is something that people who have been against nuclear energy have been saying since the beginning of this industry.

Having nuclear reactors and nuclear waste is much more dangerous in terms of potential terrorism attacks or political and

social instability and everything that goes with it than having hydro dams, coal plants, natural gas plants, solar power, wind power or whatever the case may be.

There is something qualitatively different here. There is an infinite qualitative difference between the danger of nuclear waste and nuclear reactors if they were to be damaged and the damage that can be done by other energy sources, other energy factories or whatever, should they be the object of attack.

I say to the hon. member from the Alliance that it is a real concern, but it is a concern that has been raised for decades by opponents of nuclear energy. They have said it is a mistake to assume that the world would be exactly like it is today. We should plan our energy options, particularly when we are taking account of various risks, not on the basis of some sanguine view of the universe but with some account being taken of various worst case scenarios. That has not been done and that is why we are in the position we find ourselves in today.

Someone said that even if we stopped producing nuclear power today and shut down all the reactors we would still have to deal with the problem of nuclear waste. I agree. We still have all kinds of nuclear waste and we have to decide what to do with it.

I am not trying to argue for the status quo. There is an opportunity for Canada, and this is the sense in which I regret the dismantling of the Whiteshell research nuclear establishment at Pinawa.

There is all kinds of work to be done on the question of how to deal with high level and low level nuclear waste. It should be done in a way that does not contain within it all this conflict of interest. There is work to be done in determining how best to decommission nuclear reactors because there will be reactors that will need to be decommissioned.

Whether or not we choose to build new ones, we have a lot of old ones around that will not last forever. In terms of the people who are interested or who have already had their training in nuclear related technologies, it is not as if there is nothing to do.

● (1530)

It is not as if there is not some worthwhile task out there. It is not as if their *raison d'être* should depend on the making and marketing of more Candu reactors. There is a generation of work to be done by people who know something about this field in figuring out what to do with the waste, how to decommission reactors, and for that matter, improving and enhancing some of the useful ways in which nuclear science can be used for various medically related purposes and other purposes.

This is only second reading, and we hope against hope, we hope for things unseen, we hope for things never seen in this place, we hope that finally this conflict of interest will be seen for what it is and that the government will adopt the recommendations of its own panel and try to set up a more independent, arm's length agency to deal with the question of nuclear waste. Or is it, as I suspected back in 1979, a fait accompli from the beginning, all this process, 22 years of process to arrive at exactly where the Liberal minister of energy at the time thought the thing would end up in the first place.

*Government Orders*

**The Acting Speaker (Ms. Bakopanos):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Ms. Bakopanos):** The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

**The Acting Speaker (Ms. Bakopanos):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Ms. Bakopanos):** In my opinion the yeas have it.

*And more than five members having risen:*

**The Acting Speaker (Ms. Bakopanos):** Call in the members.

*And the bells having rung:*

• (1535)

**Ms. Marlene Catterall:** Madam Speaker, I rise on a point of order. There have been discussions among the parties pursuant to the standing orders and I think you would find unanimous consent that the vote be further deferred to the end of government orders on October 2.

**The Acting Speaker (Ms. Bakopanos):** Is that agreed?

**Some hon. members:** Agreed.

The House resumed from September 26 consideration of the motion that Bill C-33, an act respecting the water resources of Nunavut and the Nunavut Surface Rights Tribunal and to make consequential amendments to other acts, be read the second time and referred to a committee.

**Ms. Nancy Karetak-Lindell (Nunavut, Lib.):** Madam Speaker, yesterday I talked a bit about the certainty that Bill C-33 would provide for Nunavut so I will carry on from there.

This proposed legislation would also provide certainty for industry. For example, it would set out clear ground rules for the issuing of water licences and for the enforcement of licence conditions. The legislation would also ensure that resource developers have access to lands for the purpose of exercising their subsurface rights.

Anyone who is familiar with the resource industry will understand that clear and consistent rules of the game are essential for projects to go forward. No company will invest in a multimillion dollar project if there is genuine concern about the validity or conditions of a needed water licence. No company will consider a development opportunity if it is not guaranteed reasonable and affordable access to the site. Bill C-33 addresses these and other issues of stability and certainty that are important to industry.

The Nunavut land claims agreement has clarified the Inuit position about who owns the land and resources in the eastern Arctic. What we need now is a certain and consistent resource management regime of which water management and surface rights are a key element. This certainty is critical if the new territory is to take advantage of its resource development potential.

In a region where unemployment is a longstanding challenge and where an ever growing number of young people are looking for work, we must do everything possible to support sustainable development and job creation. It is worth noting that the three existing mines in Nunavut are nearing the end of their economic life. Further exploration and development would be welcome in Nunavut and it would be encouraged and facilitated by this legislation.

However Bill C-33 would do more than provide a secure base for economic activity. For example, Bill C-33 would give the surface rights tribunal the power to award compensation for loss of income resulting from damages to wildlife or to wildlife harvesting equipment caused by development activities. As well, the Nunavut water board would not be allowed to issue, renew or amend a water use or waste deposit licence that may substantially affect waters that flow through Inuit owned land unless a compensation package is in place.

Bill C-33 also addresses a land claims commitment to name an individual or fund that would be held liable for damages to wildlife from marine activities. This issue must be addressed in order to protect the interests of government and taxpayers as well as to provide guarantees to Inuit harvesters.

Bill C-33 will provide another important element of certainty, the certainty that the residents of Nunavut will be heard on issues related to water, the environment and their communities.

The proposed legislation would stipulate that a minimum number of members of the surface rights tribunal must live in Nunavut. As well, four of the eight members of the Nunavut water board are to be nominated by Nunavut Tunngavik Incorporated, which represents the Inuit under their land claims agreement.

I would like to remind my hon. colleagues that we are not being asked to invent new institutions of government in Nunavut. Preliminary versions of the water board and the surface rights tribunal were established through the Nunavut land claims agreement and are performing the functions set out in the Nunavut land claims agreement. Both institutions are modelled on existing regimes that are working well in other parts of Canada.

What we are being asked to do is ensure that these institutions have the full backing of federal legislation, and in the case of the water board, the backing of federal regulations. This is absolutely essential if they are to do their jobs as envisioned in the land claims agreement.

We already went through a summer of uncertainty where the licence issued to the town of Iqualuit was questioned, the validity disputed and the authority of the board undermined by the lack of clarity.

*Privilege*

●(1540)

We are also being asked to ensure that the country lives up to commitments that have been made to the Inuit. Meeting Canada's obligation to aboriginal people is an underlying principle of Gathering Strength—Canada's Aboriginal Action Plan, an objective that must be supported by all hon. members. In this regard Bill C-33 is the fair and right thing to do and it is long overdue.

In closing I would urge hon. members to give careful consideration to Bill C-33. This is clearly an important piece of legislation for the people of Nunavut. It should be sent to committee for review as soon as possible.

**The Acting Speaker (Ms. Bakopanos):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Ms. Bakopanos):** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** On division

**The Acting Speaker (Ms. Bakopanos):** Accordingly the bill is referred to the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources.

(Motion agreed to, bill read the second time and referred to a committee)

\* \* \*

**BUSINESS OF THE HOUSE**

**Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I rise on a point of order. I am pleased to inform the House that there have been further negotiations and I believe you would find consent for the following:

That at the end of Government Orders, the House shall proceed immediately to the debate scheduled pursuant to Standing Order 52 and that Private Members' Business Motion 361, previously scheduled for today, be dropped to the bottom of the order of precedence on the order paper.

In other words, we are dropping private members' hour.

**The Acting Speaker (Ms. Bakopanos):** Is that agreed?

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

●(1545)

**PRIVILEGE****COMPUTER ACCESS**

**Miss Deborah Grey (Edmonton North, PC/DR):** Mr. Speaker, I rise on a question of privilege about something that has happened over the last several days which I believe has truly infringed on my responsibilities as a member of parliament, and also affects the constituents of Edmonton North who have corresponded with me over the years.

This is a pretty serious issue. When this saga began on Monday, I really did not think there was a serious problem. My assistant logged

on to her computer, as would be a normal thing to do on a Monday, but discovered that she could not access our computer which is of course what she does every day. When she phoned the House information services people to find out what the problem was with the computer, she was informed that my computer S and U drives had been shut down, frozen by the Canadian Alliance. I could hardly believe it, but I continued to check it.

It is now Thursday afternoon and we have lost an entire business week. My entire computer system has been frozen and shut down with a number of files on it with my contacts, correspondence and files with my constituents.

When we located where the files actually were and dug deeper into it, we discovered that when I was serving as the Leader of the Official Opposition on an interim basis from March until September 2000, the server was allocated to the Leader of the Opposition office by the House of Commons. While I was serving as the leader on an interim basis, that was the server through the House of Commons information services.

Of course the question is why was I not taken off that server over a year ago? Obviously it was not done by whoever was supposed to do it and my office has just continued on in my capacity as the member of parliament for Edmonton North.

My correspondence and files on the computer disappeared on Monday. The S and U drives were completely frozen. Evidently we understood in the ensuing days this week that the Alliance whip's office wanted to go through all the files. We checked that out further. A representative from the House of Commons planning and communications department, with whom we checked about this, said to my staff, "The two sides will work it out. We won't release any information until both sides agree on a decision and then issue a joint directive", which sounds very sensible to me. "You folks work it out and then come and see me, and I can release this information".

Yesterday afternoon the Alliance whip staff member said to my assistant at a retirement pizza party, and let us make sure that it was a fairly informal gathering, "Let's get together and go over these files and then I will decide what can be released and what cannot". My assistant said, "This is our computer, our constituents files and correspondence". There were years worth of stuff in there, and my assistant said, "No, I do not think it is any of your business. This is our computer and we will just carry on so no, I am not interested in doing that". She brought that to my attention.

We have spent almost the entire day on this. As far as I understand from various people, the staffer then checked with information services and legal counsel and said that I, as the member of parliament, had declined the invitation to review the files with him and that he was coming to look at them, that in effect he had been given the okay, that it was all right for him and I had just been assumed to have said, "Sure. Go ahead", when in fact nothing of the sort had been offered. He then was given permission and access to my files to go through them with no negotiation and no representation from my office, either me or one of my staff members.



*Privilege*

● (1550)

Just as an aside, let me say that when I finished my role as the caucus chairman in April, in the spring of 2001, I turned over a physical filing cabinet full of stuff to the new caucus chairman of the Alliance, the member for Langley—Abbotsford, as well as all of the disks with all of the caucus minutes since 1993. I certainly have nothing to hide. Any correspondence that the staff member may have looked through today certainly is not very exciting, I can assure him. Of course if that is my privacy, there is an incredible invasion there. I think all members need to be aware of that.

As I just said, I have nothing to hide. The information has been gone over now. He was given full access to it earlier today without any negotiation or any okay or representation from my staff. This is about the privacy of my files, the privacy of my correspondence with constituents and the sanctity of those files wherein constituents have asked me to represent them in terms of tax issues, immigration issues, and national defence issues. I have an incredible amount of information on those issues which I and every member in the House would assume would be safe and the sanctity of which would be paramount.

Nobody from anywhere contacted me about proceeding with a review of all the files on my computer. I was not contacted. I made some inquiries late this afternoon. I have been working on this. I arrived here at 6.35 this morning and received a phone call some time after that from someone who was concerned about it. It has not only consumed the entire day but the entire week, effectively a week where my assistant has been completely frozen from her computer system. It is unbelievable.

The main concern is that House officials never contacted me about proceeding. They took it on a staffer's word that I declined so it was okay. "She declined the invitation so let us go through the files".

We must also guard against this happening to any other member in the House ever again. I am sure all of my colleagues would agree with me. Tories have crossed the floor to the Liberals and Liberals have gone to the Bloc over the years, and their files go with them. I am astounded that this has happened.

The Legal Counsel, Rob Walsh, said to me before question period at about 1.50 that he thought it had been cleared up by 7.30 this morning. I told him we still did not have a computer. I will read a memo that I received at 2.37 from the whip staffer:

I have just contacted Information Services and instructed them to release all your files on the S & U drives with the exception of documents that relate solely to the Canadian Alliance Caucus.

Fair enough. In fact they had all of them in a filing cabinet that I had turned over in April.

These files are old caucus agendas, Alliance staff and MP lists and organizational charts for the OLO.

Of course those very things would be in a physical filing cabinet.

These files have been temporarily stored in a folder where only I have access and are stored as "read only" so that they cannot be altered. If you are satisfied with my above explanation as to the files that remain in our possession, then I will instruct Information Services to delete these files. If there is some doubt, I will hold onto them until that doubt is removed. I trust this is satisfactory.

In fact it raises an unbelievable number of questions, Mr. Speaker, questions which I think you as the chief of the precinct here need to answer.

The first question is who initiated this and when and why? I served as the Leader of the Opposition on an interim basis until over one year ago. Who initiated this and when?

Second, why was I not informed, either verbally or in writing, of this decision for someone to paw through my files when it was made? There was no contact with my office whatsoever.

● (1555)

Third, who let them into those files without any negotiation or any knowledge on my part?

Fourth, how do I know which files were removed? It is one thing to say that everything is cool and here we are. I cannot even get into those files and the S and U drives to find out what might be missing or what might have been stored elsewhere.

Fifth, how do I know that they will not exercise the same privilege in my office? I think of all of us, no matter which party we serve in, does someone somewhere have a master key and they can help themselves to information?

Mr. Speaker, you and I both know about the sanctity of our files, the sanctity of our responsibilities and the sanctity of our own private office space. I believe that has been breached.

Finally, if they were just reading directory names, as the assistant led us to believe, and they were just having a little look at the directory names, how would they determine if it was in fact these caucus documents as he referred to, lists, organizational charts, staff and MP lists? It would almost seem that someone would have to enter that file. I am not sure any of us could be guaranteed that all the files were not entered.

Mr. Speaker, as upset as I could be over this, I can assure you that I have constituents who have asked me to look into some very serious matters on their behalf. They do not know where these things are now. I am not sure they would be impressed that somebody somewhere, on somebody's direction, with somebody not knowing about it was looking through their files. I just do not think that is cool.

Mr. Speaker, I am asking you to look into this and to answer the questions I have raised. Then of course there is the overarching question of why it was that the House officials never even contacted me about proceeding with reviewing my private files. We must also guard against this happening again and ensure that it will never, ever happen again to anybody of any party or any political stripe in this Chamber.

**Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance):** Mr. Speaker, I would like to respond to the question of privilege brought forward by the member for Edmonton North.

Late Tuesday afternoon my office was contacted by the office of the member for Edmonton North in regard to this situation. Immediately after being informed, my staff contacted the House liaison officer in the information services department to clarify both our rights and our responsibilities.

S. O. 52

As you can appreciate, Mr. Speaker, given the relative newness of the information age, there was some confusion on the part of information services as to how to proceed. My staff did, however, contact the staff of the member for Edmonton North later that afternoon to say that we were working on the matter with information services in an effort to satisfy the security needs of the Canadian Alliance caucus as well as the needs of the member for Edmonton North as it relates to her performance of her parliamentary duties.

On Wednesday my staff also contacted the office of legal counsel to further clarify our rights and responsibilities. It is the opinion of legal counsel that we were well within our rights to ensure that all information under the member's name which resides on the server under the sole authority of the Canadian Alliance caucus and under the jurisdiction of the whip, is in fact information to which she is entitled. My staff then discussed with the member's staff a solution to ensure that both the needs of the member and the needs of our caucus could be met in a timely fashion. That offer unfortunately was not taken up by the staff member from the office of the member for Edmonton North.

We have no desire to deprive the member for Edmonton North of information to which she is rightfully entitled. However, we must as well be confident that our rights are not compromised in that process. We have assured the member that we are more than willing to transfer all of the information that is rightfully hers once we are sure the files do not contain information to which she is no longer entitled by virtue of her expulsion from the Canadian Alliance caucus.

To that end we have since received clarification from the chief information officer and are now in the process of facilitating the return of the appropriate files.

I trust, Mr. Speaker, you will find that my office has acted not only in a responsible manner, but that we have done so with great dispatch. Therefore, I respectfully submit that no question of privilege exists.

•(1600)

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR):** Mr. Speaker, the issue is now the information is in the possession of the hon. member for Edmonton North. There was not a timely effort made on the part of the Canadian Alliance to return the information.

The real issue that concerns all of us, and in particular the hon. member for Edmonton North, is the fact that she or a member of her staff were not present when this selection of information, this intellectual property that may have belonged to the Canadian Alliance and not the hon. member for Edmonton North, took place.

I submit that very much infringed upon the hon. member's privileges, to have that process take place without a representative of hers present. This very much jeopardizes the security and the sanctity, as she said, of this intellectual property. That is no different than if it was in a tangible hard form, as if it was a piece of paper. The information on the hard drive of the computer system was hers and hers alone. It should not have been selectively pawed through by anyone without her presence and her okay. That is where this issue becomes most serious.

**The Speaker:** In the circumstances, the Chair will take this matter under advisement. I want to determine the facts that are obviously somewhat in dispute on both sides. I am prepared to a look at the situation and come back to the House at a later date, and deal with the matter.

---

## ROUTINE PROCEEDINGS

[English]

### COMMITTEES OF THE HOUSE

#### PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, discussions have taken place between all parties and I believe you would find consent for the following motion. I move:

That the 28th report of the Standing Committee on Procedure and House Affairs concerning the membership and associate membership of Standing Committees of the House of Commons be deemed tabled and concurred in.

By way of explanation, our committee agreed that this in no way affected the current sitting of the public accounts committee.

**The Speaker:** Does the hon. member for Peterborough have the unanimous consent of the House to propose the motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

•(1605)

**The Speaker:** Pursuant to Standing Order 52 and to the order made earlier this day, the House shall now resolve itself into committee of the whole to consider a specific and important matter requiring urgent consideration; namely, the agricultural industry.

I do now leave the chair for the House to go into committee of the whole.

---

## EMERGENCY DEBATE

[English]

### AGRICULTURE

**The Assistant Deputy Chairman:** House in committee of the whole to consider a specific and important matter requiring urgent consideration, namely the agricultural industry.

**Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance)** moved:

That the committee take note of the crisis facing the agricultural industry.

*S. O. 52*

He said: Madam Chairman, the issue we are dealing with in agriculture is essentially comprised of two issues: first, the massive drought that has occurred across the country this year; and second, the ongoing low commodity prices, particularly in the grains and oilseeds area. There has been some increase in those prices, but the problem continues. With the drought, the farmers do not have the grains and oilseeds to sell to take advantage of some price increases, which we may hear about later on in the debate.

Canadian farmers from coast to coast are suffering from these drought conditions. I believe that the government, the cabinet and the agriculture minister are continuing to ignore the needs of farm families and rural Canada. This is not in the national interest. Agriculture is far too important in these troubled times to have our food supply in jeopardy.

The Liberal agriculture minister refused to acknowledge the depths of the ongoing farm income crisis and the exasperating impact of the drought. In regard to safety nets, CP Wire spoke to the agriculture minister. He was of the opinion that he still needed to know how the existing disaster assistance programs were working before committing more funds.

I know the agriculture minister is interested in the debate and I hope he will participate in it. I know he does have a concern for farmers and this issue. As a matter of fact I see that he is here. However I am concerned that he may not be getting enough feedback from members of parliament and the different constituencies to bring home to him and his cabinet colleagues the seriousness of the issue with which we are dealing.

Initiating the debate is part of the Canadian Alliance promise to farmers over the summer that agriculture would be before parliament. When the drought came along that promise was even more important. I am pleased that this has come before the committee of the whole. This is in addition to the serious issue of terrorism with which we are dealing.

The Canadian Alliance member for Saskatoon—Rosetown—Biggar is unable to be here. She is in the maritimes talking to farmers and others with regard to agriculture and family issues. The member certainly wants her farmers to know that their message is getting across in parliament.

Last year was eighth driest for southern Alberta since weather records began in 1886. Between April and August there was only 50 millimetres of rain. In Saskatchewan it was similar. In Ontario there were reports from the Waterloo airport that it had been the driest year since records were kept some 30 years ago. The drought is having a massive compounding effect across the country.

As all member know, Prince Edward Island has a big potato industry. It is the source of the majority of potatoes for the Cavendish Farms and McCain Foods processing factories. These companies have had to import potatoes because there is an insufficient supply of potatoes in Prince Edward Island. This is the seriousness of this problem.

Grains and oilseeds are a special case. The safety net programs, the Canadian farm income program, the crop insurance program and the NISA program are not working for the grains and oilseeds sector. That is why this is still a crisis as opposed to an issue that can be

dealt with through routine government action. I will go into the history of that in a few minutes

Grain growers, who comprise corn, soybean, durum, grain and canola, estimate that the grains and oilseed impact is at least \$2 billion this year. The Saskatchewan party has been out front on these issues. It has indicated that there will be as much as \$770 million worth of hurt in Saskatchewan alone. I note that the provincial agriculture minister has talked about needing \$200 million in additional federal funding just for the crop insurance program.

● (1610)

I referred to how the government dealt with safety net programs over the years. I recall that back in 1998, during September, October, November and part of December, the government and agricultural minister said that the safety net programs were sufficient. At that time, there was the crop insurance program, the NISA program, along with the companion programs. All the agriculture industry, including myself, the opposition members and the farmers were saying that those safety net programs would not be sufficient to deal with the crisis.

When the hog market fell out in those years, the government began to move and brought in the Agriculture Income Disaster Assistance, AIDA. That program worked pretty well for the hog producers, but it left out the massive problem with the grain and oilseed sector. To this day that has still not been addressed. The alfalfa dehydrators were also left out of that program. Again, this impacted not only farm families, it also impacted on the towns and communities in which they were located.

The Standing Committee on Agriculture and Agri-food produced a report in December 1999, after hearing from farmers about the income crisis and the effectiveness of the safety net programs. The reason that it had to be studied again by the standing committee, even though the AIDA program was already in place and operating, was the farmers found that the program was a disaster and did not address the needs. We had a deficient program in place.

In February 2000 the Standing Committee on Agriculture and Agri-food presented a report to the House and the government. There were seven recommendations from the chair of that committee and the Liberal members, including eight recommendations from the official opposition.

Which of the recommendations has the government actually implemented? Has it made the AIDA program efficient and effective so that it will work for this massive drought? That will be addressed under the Canadian farm income program, which is the replacement for AIDA. I look forward to the minister substantiating that it is an effective program and that it will work well.

*S. O. 52*

Bob Friesen of the Canadian Federation of Agriculture, Kevin Maxlow of the Grain Growers of Canada and many other farm organizations have said that the CFIP program does not address the needs of the grain and oilseeds sectors. As a result we have massive problems.

The cattle industry's has had to sell its livestock twice in one year because farmers do not have the feed to carry those calves over the winter, which they normally would do. The minister has to look at extending the one year tax deferral to a two or three year deferral as required.

We need to address this issue now because climatologists have indicated that the drought, which has been in place in southern Alberta and Saskatchewan for at least two years, could well continue on for another two or three years. We have to have effective safety net programs and other government programs in place to take care of this.

Other members will speak extensively about solutions to this. Many of the solutions are not direct subsidies by the government. Rather, our members will deal with grain transportation which should be modernized. It is still highly regulated with most of the control within the Canadian Wheat Board.

We also have the issue of the Canadian Wheat Board and farmers not being allowed to market their own grain. In Ontario farmers market their grain. In Manitoba, Saskatchewan and Alberta we are treated like little children. We are not allowed to market our grain.

Therefore, in addition to the farmers' request for an actual cash subsidy, I am advancing from the Canadian Alliance Party that many other things could be done by the government to help these farmers through this crisis and to help all of Canada, including those in small towns.

•(1615)

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Madam Chairman, I thank the House for the opportunity to make some comments. Unfortunately I will not be able to remain for all of the debate, but I can tell members that I have staff and other members who will be monitoring the debate. I look forward to the comments that will be made by all hon. members today.

The drought situation is almost over in Canada. However the hon. member pointed out there are some predictions that some areas may continue in a drought situation. This has been one of the most severe drought situations on a coast to coast basis that Canada has had for many decades. It has seriously affected the income of many producers, but its severity has been markedly different in other parts of the country.

Southern Alberta, Saskatchewan, Ontario, Nova Scotia, New Brunswick and Prince Edward Island have all been hit by the drought. The drought was not as prevalent the further we go east in Saskatchewan as it was in the western part of the province. I am not making light of the severity when I mention this, but I spoke to one producer this week from eastern Saskatchewan who said that he had better than average crops this year.

As members are aware, I am from Prince Edward County which is halfway between Ottawa and Toronto. If members look in the

drought package I sent out last week they will see one orange spot in the province of Ontario. This orange spot represents the area that has received the least moisture, and that happens to be my riding. The same riding that was the coldest and wettest in Ontario last year is the driest and the hottest this year.

There were also drought areas in British Columbia, Quebec and Newfoundland. The main concern in the province of Manitoba was that there was too much water. In some areas of the country there were above normal crops.

Since agriculture is without question the single most important industry in Canada it deserves and demands as many protective measures as we can collectively put in place as individual producers, as industry sectors, as provincial governments and as the federal government to do all we can when Mother Nature takes the upper hand.

There are a number of safety net measures and programs in place to help alleviate losses. I repeat again there is nothing as good as a good crop and a good price. However we need to work as hard as we possibly can to get to that point.

The government will continue to monitor the situation. All of the harvest is not lost. I know if I say that some people will say they know a producer who did not have anything to harvest. That unfortunately is the situation with the individual, and we recognize that.

Over the last few years we have worked in conjunction with the industry and the provinces to make our programs as flexible as they possibly can be to help farmers manage these situations. The system is more flexible compared to what it was a few years ago.

I do not need to go into the reasons for putting our fiscal house in order. Where would we be today if we were still running a \$42 billion a year deficit? Any action that we have been able to take in the past and even consider for the future would simply not be in the cards. As a result of unfortunate incidents in the last couple of weeks we may have expenditures in that area as well.

As a result of an agreement with my provincial colleagues a couple of summers ago, \$5.5 billion is available in safety nets over three years. That includes the period that I call crop year 2002 for such programs as crop insurance, the net income stabilization account, the Canadian farm income program and fall cash advances, to name a few.

•(1620)

We will continue to monitor what we have done. Over the last year or so we have made the availability of NISA accounts much more flexible for producers. Producers asked for this and we were able to react to that. If producers were to ask for an interim withdrawal right now, we can assure them that they would have money in their hands in 30 days.

S. O. 52

I know the hon. member made some valid points regarding the Canadian farm income program. It is more effective and has proven to be more effective for livestock or a situation where the returns in the market have been fairly high and then dropped off the table.

In reference to Saskatchewan, I must remind the hon. member that the AIDA and CFIP have put hundreds of millions of dollars into that province. Would we like to put more money in all of the provinces? Yes.

The province of Saskatchewan received considerable more money than any other province. Did all provinces get sufficient money from that to make them as economically sustainable as they would like to be? I understand that may not have been the case.

Tens of thousands of farmers received support. Applications are now being accepted for the CFIP 2001 crop business year. These are interim applications. I have seen the form which is very simple and can be filled out very quickly. We can turn those around in 30 days.

I am pleased that more farmers who have crops on more acreage are covered with crop insurance this year than ever before. I am however disappointed that more farmers do not buy crop insurance. I understand that some farmers have made the business decision to take the risk on their own. For whatever reason, they were not totally happy with the insurance program for their commodity, or whatever it was, and chose to take that risk on their own.

Our estimates of a couple of months ago, before the severity of the drought continued, were that crop insurance payments to farmers this year would probably be between at least \$1.1 billion and \$1.4 billion. The average over the last five years has been less than a third of that.

The farmers, the provincial governments and the federal government make contributions to the premiums. When one deducts the total contributions to the premiums of about \$200 million from the \$1.1 billion to \$1.4 billion, it still indicates our estimate of the crop insurance payments we will be providing to farmers this year which will probably exceed \$1 billion.

In the province of Saskatchewan alone it is estimated that farm income will be down to about \$700 plus million. It is estimated that crop insurance in Saskatchewan this year will likely provide to farmers somewhere between \$500 million to \$800 million in crop insurance payments.

The programs are there. Could crop insurance be better? We had discussions with ministers and members of the industry in the west as I toured western Canada this summer. We will work with them to strengthen those programs to make them more enticing to producers so that their best business decision is to buy rather than not to buy. I think that is important.

When we put all of this together our estimate of the federal and provincial government program payments to farmers this year for crop insurance will be at least \$4 billion. We anticipate farmers will draw from NISA, which is not the only eligible program; the Canadian farm income program; and other programs. These are moneys they will not have to pay back.

●(1625)

We will continue to work with the industry as we did with the federal-provincial ministers this summer in a number of areas: food safety, environment, renewable skills training, innovation and technology, and certainly trade issues. We will spend a critical amount of effort to strengthen and improve the safety net programs so that they work the best they can. The industry and all members have my pledge to continue working in that direction.

**Mr. Rick Casson:** Madam Chairman, I rise on a point of order. I wonder if there would be unanimous consent, and I do not know if this can be done in committee of the whole, for the minister to have a few more minutes to allow him to complete his remarks.

**The Assistant Deputy Chairman:** Is there unanimous consent?

**Some hon. members:** Agreed.

**Hon. Lyle Vanclief:** Madam Chairman, if I could have a couple of minutes I believe that along with the continuing and expeditious review of the safety net programs, crop insurance, NISA, et cetera, we need to look at the long range approach that we take to the industry.

We know, for example, that there are concerns in our industry and in society that were not there a few years ago. I am not saying producers are not doing a good job. It is like a lot of other things. We have to reassure and strengthen it in terms of farm food safety and the environment.

Can we help our industry brand our food products in Canada so that when people around the world think of Canada they think of what we are already building from? We have a leg up on many other countries in the world as far as our reputation is concerned. We need to continue to work on it.

I assure the House that in doing so we cannot diminish or take away from that. We need to build a stronger basic safety net program with the provinces. I am encouraged by the comments and the efforts of the provincial and territorial ministers in Whitehorse at the federal-provincial conference this summer when there was unanimous consent to go in that direction.

**Mr. Rick Borotsik (Brandon—Souris, PC/DR):** Madam Chairman, I certainly thank the minister of agriculture for being here this evening and putting forward his points on agriculture. I also thank the member for Selkirk—Interlake for allowing us to debate what I consider and what I have always considered to be a very important issue not only in my constituency in western Canada but throughout this great country. Certainly the agriculture industry is extremely important to each and every one of us.

I do not want the minister to take this the wrong way, as I do not believe it is his fault, but it seems that ever since he has held the position of agriculture minister everything with agriculture that could go wrong seems to have gone wrong. As I said, I am not suggesting there be a change but that is perhaps one way of trying to get agriculture back on the rails.

S. O. 52

However there have been severe problems within agriculture. First there was the ice storm and then there was a commodity crisis. We have had crisis in the tank for the last six or seven years. In 1999 in my area we had a situation of excessive rain. We had the Red River Valley flood in 1997. This year we have a drought across the entire nation. I obviously cannot blame the minister for the weather, but it seems we have never had a circumstance where we could get back to where agriculture should have been which is back in 1995 when we had excellent commodity prices and agriculture was actually in fairly good financial condition.

I have been fighting this battle for only four years and there are two areas in which I have been fighting. The first is for a long term safety net program, something that farmers can depend on that has been put into place that would allow them to see some light at the end of the tunnel, perhaps a program similar to GRIP which was taken away from producers in 1995 and has not been replaced. It was replaced with an ad hoc program called AIDA which has similarly been replaced with an ad hoc program called CFIP.

The second thing for which we have always fought and have suggested should be in place in agriculture is a disaster program. We are talking about a disaster program that could deal with droughts, with extraordinary circumstances like ice storms and excessive moisture. Unfortunately we have not had the opportunity to bring that back into place. We have not had any direction from the government and certainly the minister himself to try to put into place the necessary programs that would assist agriculture.

We are aware of the problems that now face agriculture. We know right now that in the grains and oilseeds industry in particular it stands to lose somewhere around \$2 billion of its gross sales this year. That is a huge amount of money considering that commodity prices right now are as low as they have ever been. They are going up slightly right now but that is probably because there is going to be less crop harvested.

The minister said that we should not to jump to conclusions because not all of it has been harvested. The majority of my area has been harvested and I can say that my area, probably better than any, has good average crops. I will probably get a lot of phone calls and letters on that one but we do have a good average.

However I am a little oasis in a sea of total drought. Right now in western Canada we are looking at the possibility of a 14% reduction in barley production, a 20% reduction in meat and a 28% reduction in canola, which again would translate to about a \$2 billion loss.

The minister talks about the programs that are in place and always seems to say that they are sufficient, that we should look at the problem and make sure the programs in place now take effect. The crop insurance program that he spoke about will in fact probably put \$1.1 billion to \$1.4 billion back into the farm economy, but that is an insurance program that in most cases does not cover the cost of production.

It does not cover the cost of the inputs that have to go in to make that crop in the first place, sometimes 70% or 75% depending on the area that the producer is in, but perhaps only 70% or 75% of their costs will be recovered. That still leaves a loss. People cannot go

through years and years of losses without ultimately having some serious financial implications.

● (1630)

The minister talked about NISA. Absolutely, what a wonderful program, put in place I might add by a previous government that understood agriculture, but a program nonetheless that is there to serve the farmers. The problem is that the producers have been taking out of the NISA program for so many years that there is not a lot left in the program. Some producers who had some took it out over the last two years and now do not have any more access to funds. The minister is right, it is a wonderful program, but it has been used in a lot of cases to its maximum.

The minister talks about AIDA but not often, nor should he because there are lot of problems with AIDA and we are still suffering a lot of problems with that program.

The program that is in place now, CFIP, is not sufficient to take us to the next step. The drought we are suffering this year will take all of the funds that are in CFIP and more. Last year we had more dollars for support to agriculture than we have this year but the problems this year are much more serious than they were last year.

The minister must recognize that there has to be other financial resources put into the budget for this crop year to enable the producers to put in a crop next year.

I want to talk briefly about how Canadians see agriculture. The minister has in his possession a report by Ekos polling that was done for the department that says quite specifically that Canadians want to assist agriculture. As a matter of fact the numbers I have are that 69% of Canadians polled said that they would support more money going into agriculture. Sixty per cent said that they would provide short term financing to farmers in difficulty with no conditions placed on it. Seventy-two per cent said that government should certainly try to do something to save the family farm. Canadians themselves want the government to put into place a program that will assist Canadians staying on the farm.

We have before us a lot of serious issues. I agree with the minister that there are priorities. My belief is that agriculture is the top priority. We have a battle that we have to fight to make sure that message is given to the cabinet.

We have an issue right now with Air Canada, which we will be debating next week, where in fact dollars will be going into the airline industry. That is fair ball, but dollars must go into the agriculture industry as well. As a matter of fact, 5,000 people have lost their jobs at Air Canada. I feel for those people because there will not be a lot of opportunity for them now or perhaps in the foreseeable future.

However, just last year in the agricultural industry, not just farming but those people who are actually dependent on agriculture, somewhere in the neighbourhood of 34,600 people were displaced. That is a huge number of people but we do not hear about them because they go quietly away. Whether they be farmers who sell their farms and walk away or individuals who were involved in the direct or indirect servicing to agriculture, they go away without making much noise. We have not had a huge hue and cry about the fact that we have lost 34,600 jobs in agriculture. This is huge.

We also have about \$14 billion of our economy that goes into agriculture from Canada to the United States. That is in jeopardy right now because of what happened on September 11. We must make sure that the border crossings are kept open, that the agricultural product that we produce in Canada has an opportunity to access the market in the United States. That too is the minister's responsibility. Not only is it his responsibility to keep the farmers on the farm and to put into place the proper support systems that will allow agriculture to survive, but he also has to make sure that farmers can market their produce at a fair price.

I appreciate the fact that the minister is here. I know that when he goes to the cabinet table he will fight for the same, if not a better package for agriculture as others will to go to the cabinet table to fight for Air Canada. That is all I can hope.

• (1635)

**Mrs. Bev Desjarlais (Churchill, NDP):** Madam Chairman, I am pleased to have the opportunity to take part in the discussion on the situation with agriculture producers in Canada. Those most deeply affected over the last number of months have been the farmers in western Canada. All of us have been affected in some way, shape or form, but certainly in Alberta, Saskatchewan and into Manitoba it has been an extremely tough time over the last number of years.

Knowing that, I picked up notes from my colleague, the agricultural critic, the member for Palliser, and noted the number of times we have had discussions on agriculture in the last short while. We had an emergency debate in February or March and we had discussions in March and April but we do not seem to be able to come up with a proper program or plan to assist farmers. I do not think anyone can.

We have a serious problem in agriculture. All one has to do is go out west and drive around the farms in some of those areas to see what they are going through.

Some farms, depending on where they are, are doing okay but the majority are really feeling the pinch for a variety of reasons, a number of which have been mentioned.

My colleague previous to me indicated that he hopes the agriculture minister will go in and fight and do what he has to do. I hate to say this but, quite frankly, we can only send the same fighter in so many times. When he does not do the job, we have to give him the hook. If he is not doing the job, we get him out of the way. He is not doing the job he is supposed to be doing for farmers. He is not promoting the agriculture industry in Canada.

**An hon. member:** He is on the ropes.

**Mrs. Bev Desjarlais:** If he was on the ropes we would at least have a fighting chance. He is out of the ring. The problem has come up time and again in the House over the last number of years and it is still there but there seems to be no real plan to address it.

My colleague from Brandon—Souris mentioned the NISA program. The NISA program did provide the support that was needed but that is no longer the case. As the member indicated, it no longer works because it was used too often.

We all have heard at some point about the AIDA program which was there to help out during hard times. I heard much discussion

*S. O. 52*

going back and forth, but when we are not critics in that particular area, we do not always pay attention to every single thing that happens. We have so much to do each day in our own critic areas and in the different committees we attend that we can only do the best we can in other areas. We do not always take everything in. However, the one thing everyone in the House knows is that the AIDA program was not working.

I never lived on a farm but I was around farming communities all my life. I have family members who are farmers, and they have a saying, as useless as tits on a bull. When something does not do the job it was supposed to do, that is the saying a farmer uses. That is exactly what the AIDA program was.

What we need see from the government is a dramatic change in its efforts if it wants to address the problem with agriculture in Canada, no ifs, ands or buts about it.

It is not okay to say that we are going to support numerous other industries but to heck with agriculture. As a Canadian I am not willing to have that happen and neither are the people in western Canada. We want agriculture. We want the family farm. We want those things to be part of Canadian culture but the government has been pulling the rug out from under agriculture and not giving a helping hand when farmers need it.

I want to refer to some statements made by my colleague, our agricultural critic. He said that following the 1993 election the Liberals adopted the Reform Party's policy of slashing agriculture support and shifting to an industry shaped entirely by market forces.

• (1640)

The European community was not willing to do that. It said it wanted to protect its agricultural industry. It knew that to maintain its farmers and their way of life it would need to give them support. The European community would not cut subsidies as has happened here. The federal Liberals did not need to cut as deeply as they did.

There is room for Canada to give more support to farmers without provoking WTO or NAFTA challenges. It can happen. Money can go into farming without it becoming a cross-border issue. It is a red herring to suggest it is not possible.

There is not a huge amount of farming in my riding. However because of the size of my riding, which is most of Manitoba's land mass, there are some farms as well as pretty much every industry one can imagine.

This summer was disappointing for farming areas in my riding. Farmers tried to diversify as the government told them to do. They invested more in cattle production and different types of farming. They expected support from the government for infrastructure programs if, for example, they had to fix their water supply. There were huge problems with the water supply to farming areas. A good number of farming areas in the west do not have water piped in to ensure a safe supply.

*S. O. 52*

Projects had been started and an impression was given that PFRA would be there to support farmers and give more funding. In the past week one of my colleagues from the Alliance mentioned during question period that the money was gone in a couple of days. That is the reality. There was such a small amount of money in PFRA that it was not there to support farmers who needed the assistance.

The municipality and the province had put money toward a project to put in water lines and get them out to all the farms. Some were done and the rest were supposed to follow but there was no money. We were not talking about billions of dollars for the farmers. We were talking about a couple of million dollars but they could not get it.

Every time I see things come across my desk regarding industries in eastern Canada getting dollars I get ticked off. Industries in eastern Canada may not like hearing that, but quite frankly it is true.

A good number of people in the west no longer feel they are part of Canada. However there are those of us who will not say to heck with Canada, pack it in and become another country. We are fighting to stay part of Canada and make Canada recognize that it needs to treat all regions fairly. It must give support to all of them and not just certain areas. That is the way it must be.

I get darn annoyed when I see that happening. If the government is to get people back onside it must recognize that we must be the true nation we are and support each other from region to region in times of need. Otherwise there will always be hard feelings.

In my first campaign I was travelling around my riding and someone in one of the smaller communities referred to Ontario as the middle east. That was a classic. I have used it ever since.

I appreciate the work and the efforts of people in Ontario and throughout the country. I was raised to appreciate every aspect of the country. That is what we were taught in our schools. Quite frankly, the government needs to go back to the classroom. It must learn that to build a nation and keep it strong it must treat every region fairly. That needs to happen with agricultural producers in western Canada and throughout the country, or it will not work.

•(1645)

**Mr. Larry McCormick (Parliamentary Secretary to the Minister of Agriculture and Agri-Food, Lib.):** Madam Chairman, it is great to see members from all areas of Canada take part in this most important debate. The latest speaker spoke with passion.

I will clarify what our programs at Agriculture and Agri-Food Canada do and what they are invested in across the country. The AIDA program that my colleagues have mentioned had room for improvement so we improved it with a new program. Under the AIDA program more than \$1.6 billion was paid out. By far most of it went to the province of Saskatchewan which certainly deserved it.

There is no denying the severity of the drought that affected many parts of Canada this summer. Yet parts of Manitoba and B.C., in an odd twist of irony, had too much rain. That is the business of farming. Whether drought, disease or too much rain, there will invariably be circumstances where farmers are unexpectedly faced with income declines beyond their control.

There is no question that farming is a risky business. That is why the government along with the provinces put in place the safety net programs the hon. Minister of Agriculture and Agri-Food outlined for us today.

In the three years leading up to the year 2002, crop insurance programs such as the net income stabilization account and the Canada farm income program will provide \$5.5 billion in federal and provincial funding to agriculture safety net programs and producers. These programs alone will pay out \$5.5 billion.

Ensuring our producers remain viable is not just an important component of any program or agricultural policy. It should be the foundation, and it is. However we would be remiss if safety nets alone were the extent of our agricultural policy. To better meet the challenges facing our agricultural sector the government is developing a strategy to move the sector beyond crisis management, as was said in the Speech from the Throne.

The agricultural policy framework of which the hon. minister spoke is an action plan for a comprehensive national agricultural policy. It would take in the whole scope of agriculture and make Canada the world leader in food safety, innovation and environmentally responsible agriculture production. The new policy framework would not diminish the need for effective safety net programs but build on the programs over the long term.

One of the big factors driving agriculture today is the consumer. Consumers around the globe are more sophisticated, knowledgeable and discerning than ever before. Consumers are concerned about the food they eat and how it is grown. They have concerns about the environment in which it is produced. They are more particular about the kinds of food they eat.

Competitors are building on this concern by using technical issues such as barriers to trade. To be successful under these circumstances we must brand Canada in terms of food safety, quality and the environmentally responsible manner in which our products are grown and produced.

The agricultural policy framework would involve facilitating environmental management at the farm level. Being environmentally responsible in our production would mean sustainable resources and more investment in Canada. From a marketing perspective environmental planning is important because consumers are demanding it.

The plan would build on Canada's reputation as a producer of high quality, safe food by strengthening on farm food safety systems. Our producers have asked for it and are investing in it, and we are working with them. Safety and quality run through the entire food chain but it must start at the root. It must start on the farm.



The government will use science to help the sector create economic opportunities with innovative new products. We will renew the sector through programming for farmers that addresses their unique needs and helps them adapt to change.

We will look at management skills and practices, access to capital and addressing the productivity of the land. Essentially that means we will ensure we are providing the right tools, policies and programs to support farmers. That is why the new policy would include a review of farm safety nets.

• (1650)

This important work on the long term direction of the sector will be undertaken in close consultation with the industry. By investing in our producers and their ability to manage risks such as drought and consumer demand we will help them thrive as leaders in innovation and growth.

Canada is known around the world as a leader in food safety and environmental performance. By being number one in these areas we will use our position to influence international standards. Through the branding of Canadian agricultural products we will capture new and premium markets while maintaining existing ones. This is a long term comprehensive policy that will put our producers front and centre in the global marketplace.

As we have mentioned, the provinces and the federal government are working together on this important front. The debate we are having is part of this. We are glad the debate is happening and I look forward to hearing more comments from my colleagues.

The week after next when the House is not sitting I will attend a meeting in Toronto with the minister. The meeting is in Toronto this time. It was in Quebec earlier in the year, then it was in Whitehorse, and this time it will be in Ontario. Our minister and the ministers from each province will be in attendance to work together and resolve some of these challenges. I ask for and know I will get the support of members of the House.

**Mr. Rick Casson (Lethbridge, Canadian Alliance):** Madam Chairman, it is a pleasure to speak to this issue. I thank the House for recognizing the importance of the crisis in agriculture and allowing this debate to take place. The member for Selkirk—Interlake, the critic for the Canadian Alliance, wanted to bring the issue forward the day the House resumed but of course we were consumed with other issues and wisely he chose to postpone it. As important as the issue is, we realized that other issues had priority.

Now that we are here I would like to quote some numbers from a survey which the Canadian Alliance undertook through Praxisus. One thousand people were randomly selected across Canada. Only six per cent, when asked if they believed there was a crisis facing farmers, said that there was not a crisis. The rest knew and believed that there is a crisis in agriculture. That is important for the government to recognize.

When they were asked why they thought the farms were in a crisis, 84% said it was poor weather conditions that hurt crop production and high subsidies by EU and the U.S. Canadians have an idea of what the problems are and 78% of Canadians think we should support our producers until we can bring down those EU and U.S. subsidies.

*S. O. 52*

I am quickly going to run through some things we see as problems that exist because of the drought. The historically low grain prices and the EU subsidies have always been there. This is something we need to address but I want to get into some of the things we feel have highlighted the situation this year. Then, as an opposition party should, I will offer some solutions and avenues the government can take to solve problem.

Last year was the eighth driest year in southern Alberta. My riding in southern Alberta has gone through the second consecutive year of the most severe drought we have ever seen. The runoff from the mountains is low. There were record low rainfalls. The water holes have dried up. The prairie grass is gone. Cattle breeders and ranchers have faced the worst situation they have ever had and are selling off their herds. This year was the fifth driest on record in Saskatchewan. The water level is at a 30 year low. In the Great Lakes region it was 26% less than normal. New Brunswick usually gets 102 millimetres and it got 17.

Let us look at the impact on the livestock industry. Producers are searching for water. The PFRA ran out of money early in the year and could not help as many people as it had wished. It is hurting the cattle ranchers in B.C., the prairies, Quebec, Ontario and the maritimes. Shallow wells 30 metres deep are showing stress and need to be deepened. The PFRA says that 95% of the surface water in southern Alberta has been depleted. Some pastures may not bounce back for three years. Some say it will take as much as 10 years to bring back full productivity to prairie grasses. In New Brunswick, ranchers and dairy farmers estimate forage crops will be down 30%. It goes on and on.

The impact on the grain and oilseeds sector is particularly hard because of the historic low returns they are experiencing. It is compounded by the drought. I am sure my colleague from Grasslands in Saskatchewan will highlight some of the problems they have had.

I would like to put forward some solutions for the government. We have heard from the minister that the money which has been paid out is all there is going to be. The farmers and producers are saying it is not enough. We would like to offer some other solutions. We feel that due to the neglect of the government, our farmers need an immediate emergency cash infusion. Because of the drought we have to put it into their hands immediately.

*S. O. 52*

The second idea I have come from the grain growers across Canada. The Minister of Agriculture and Agri-Food should strike a special measures committee as provided for under section 12 of the Farm Income Protection Act to analyze the exceptional circumstances facing the grain and oilseeds sector.

I have talked about this idea with the minister and he has indicated a willingness to work with us on it. Ranchers who must liquidate their herds because of the drought can defer tax on the sale of some of their breeding stock for one year. We would like to see that changed so that the income deferral can take place until the grass is able to hold the cattle again, which as we said may take up to 10 years.

We must improve our existing safety net programs. We hear a lot about that. We must ensure they meet the needs of farmers.

• (1655)

The crop insurance program needs to be improved to ensure that it covers all costs that producers incur in seeding their crops. Regulations surrounding natural disasters must be amended to ensure that farmers can receive compensation for their inputs lost due to natural disasters. If this had been in place, farmers in southeastern Saskatchewan and western Manitoba would have received some assistance back in 1998 for their flood losses.

The NISA program must be made more accessible to farmers in need. The calculation of NISA eligible costs should also be adjusted to include grain transportation costs. That is an important issue. The grain transportation system in western Canada is not working. When a farmer gets his cheque for selling his grain, a quarter to a third of it comes off the top to get that grain to market. Even if it does not move very far, it is a huge cost to farmers and we need to do something about that.

We can reduce costs imposed on farmers by the federal government. In the last election the Liberals campaigned on removing the excise tax on farm fuel. That could be done tomorrow but there has been no will so far to do it. User fees and taxes on inputs are issues that can be dealt with immediately. We realize fighting the European and U.S. subsidies is a long term goal, but some things can be done immediately to help the bottom line on the farm.

We can encourage farmer driven value added processing. The Canadian Wheat Board in western Canada has a marketing monopoly and is a hindrance to value added industries coming into our area. One in particular is the prairie pasta producers. They have tried to build pasta plants. They would like to get the wheat board out of the system so they can get the grain at a more reasonable price. That has not yet happened but could happen tomorrow with the will of the government.

Give grain farmers a marketing choice. This is something we have been raising here forever and ever. It is unbelievable. Some people do not believe us when we tell them that we do not have our own marketing options. We need that. A farmer should be able to sell his product where and when he wants.

We can reduce farmers' costs by modernizing the grain handling system which I have already touched on.

The Canadian Alliance agriculture policy has been built through continual consultation with farmers. We did a tour a year and a half or two years ago. We went to 70 different meetings. We talked to 3,500 producers face to face. We prepared the ASAP report which we tabled in the House. We gave copies to the agriculture minister. We said that this was what the producers were telling us, and those were the things that needed to be done. So far we have had no action along those lines.

The big one I suppose is the continued erosion of the income our producers face by the unfair European Union and U.S. subsidies. We have to be very aggressive at the negotiating table to beat the production-distorting subsidies down, so that there is not the flood on the market, and so that a farmer can get a good return on his investment in his crops. We have to keep that in mind with the WTO round coming up this fall. We have to pursue that vigorously. We feel that is something that has not been done in proper way.

Those are my comments. Once again I thank the House for this opportunity. As we said, there are other things gripping the nation and the world right now, but if we are going to send our soldiers into war, we had better be able to feed them.

• (1700)

**Hon. Andy Mitchell (Secretary of State (Rural Development) (Federal Economic Development Initiative for Northern Ontario), Lib.):** Madam Chairman, I appreciate having another opportunity to talk about the issues of rural Canada. Today we are dealing with the agricultural sector. We have been here on debate before and we talked about the natural resource sector. We have had other opportunities for discussion. I am pleased to see that opposition members and government members are trying to seek solutions to deal with the issues that impact rural Canada.

As the Secretary of State for Rural Development I have the opportunity to deal with some of the key issues that those of us who represent rural Canada deal with on an ongoing basis with our constituents. A big part of what we are talking about as rural members of parliament, and many of us in the Chamber right now are rural members of parliament, is to make sure there is an understanding that a successful Canada and a strong Canada is a Canada that has both of its component parts strong, that we have both a strong urban and a strong rural Canada.

It is not an issue of one being strong at the expense of the other, or taking an asset from one and giving it to the other. The nation is strong when we have a strong urban and rural Canada. That is something we need to work toward. The reality is that we want to make sure as a government, and I am sure as all 301 members of parliament, whether they come from urban or rural Canada, that our rural citizens have an opportunity to access the wealth that is Canada, that we have an opportunity to share in everything the country has to offer.

One reality we need to recognize is that when it comes to rural Canada and rural Canadians, there are some structural differences from those that exist in urban Canada. There are challenges that are faced by rural Canada which are different from those that are faced by urban Canada. As we have these discussions here in the House and as we develop legislation and respond to the issues of the day, it is important for us to recognize those different challenges and to develop public policy that takes them into account.

What are those challenges? Some of them are fairly straightforward and obvious.

Take the issue of geography in rural Canada. There is a lot of geography in rural Canada. Many of us choose to live in rural Canada because of that geography. What it means is that when it comes to delivering programming, when it comes to delivering government services or private sector services, there are thousands and thousands of square kilometres in which to provide service and it is far more challenging than it may be in a tight urbanized centre.

Take the issue of population density. One of those structural realities is there is a low population density in rural Canada, particularly compared to some of our large cities. That has very significant ramifications. When we are trying to attract investment and trying to ensure that we have the right kind of investment in infrastructure or trying to get the investment into businesses, when there is low population densities, the return somebody can obtain from those investments will oftentimes not be as great and may be much more slow in coming than it would be in an urban centre. It makes it a challenge to attract that kind of investment to a rural area.

Sometimes the public policy response for attracting that investment has to be different. We need public-private partnerships. Sometimes the private sector may make an investment on its own in a high density urban area, but it may not be willing to make the same investment in a rural area unless there is a public-private partnership. That is what I mean by having a different public policy response in a rural area from what may be suitable in an urban area.

• (1705)

To speak more directly to the issue of agriculture and agriculture in rural Canada, one of the structural differences that exists in rural areas is the fact that the economy is cyclical in nature. For the most part rural Canada is a natural resource based economy whether it be forestry, mining, fisheries or agriculture. It is a cyclical type of economy based on fluctuating commodity prices.

An economy based that way is very different from many of our urban economies which tend to be diversified. They tend to be manufacturing or technology based. When there is a problem or a challenge in one component part of that economy there are many other component parts that can deal with it and ensure that on a macro basis the economy will continue to move forward and be strong.

Rural Canada has resource based economies which are often single industry economies and cyclical in nature. We understand that there is a need for a different public policy approach. As rural members from all sides of the House we are saying that we need a different type of public policy approach when dealing with rural Canada and its natural resource based economies. That is very clear.

*S. O. 52*

What kind of public policy tools do we as a government respond with to deal with the cyclical nature of these economies? They will be very different from the tools that could be found in an urban economy or a very diversified economy. Those tools exist in the agricultural sector whether we are talking about crop insurance, NISA, CFIP or spring advances. There is a whole series of tools.

Members of the opposition are suggesting that there can be additional tools. We on the government side agree that the tools contained in the agricultural sector ought to be enriched or enhanced. That is the kind of discussion we are having here today. It is not an issue of those tools not existing.

The government has made a very strong response to the public policy issues I talked about by ensuring that the tools are available. However that does not mean the discussion should be over. We are having this debate so we can talk about how we should strengthen those tools or how we should add to them.

The previous speaker talked about consultations that had taken place with rural residents. That is important. Many of my colleagues are travelling across Canada this week as part of a task force developed for members of the Liberal Party. They are talking to rural citizens about those issues. I have established something I call rural dialogue. I do not mean rural consultation but rural dialogue.

I have taken the opportunity over the last two years to talk to rural citizens, be they ones who operate in the agricultural sector, the resource based sector or are simply part of the communities that support those industries. They have told me about some of the issues we need to deal with. In respect of that input we have been developing the tools I have talked about and changing them as appropriate and creating new ones as needed.

It is important to recognize in terms of agriculture the need to get away from simply having short term tools, as important and necessary as they are, to having a long term vision for agriculture. That is why I was so pleased this past June when I was in Yukon where all the provincial ministers came together and agreed on a framework for long term stability in the agricultural sector and the communities that depend on it.

I am pleased to have participated in this debate and the discussion with all members of the House on the types of things we need to do to ensure the long term sustainability of rural Canada.

• (1710)

**Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance):** Madam Chairman, I begin by thanking you for allowing this emergency debate to take place. Throughout the entire summer farmers across the country have been dealing with one of the most severe droughts in recent history. In other areas of Canada farmers have had too much rain. All in all farmers have not been given the most ideal conditions within which to work. However that is part of being a farmer. Some years are good; other years are devastating.

*S. O. 52*

My riding of Cypress Hills—Grasslands and the ridings that border it, particularly those of Battlefords—Lloydminster, Saskatoon—Rosetown—Biggar in Saskatchewan, and Medicine Hat and Lethbridge in Alberta, have been hard hit by the drought this summer. My constituents in southwestern Saskatchewan are mostly grain farmers and cattle ranchers, people who live off the land and need to produce to make a living.

In southern Alberta producers are faced with a similar situation. Ranchers do not have water for their cattle: farmers do not have water for their crops.

This spring, as I looked out the window from a little commuter plane between Medicine Hat and Calgary, it was interesting to see that the grass never did green up in that area. It stayed dry and grey the entire summer.

Tough times are nothing new to farmers. Grain farmers have been struggling with unstable commodity prices for many years. The present low commodity prices in the grain and oilseed sector are due to the excessive subsidies our competitors receive in the United States and overseas in Europe. These subsidies cause overproduction and distortion in certain agricultural commodities which drive down world prices.

In Canada farmers are not fortunate enough to have the strong backing of the federal Liberal government. For some reason the government believes that if it weans producers off subsidies and leaves them on their own they will become lean, mean, farming machines. However, in order to run a viable farming operation and stay in business, producers must make or at least have the opportunity to make money.

Farmers today are faced with an uphill battle and the government should be there to support them. The agri-food industry in Canada is the fifth largest industry in the country. It accounts for almost 8.5% of Canada's gross domestic product. This \$95 billion sector of the economy is not insignificant and it is worth fighting for. One in seven jobs in Canada are tied directly or indirectly to agriculture.

United States wheat farmers receive 49% of their income from subsidies, while their European counterparts receive 52% of their income from the government. Our wheat farmers receive less than 13% support. At the same time it is delivered to farmers in convoluted income support programs like AIDA and CFIP. It takes months and even years to process applications under these programs and in the end they deny support to many farmers.

Tonight we heard that Saskatchewan received a big portion of that money but in fact 46% of the applications were denied and rejected. That is not an indicator of a successful program.

It is a rather strange situation because farmers do not want to be dependent on subsidies and the government does not want to give them money. The ideal solution to our agriculture problems would be to reduce all trade distorting subsidies internationally. The only way to remove foreign subsidies is by negotiations through the World Trade Organization and NAFTA. This is a long and arduous task and can take years to complete, especially when players like the U.S. are now spending \$20 billion a year in subsidies.

We must get moving in this regard. The agriculture discussions have been delayed long enough. We need to have some results in that area. The government does not have a choice on this issue. If it wants an agriculture sector in the country it must be willing to support it.

The Alliance has done some polling and released the results early last week. Canadians across the country want to support farmers. In that survey we saw that 78% of Canadians felt farmers should receive subsidies to help them compete until farm subsidies in other nations are lowered, even if it means subsidizing farmers for several years. Our poll of both urban and rural areas does not leave anything to question, yet the government still does not seem to get the point.

Livestock producers on the other hand have been fairly fortunate over the last few years, but the drought this summer changed that radically for them. As I mentioned, flying from Medicine Hat to Calgary the land never did green up, but one of the more concerning things was that we could watch the dugouts go dry. We could actually see from week to week as the water level went down. A lot of them are now dry.

● (1715)

Ranchers are resorting to hauling water and feed so that they can hold on to their cattle. If they are unable to do that, often they are forced to sell off part of their herd. Usually at times like this ranchers would be able to work with the PFRA to find a new water source or to install pipelines. However this year the budget for the PFRA was exhausted just four days into the fiscal year and currently up to 500 projects in Saskatchewan alone are on hold.

It appears that the priorities of the agriculture department are out of step. Would not reallocating more financial resources to the PFRA so that ranchers could find water be the logical thing to do during a drought? Producers are being faced with so many challenges right now they do not need the government to be another one as well.

A few weeks ago I received a letter from a constituent who operates a ranch in Maple Creek, Saskatchewan. He wrote:

My family has raised cattle in this area since the 1880s. I've been associated with our operation over 30 years of my adult life. Never before have I had no livestock feed to harvest. We have had no irrigation or stock water releases in the 2001 season. Also, there has been no production on our native pastures for the past two years.

This livestock producer is not alone. There are many people like him in my part of the world. When feed crops fail to yield anything, ranchers have no recourse since they cannot effectively use crop insurance. Instead they must compete with U.S. producers in buying feed at very high prices.

*S. O. 52*

One program ranchers can normally depend upon during especially dry seasons is the income tax deferral program. This summer the minister announced which regions of Canada would be eligible to use the program. He announced that relatively early in the season.

However restrictions placed on the program prevent producers from using it effectively. The tax deferral applies only to breeding livestock that are a year or older. This summer many people were forced to sell off their calves and feedlot owners were left in the dark altogether.

The tax deferral program is a relatively simple program, however the restrictions that are placed on it do not help producers. The government should open up the program to either more types of livestock or it should extend the tax repayment period over three years, or extend the tax repayment period until the land recovers.

The government realizes that it cannot remain silent on this issue. This drought could be the financial wall that will force many producers into bankruptcy. For years farmers have struggled with an income crisis and now they have a drought that has eliminated all production for many of them.

The government needs to discover a new commitment to agriculture. I admit that we have some members on the government side who have an interest in agriculture but the government in general has no heart for that sector. Agriculture is important and we need to support it. We also need to take a look at our spending and examine how it is taking place.

Last spring our party called on the government to allocate an additional \$500 million in emergency aid to farmers. Rather than do that the government's response was to appoint a task force. The task force went around the country to meet and to discuss the same issues that were discussed by the government for the last nine years. It will not have a report until a year from now. That is not good enough. The government has been in power long enough. It needs to figure out where to spend efficiently and effectively in the agriculture sector.

I found it interesting that over the last few weeks we heard about aircraft manufacturers, airplane businesses and auto manufacturers coming to the government requesting money. There seems to be a clear and immediate interest in providing them with financial help. The agriculture sector has come to the government for years and the requests have fallen on deaf ears.

Why do they get such a quick response and the agriculture sector does not seem to? I would suggest, and I would hope it is not the case, that some of this may be geographic or may be the result of location.

The government needs to give farmers a chance to succeed. One of the ways it can do that is by providing voluntary marketing in western Canada. It needs to open up opportunities for people to thrive in their communities and to diversify.

The government needs to aggressively get after the United States and the European Union. It needs to go after their subsidies and get them reduced so that we can survive. I find it hard to remain calm on this issue.

● (1720)

My staff assured me that I did not need to come in here and yell and holler today so I have tried to abide by that. It is frustrating for me to continue to talk about these things time after time and not see a commitment to change, to examine programs and to come up with new ideas and new ways of affecting and improving agriculture for our farmers in this country.

**Mr. John Finlay (Oxford, Lib.):** Madam Chairman, there is no question the drought this past year was one of the worst this country has seen in the past four decades. There is no question that members of the House have their own stories from people back home in their ridings about how the drought has affected them.

There is no question either that the federal government has the mechanisms in place to help those in need, to assist those the drought has affected and to support our farmers.

Farming is one of those businesses where we depend on so many variables: the market, the technology, last year's crop, this year's crop and of course the weather. We can put marketing boards in place, we can invest in innovative new products and technologies and we can expand our markets at home and abroad, but there is one thing no government can control and that is the weather. We wish we could control it but we cannot.

In order to plan for the uncertainties in farming, like disease, too much rain or, in some areas this year including my county, drought, the federal government has worked hard with the provinces and producers to design safety net programs that respond to the various needs of farmers across the country to help them get through difficult and unforeseen situations.

In July of last year, as we have already heard, the federal and provincial ministers of agriculture signed a more flexible safety net agreement designed to stabilize farm income as much as possible. This safety net package provides \$5.5 billion over three years, through to 2002, in support of farm income stabilization. It supports the net income stabilization account, NISA. It supports fall cash advances, crop insurance and companion programs. There is also an element for income disaster assistance and spring cash advances.

NISA, crop insurance and the Canadian farm income program, or CFIP, are all ongoing programs specifically designed to provide financial assistance to producers when they are faced with low incomes due to circumstances beyond their control.

There is currently about \$3.2 billion in NISA accounts with approximately \$1.3 billion of that available for immediate withdrawal. Farmers deposit money to their NISA accounts and that deposit is matched by the government. This program is designed to help producers achieve long term farm income stability on an individual basis. As the NISA accounts grow, farmers can make withdrawals in lower income years from the funds they have set aside.

*S. O. 52*

The new Canadian farm income program provides up to \$600 million to farmers across Canada for the year 2000. In provinces where the federal government delivers a program and in the province of Alberta, producers who have been affected by drought can apply now to CFIP for an interim payment for 2001. In areas across the country where the federal government delivers the CFIP interim payments, we can respond to a completed application in 30 days.

Crop insurance premiums hit a record low this year, both in terms of the premium cost and the producer paid portion of the premiums. Federal and provincial governments pay about 66% of total premium costs, while the producer pays the remaining 33%, which is on average about \$2,000 per year. The number of crops, the total acreage, the number of farmers with crop insurance and the value of product covered by insurance this year are all at record high levels, which indicates pretty clearly that farmers are taking advantage of everything they can in order to maintain their position.

These three programs address different aspects of farm income. They allow the government to contribute to farmers' incomes in areas where they need it the most, whether that is crop insurance or a crop failure, an account to boost farmers' incomes in lean years with NISA or targeted assistance to producers who have experienced a sudden and severe drop in farming income for reasons beyond their control.

Drought is a natural phenomenon. It cannot be prevented. We can however increase our ability to withstand the impact of drought by implementing sound water and land management practices. The Prairie Farm Rehabilitation Administration, funded by Agriculture and Agri-Food Canada, has a rural water development program that provides technical assistance and \$5.5 million a year for secure water supply development in agricultural and rural areas in Manitoba, Saskatchewan, Alberta and northern British Columbia.

• (1725)

Initiatives such as these, combined with a solid safety net practice, ensure that we can face these issues with the knowledge we have measures in place that will work for producers all across Canada.

**Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance):** Madam Chairman, I would like to convey my thanks to the Speaker for allowing us to have an emergency debate this evening.

The agriculture crisis, the drought that is facing our farmers, is something we have not seen in a lifetime. Since the House adjourned for the summer recess, events have changed the way we look at the world. September 11 will be on our minds forever. My sympathies go out to all the victims and their families, to the American people and to people around the world who have been affected. Everyone will be affected by this in time.

Before those events occurred there was another crisis which the Liberal government was ignoring. That crisis developed over several years but has been compounded by the events of the last three months. With respect to all the other important issues before parliament at this time, and the crisis of September 11 is what I am referring to, we need to continue to address the concerns of agriculture.

A devastating drought has occurred in the prairies. In fact rainfall across the country has been very low. In Saskatchewan we have the

fifth driest year ever on record. As I mentioned, and I will not go into the details, rainfall has been down across the country. My colleagues have adequately explained that.

Drought is not a local or regional issue, it is a national issue. The impact of the drought will be tenfold because it has come on the heels of consistently low commodity prices. A bad situation has been made even worse. Farmers who were wondering if it was worth planting a crop this spring are wondering now in the fall whether it is worth harvesting. Livestock producers, cattle producers, have had to sell off their stock because they do not have sufficient feedstocks to last the winter. Some dugouts that they use for water storage have dried up or are so low that there may not be enough water to last the month.

The government has sat idly by, and this is a sad fact, and allowed the situation to fester, hurting all Canadian producers. The financial impact of this drought will be horrendous. The Grain Growers of Canada estimate that the national cost of this drought on the grains and oilseeds sectors will be \$2 billion. In the province of Saskatchewan alone it will be \$770 million. The government of Saskatchewan has asked the federal government for \$200 million to cover a shortfall in crop insurance payments.

The government has slammed the door in their faces: the agriculture minister said to prairie farmers this summer that they should look to crop insurance for help. In fact I heard him reiterate that when he was addressing us here a little while ago. What has he done? He has not sent out the money to the province to cover the shortfall.

The government is willing to give billions of dollars to the airlines and large corporations, but when it comes to hardworking, ordinary Canadians the government ignores them. Something has to change.

I would like at this point to read an excerpt from a statement put out by the Canadian Chamber of Commerce. The impression may be that we stand here and lament the problem of farmers, but the Canadian Chamber of Commerce, which believes very much like we do that businesses should not be subsidized, has made a statement on this that I think is key. I want to read excerpts of this into the record. I cannot read the whole thing because of time limitations, but it is very important that we listen to what the chamber has to say. It states:

Agriculture has a major effect on Canadian industry including transportation, manufacturing, food, and finance and its stability affects every Canadian. Agriculture built Canada and feeds 30 million Canadians and millions more around the world. The diversification created by agriculture industries affects all Canadian industry, government and its people. If properly cared for, the agricultural sector is a sustainable renewable resource.

Canada has been a world leader in the reduction of trade distorting subsidies under the General Agreement on Tariffs and Trade (GATT) and in the present World Trade Organization (WTO) agriculture negotiations. However, agricultural subsidies have been increasing in the United States (US) and the European Union (EU), with severe consequences for the Canadian agricultural producers.

S. O. 52

● (1730)

The Chambers of Commerce do not generally support any form of industrial subsidy. However, the Canadian farming sector faces imminent collapse and, unless some new, all inclusive form of federal funded, long term agricultural initiative is adopted, the outcome is inevitable. This situation is unique to agriculture and must be differentiated from other businesses as the market has been manipulated and interfered with. Farmers comprise less than 4% of the population but one out of every four jobs in Canada is directly or indirectly related to agriculture. On an average, for every dollar invested in agriculture, a spin off of seven dollars is generated.

The Canadian agricultural sector is world class and well-positioned to compete on a level playing field. However, the Canadian producers' skills, technology, infrastructure, capacity and markets will be lost if interim financial support is not provided. Other industries that provide inputs, such as rail transportation, port facilities and shipping will be lost along with their accompanying jobs. On the downstream side, value-added industries such as food processing and farm machinery, would decline with consequential job losses in those sectors.

I would like to read the whole thing, but time does not allow that. Let me read to the House the end of the letter:

Supplementary government financial assistance to agriculture will be required until there is a reduction in trade distorting subsidies to a level where Canadian producers can compete in a fair trade environment.

That is as much I will quote from the Canadian Chamber of Commerce statement, but it expresses better than I ever could my feelings on this topic.

I also wish to point out a very disturbing thing that I found out recently. The deputy minister of agriculture told the agriculture minister in a briefing note that a minority of grains and oilseeds producers are facing problems, arrears are almost non-existent, farm bankruptcies are low compared to other businesses, the farm debt mediator service is little used outside of Saskatchewan, land prices are up and safety net programs, including AIDA, have been effective. Someone in the minister's office is not telling the agriculture minister the truth. Someone is misleading him. Someone in the minister's office has missed the boat. It makes me angry when I hear stuff like this because it is so far removed from reality.

My office in Yorkton receives calls on almost a daily basis from farmers who were given an AIDA payout and suddenly get a letter from the department saying they have to pay the money back. They come to me weeping and asking where they are going to get the money. They say they are broke and cannot pay back the money, yet the government is demanding it. How on earth can anyone say that program is effective? AIDA has become the most despised agriculture program in recent memory. CFIP, the son of AIDA, there to replace it, is simply AIDA with another name. There is a lack of intelligence. Maybe I should choose my words more carefully, but the government should realize if it examines the situation that this is appalling.

Something must be done. We in the Canadian Alliance are asking for an immediate cash injection to help Canadian farmers, not only to deal with the drought but with three years of disastrously low commodity prices. We are asking the government to reduce costs imposed by it on the backs of farmers, such as the excise tax on fuel and all taxes on inputs. The Canadian Alliance encourages farmer driven, value added processing. We have all heard about how the wheat board is standing in the way of that. We would give farmers a choice in how they market their grain and we would reduce grain handling transportation costs by modernizing the whole system.

The agricultural policies of the Canadian Alliance have been developed by continually speaking with farmers and farm groups. We are speaking out for them. The Alliance is on the front lines. That is why we have asked for this debate today.

We in the Alliance have spent so much of our time and effort trying to get the government to listen. I appeal to the government this evening to please consider what we are saying. The Liberal government has failed to address the root causes of the farm crisis. There does not appear to be any long term vision on the part of the government. We appeal to them to immediately address this crisis.

I wish to say one other thing before my time is up. There are many other policies of the government that affect farmers. By the government not properly addressing the terrorism and security issue, the security of our borders and the immigration concerns we have been raising, agricultural exports to the U.S. are put at risk.

● (1735)

The government really needs to take a look at all the things it is doing because even things that may not appear at first watch to affect agriculture, such as this crisis and the concerns around it, will have an impact. If those borders close even a bit, it will really affect our farmers in Canada because we depend on our exports market.

**Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.):** Madam Chairman, I listened with a lot of interest to what the member for Yorkton—Melville had to say. The rural caucus on the government side lobbied hard to get a task force put together to look at the foreseeable future of agriculture, and the Prime Minister agreed. Members of the task force have been going out across Canada. In the first two weeks of September we were on the east coast working our way in, and we have been out west. In fact, part of the task force right now is in B.C. Some of the issues that the member across the way talked about are exactly what we have heard.

What I would like to talk about right now is the fact that we have a number of programs. We have CFIP, which is a Canadian income program, NISA, crop insurance. Quebec has ASRA. There is MRI or GRIP. These programs were brought in years back.

Let us deal with crop insurance, for instance. It was brought in in the mid-sixties. I am not driving a mid-sixties car yet agriculture is dealing with a mid-sixties program.

I happen to be in supply management. It is one sector of agriculture that currently does not cost the Government of Canada.

I see the member from Selkirk—Interlake kind of smiling over there. He was wondering when I would talk about chicken farming. It is fairly early in my speech.

*S. O. 52*

The point that I am making is that there are some programs within Canadian agriculture right now that are in fact working. There are other programs that are in place that were designed years back and quite frankly they have to be updated, such as crop insurance.

When I insure my poultry barns, I insure each of them for fire insurance. If one barn burns, down I do not take the average of all the barns and that is what I am paid. That specific barn is insured. That is one thing that needs to be updated within crop insurance.

Another aspect is I believe that the input costs that go into it have to be insured. In essence, there could be a cost of production formula incorporated within crop insurance. This is what we have heard as we have moved across the country.

A cost of production formula is something that we deal with in the poultry industry. It works this way. We take the average of the input costs from the best and the poorest growers so that it is in the centre. It is great for the best grower because his input costs are a lot lower than what the average is so he is doing very well. However, the costs for the poorest grower are obviously a lot higher than what the average is and he is not doing as well. That is what we have done in the poultry industry to breed efficiency within the system and to get rid of inefficiency.

That is one of the things we have to still take a look at within the crop insurance program, if in fact we head toward the issue of a cost of production formula.

The member for Yorkton—Melville also talked about CFIP, the son of AIDA. I agree with him. However, it was brought in under an agreement between the federal and provincial governments and different farming organizations in 1998 to deal with the pork industry. Quite frankly, this is a program that needs a lot of rejigging if it is going to be a broad based paintbrush covering all commodities.

What I am saying is that we have programs in place that we have to analyze to see whether these they are good enough to be updated and kept in place to carry on to the next generation or whether they should be thrown out and a new program brought in to deal with the new issues that are facing agriculture.

I know my colleagues across the way will agree with this. Of the population of Canada, currently 2% is involved in agriculture. Of that, half of 1% produces 80% of the food and the other 1.5% produces 20%. Those are the statistics.

● (1740)

The next generation right now, if looks at the family farm, whatever that is, and will to go into that in a second, and the fact that their parents are not making, then why the heck would they want to go into it. Now we are into a philosophical debate. I am always convinced that somebody will be growing the food on the land. However, who will it be? Will it be somebody running the family farm or will it be a corporate entity?

**Some hon. member:** Bombardier.

**Mr. Murray Calder:** It could be Bombardier. One never knows. Actually, those are loan guarantees not subsidies. Let me clarify that right off the bat.

Let us take a look at the family farm. These are some of the things that are facing agriculture right now. Back in the 1940s and the 1950s, when the family farm was transferred to the next generation, it was basically given to that generation and that generation took care of the generation that had retired. We do not see that today. One generation sells it to the next generation.

If we want to get down to this, I would start to question the definition of the family farm. The older generation needs so much money to retire. They look at their farming operations for that retirement money. However, if they attach a \$500,000 mortgage to it, they have taken the farm and basically stopped it dead in its tracks because it has to pay for a \$500,000 mortgage without any benefit to the efficiency within the farm. That farm now is paying off a \$500,000 mortgage. It is stopped dead in its tracks. It cannot update its equipment or anything else like that until it pays off that mortgage. Anything within agriculture today that stands still is falling behind.

I believe we not only have to look at programs of support for the farming industry but we also have to look at how we will put programs in place so we can transfer the capital assets from one generation to the next. That is very incumbent upon agriculture today.

I have been working on my own family operation with just exactly that. I started this type of planning 20 years ago. My son is getting ready to go into the OAC at Guelph next year. He will take agri-economics. He also talking about veterinary science too. I am the third generation on the farm. With the planning that we put in place, there will be a fourth generation.

Someone mentioned the wheat board. I was on the standing committee of agriculture when we looked into this. It was a crown corporation with five commissioners. The reason why there was a government entity was because of the guarantee on the initial payments, which came under the finances act. Everyone of us in the House, and I know the member across the way is constantly talking about finances, has a responsibility to the taxpayers of Canada. So when we came up with the new wheat board, it had 15 members on it. It still had the five commissioners of the crown corporation but we now had 10 elected farmers on that board. Now we have the feedback of the grassroots into the CWB.

The more they get involved within the CWB, and I have had a chance to talk to some of these directors, the more supportive they are of the way the Canada Wheat Board is run. However, they are elected and have connections to the grassroots. Everyone in the House knows that if we do not do what our constituents think is the right, come election time we will not be back. That is the reality. So now there is a commitment of the grassroots to the Canada Wheat Board. Therefore, members can see just how complicated this issue is.



*S. O. 52*

● (1745)

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Madam Chairman, I want to thank the House for permitting this debate today. Agriculture is a very important industry in my riding and around the country. As others have pointed out, it accounts for a big chunk of Canada's production every year. It annual GDP is about \$14 billion. We need to take it more seriously than we do. We take it for granted because it has been around for so long. So many people live in urban areas today and they sometimes take for granted the food that arrives in their grocery stores.

The truth is that there is a crisis in agriculture today. I want to compliment the hon. member for Selkirk—Interlake for raising this issue on behalf of the Canadian Alliance. I would also like to point out some of the other agriculture critics who have made an issue of this. I am speaking of people like the hon. member for Cypress Hills—Grasslands, the hon. member for Peace River, the hon. member for Yorkton—Melville and people from all over Saskatchewan, Alberta and Manitoba who are really pushing this issue and are standing up for farmers.

I want to take a moment to talk about the impact that the drought has had on my riding of Medicine Hat. Medicine Hat is a large area in southern Alberta and has been hard hit by the drought of the last couple of years. I thought the best way to explain what is going on is to touch a bit on some of the crop reports that were written by Alberta agriculture through the summer. These will give members an idea of what the agronomists have said about what is going on in southern Alberta. I will mention some of the specific areas that make up my riding.

Let me go back to mid-July because that is when we were really starting to understand that there would be another serious situation for the second year in a row. Let me quote from the crop report of July 17. Here is what it had to say about Foremost:

Things are very dry down here (like that's a big news flash!). Crop insurance has been very busy with calls from farmers wondering about turning cattle out into cereal fields and spraying out cereal crops completely. I have been working on a sawfly survey and have found moderate levels of infestations. Pea canola/mustard pods are starting to fill but the number of seeds in each pod is disappointing.

This is what it said about Medicine Hat:

Dryland yields across the district are expected to average in the single digits. The hot dry weather will now result in shriveled kernels and low bushel weight. Where height and volume permit, producers are salvaging crops for greenfeed or grazing.

About Taber, it said:

The relentless hot and dry conditions are taking a toll on dryland crops. Poor soil moisture conditions and the prospect of severely reduced yields are forcing producers into a salvage mode harvesting as greenfeed, silage, or grazing as the situation allows.

If I skip ahead a couple of weeks, this is what it had to say about Foremost:

Crop insurance has been assessing many, many acres and yields are being pegged at 1 to 3 bu/ac in a lot of the spring seeded cereals.

That is one to three bushels just for perspective. On dry land in an area, a typical crop would be 20 to 25 bushels an acre. Members can see it is pretty desperate.

The report went on to say:

Hail passed through a scattered area to the south of Foremost and Etzikom, further complicating harvest. Peas and chickpeas will be the bulk of combined acres. Most of these crops are very short, so harvest losses are expected to be significant.

This is what was said about Medicine Hat:

Total precipitation measured at Medicine Hat since April 1st to date is 46 mm. July rainfall stands at 10 mm. Less than 50% of the dryland seeded acres will be combined.

Let me skip ahead a couple of more weeks to August 14 and what it said about Foremost:

Harvest continues to progress. Reports of yields are even worse than expected for most farmers. There have been no more showers and continued intense heat which means what acres there are to be harvested are coming off at a record pace. Fall work will be very limited unless there is some substantial precipitation soon.

This is what was said about Medicine Hat:

Combining is perhaps 30% complete and salvage of crops for feed and grazing continues. Most producers are only combining a portion of their dryland crop and a considerable number of producers have no harvest at all. The highest yields that have been reported on individual fields is 15 bu. per acre, but 5 bu. per acre is closer to the average and less than that is common.

The damage from drought, grasshoppers and wheat stem sawfly are very evident.

Harvest is also starting in the irrigation district. Yields are expected to be below average due mainly to water rationing.

● (1750)

It goes on and on. I will skip ahead to September 11:

We have come through the driest 24 months since records began in 1886. From September 1999 to August 2001, Medicine Hat received about 12 inches of precipitation. This is over 3 inches less than the previous 2 year dry spell that ran through parts of 1928 to 1930. Producers are preoccupied with securing feed and water for livestock. Very little post harvest field work is being done.

It is the same for Taber and Foremost. It is a complete and utter disaster in my riding. I do not know of any other way to say it. When we fly over that area, as my colleague was pointing out a few minutes ago, or drive through it, the pastures are not brown. They are grey. The hon. member for Lethbridge was pointing to meteorological reports that were suggesting that pastures might take as long as three years to ten years to recover.

Prairie fires are burning. When they come through they burn down to the roots. There is no moisture in the soil. A tremendous wind came up the other day and blew the prairie grass off the top of the ground. Usually that wool is so tough it holds the soil in almost any condition, but after so much drought even the prairie grasses are blowing off the top of the ground. It is absolutely desperate.

That is bad at any time. It is especially bad coming at a time when prices are low and when the government has completely and utterly failed to listen to the opposition when it comes to fixing some of these programs. I do not know how many times we have raised the fact that AIDA is a disaster. It was supposed to be a disaster program. It is a disaster itself.

We have pointed out that the government sends out 20 page forms that farmers cannot figure out. Farmers spend a thousand dollars getting accountants to figure out the forms for them, only to find out that they do not qualify. It is a thousand dollars that they do not have. The situation is desperate.

*S. O. 52*

This spring the Canadian Alliance proposed about a half a billion dollar injection into agriculture because the situation was so desperate. I am sad to say that Liberal members voted against it and that it was defeated. That is a shame. When one considers what the government spends its money on today it speaks volumes about what its priorities.

Every time we come into the House we on this side raise issues of government waste and mismanagement. We went through the billion dollar boondoggle last year, where the human resources minister was under so much fire because about a billion dollars had not been accounted for and was ill spent by the Department of Human Resources Development. Money just disappeared and a lot of the money was used, frankly, for patronage reasons.

We have farmers who are in a desperate situation through no fault of their own. It is time for the government to step up to the plate. In 1996 when the United States government passed the freedom to farm legislation it was spending about \$7 billion a year on agriculture. Today it is up to \$31 billion in subsidies.

Canada has not matched that. As a result we have seen commodity prices continue to be soft because the Americans and the Europeans are dumping so much grain on to the world market and depressing prices that Canada cannot keep up. Our farmers are being pounded as a result.

It is time for the government to recognize the desperate situation faced by farmers. I urge the government to set aside some of the partisan behaviour we have seen with respect to this issue, reallocate resources from some of the low priority programs and put them into agriculture to help these people out.

• (1755)

People on farms produce a lot of things but what they really produce is good people who need help right now. This party does not very often ask for much from the government. We do not demand money for many things. This is one time when we are united on this side in asking the government to stand up for farmers, open up that wallet a bit and ensure that farmers today can look forward to the future with a bit of hope.

**Mr. Charles Hubbard (Miramichi, Lib.):** Madam Chairman, I have listened with interest to the hon. member's position. I want to participate briefly in this debate. It is certainly good tonight to be able to look at the problems in agriculture and in particular the problems in certain sectors of industry.

My seatmate from Ontario referred to the so-called marketing systems in Canada. We find that those sectors where producers have made arrangements in terms of the amount of product and the price they might get for it seem to operate quite effectively.

This past year in the livestock industry the reports in terms of prices have been good. Most people in the beef sector and the dairy sector have had reasonably good years.

I am glad to see the hon. member for St. John's West here tonight. In my own province of New Brunswick potatoes are a big factor. Maybe he and I could get together to get a good fish and chip business going that would encourage both the fishery and agriculture sectors.

Potato producers and more important the people involved in growing vegetables have had a very difficult year in New Brunswick due to the dry conditions. We also found that people involved in the production apples had a very small product and one which was not so good for market.

In my own area of Kent county to the south and into Westmorland a number of producers have been involved with such products as Brussels sprouts, cauliflower and various vegetables. They have not been able to reach the success they had in previous years. Some of them are appealing to our governments, both in New Brunswick and federally, for some assistance so that they can continue with that industry. It has been a significant employer in terms of a growing industry.

I know those involved with cauliflower, Brussels sprouts, cabbage and so forth certainly want to continue their businesses. However some of them tell me that unless they get some assistance they will have difficulty making it to another year.

We see people in the galleries and members in the House, especially those from the west who are here to hear the concerns. During the past winter I was on the agricultural committee with a number of my friends in the House. That committee undertook to look at some of the farm issues across the country, especially in the area of our grains, oilseeds and corn crops in Ontario and in Quebec.

The history of the past few years has not been good. Prices have been low. This year the crops in many areas were not good. In terms of dry conditions, only last week I visited the area between Montreal and the far side of the river and Hull. We found too that certain farmers had tremendous problems. In fact the floor here has probably more grass than some of those farms along the river. Further down we found areas where the corn crops were quite good.

Tonight we have heard the issue. I am glad it has been brought to the attention of the House. As Canadians it is to be hoped that we can look at agriculture as being a very important part of our economy. Our nation, if we remember, was first opened up by the fur trade. Then came agriculture, lumber and all the other primary industries.

In the past number of years we have seen great changes in our country. People have moved away from the rural areas toward the cities. We find that the cities are growing larger and a very small number of people today can provide the food we need.

Part of the overall philosophy in North America has been to maintain a very inexpensive food supply for people. People in the cities have benefited greatly from the efficiency of our agricultural communities. However, as one member mentioned briefly, we have to look at the future of this industry.

We have to show our children that there are opportunities, that there is a way of life, and that there is a livelihood that will sustain them and their families. If we cannot bring the young people into the industry, we have to ask what we can do as a nation to improve this industry.

● (1800)

I am concerned, in terms of what I have seen across Canada, that some provinces pay more attention to agriculture than others. I commend the province of Quebec because it has taken a very vital interest in agriculture. It has good programs for its farmers. It maintains agriculture as a very important part of the industry of that province. Other provinces seem to put agriculture at a much lower priority.

The federal government must assess the situation and attempt to encourage provinces to do more for their agricultural communities.

I am sure we will hear in committee that inputs for farmers have been increasing. The price of farm machinery is at an all time high. Farmers who have breakdowns have found that the cost of repairs and spare parts has been at international prices. The inputs directly affect what kind of profit the farmer may make at the end of a given year.

Hopefully the agriculture standing committee can work with agricultural communities, that it can hear from farmers, and eventually toward the end of the year can bring before the House definite recommendations on how we might address the problems of our farmers.

I have been listening with interest to this good debate. I see our friends from the west are greatly concerned because of commodity prices and the difficulties they have. I could not believe the hon. member for Medicine Hat buys water by the truckload in his home community. The different situations in Canada vary from province to province.

We hope that somehow in terms of the debate we are having tonight and in terms of the programs that might come from the agriculture committee chaired by the hon. member for Dufferin—Peel—Wellington—Grey that we can offer farmers some hope that their industry is a viable industry. The agriculture industry needs the support of our federal government, the support of the provinces, and hopefully will offer a future for our young people.

● (1805)

**Mr. Loyola Hearn (St. John's West, PC/DR):** Madam Chairman, members may be wondering what a fisherman from St. John's, Newfoundland is doing speaking on an agricultural debate. The first reason is that I support the resolution. As a Canadian I am well aware of the situation western farmers are going through and I am extremely supportive of helping them at this time of crisis.

The second reason is that we in Newfoundland always say, when we are ignored, which is quite often, that it is because it is only Newfoundland and because it is only fish. It seems to me that the people who count in this country, the primary producers, are the ones who are overlooked the most, and that is extremely unfortunate.

If we did not have the bread makers, the fish producers and the vegetable growers, where would we be? Let us just imagine the price we would have to pay for the basic necessities of life if we had to import them. We do not know how fortunate we are to live in a country where we can produce our own vegetables, fish, wheat and other grains that create staple foods that not only ourselves but that the world eats.

*S. O. 52*

To think that in time of dire need we ignore agriculture and yet within hours of a perceived airline crisis, the government runs around trying to find money to bail out airlines that perhaps are their own worst enemy.

When I mentioned coming from a province that deals with fish, if we are talking about food supply, we also have farmers in our province who have had a major problem this year. It was not because of a lack of moisture, it was because of too much.

Last winter in Newfoundland we had a record snowfall, the most snow ever. Newfoundland is a place where in the past we have had pretty hard winters. Growing up in Newfoundland we had enjoyable winters. From the end of November until the middle of April we could ski, skidoo, skate, whatever we wanted to do to enjoy the winter scene.

Over the past 10 years or so, we thought we had moved south of Florida. A year ago we did not have to shovel the driveway or a step once during the winter. This past winter, it turned around again and we had record snowfalls, which meant that a lot of the snow did not melt until well into May. With that kind of accumulation, especially in open areas on the fields, one can imagine how wet the fields were. The farmers were extremely late getting their crops into the ground, to the extent that it affected their year's production, a reverse of what occurred in the west.

I think the total rainfall in the hon. member's area was 60-odd millimetres for the year?

**An hon. member:** Twelve inches in two years.

**Mr. Loyola Hearn:** A hurricane hit Newfoundland about a week ago and in a few hours 120 millimetres of rain was dumped on the Avalon. That in itself caused a tremendous amount of damage, which we will be talking about tomorrow or the next day. It washed out roads and flooded basements. Some basements had as much as six feet of water. Some of the main roads were washed away and shoulders were taken off a lot of our highways. The cost has been phenomenal. The mayor of the city of St. John's called a state of emergency, which is not done lightly.

I read a story in the paper that summarized what happened. A lady said that she was awakened at three o'clock in the morning when her little dog jumped up on the bed. She said that when she pushed the dog off the bed she heard a splash.

● (1810)

That was pretty common in a lot of St. John's. It was an extremely dry summer and the ground was extremely hard. When there is a lot of rain like that everything runs off and takes whatever is there with it. That is what happened. It was a complete reversal of what the west has had to face.

Because of the heavy moisture, the late season and the excessive rains, the farmers in our area have had the reverse. They also have been negatively affected and have been asking for assistance but have been getting the cold shoulder.

## S. O. 52

Perhaps, collectively, we should all start zeroing in on the basics and look at the people who really are the hard workers, the people who built the country and stayed with the farms, those who did not sell their lands to housing projects when they had a chance to make a fortune and leave town. Those are the people who stayed through hard times and passed on their farms to generation and generation. They still exist today and still work the farms. It is the same for the fishermen in the boats who year after year worked the nets and then passed the boat and gear over to the son who then passed it on to his son, et cetera.

They provided good livelihoods. They were tremendous people who contributed greatly to the economy of their community, province and country. They asked for very little other than the freedom to work at what they wanted to do and, if times got tough, that we do for them what we would do for others who perhaps were less deserving.

We solidly support the request from the farmers in the west. We ask the government to stop fooling around. We must forget about what this agreement or that agreement says. The agreement should say that if there is a problem the government will be there to help if there is a legitimate need.

All the time that is spent, the bureaucracy that is involved, the costs that are involved and the costs incurred in waiting would certainly pay a lot of the debts that have been built up.

Let us cut out the fooling, get down to the basics and help the farmers who need help. Let us get on with the job so that hopefully next year will be a different year for everybody.

**Mr. Larry Spencer (Regina—Lumsden—Lake Centre, Canadian Alliance):** Mr. Chairman, I want to attack this from a human suffering point of view. I have in my hand a letter I received today from a constituent in Regina. Members may wonder why I would start off with this but here are the first two lines of the letter:

I want to let you know that I do not want to see any taxpayer money going to bail out Air Canada. The service they provide to us in Regina is not worthy of any support.

We have heard that the government may be bailing out such a major company as Air Canada. It has been explained to us often that it is because there are so many jobs involved, that it is our transportation and that it is our national airline.

Tonight we are talking about our national industry called agriculture, an industry that has a national impact on jobs. It is said that probably one in seven jobs in Saskatchewan is farm or agriculture related. We are very definitely talking about jobs when it comes to agriculture in Saskatchewan.

The Canadian Alliance has put out a little bulletin for us. The first point on it says "Canadian farmers from coast to coast are suffering from drought conditions". I want to pull one word out of that because I believe there are more than drought conditions causing our farmers to suffer. Drought conditions have just heightened and increased it. They are suffering from a number of things. We all know that they have been suffering for a long time from the depressed prices of commodities. They do not get what they should for their crops. I remember hearing those same prices when I was a

boy growing up and that was back in the days when they were greenback dollars.

The farmers are not only suffering from poor crop prices but they are also suffering from high input costs, which the government has failed to do anything about. The tax on fuel could have been removed. It would not have been a handout but at least it would have been of some help. I am told that there is another hidden cost, although I am sure some farmers would argue this. On one hand perhaps the low dollar helps, but a farmer told me the other day that the U.S. exchange on a new combine is in the neighbourhood of \$80,000 being added to the cost of the new machine.

The drought of course is causing them to suffer as well as the prices. We can see that as the other members and I fly back and forth to our ridings. As we get closer to the ground we can see the blotchy fields and the arid spots where there is no straw, no stubble, no crop. We understand the drought is causing a great amount of suffering for people who were already near the edge and the unusually dry weather just pushes them over.

There are some other things that cause farmer to suffer. I have never heard anyone mention this but what I call forced diversification causes our farmers to suffer.

One of my constituents told me that in the spring, when they are considering what to plant, they like to keep it down to a maximum of six different crop varieties in order to control their machinery costs and harmonize their activities a little more. However, he said that he had to still diversify into seven different crops this year. He is very diversified. We cannot suggest that to farmers any longer because they are as diversified as they can get. They may diversify into an area that is supposed to be good and then the price drops out of it and they are hurting again. It is not a long range answer.

● (1815)

They are suffering because they are penalized for working off the farm. The young farmers who are really trying hard to make it work, work not only on the farm but put in many hours, perhaps even full time hours, at other jobs. Then when they apply for some of the assistance programs out there they are disqualified simply because they are making money in an off farm way.

Some of the farmers are suffering because they are working on the farm. We have some farmers in Saskatchewan manufacturing playground equipment or farm equipment. I was on one farm where the farmer was making his own crop sprayer. It was a beautiful sprayer. It would pass inspection at any farm implement factory. It was just a beautiful job. He had to make his own equipment. Farmers are suffering through the extra work they have to put in to design, build, make do, repair and work on their own equipment because of a lack of funds.

They are suffering because of the declining demand for used farm equipment and the prices for it. It is one thing to be able to have a fire sale and walk away from a business having sold the inventory, but try selling the used farm equipment or try selling the farm. There is just a dead end there for many of these farmers and they are suffering because they cannot even liquidate in a manner that would let them get out from under the debt load they are already carrying.

S. O. 52

For years in Saskatchewan there has been a lot of farm counselling going on. For a number of years the Saskatchewan government has even had to sponsor and take care of counselling for farmers. They are counselled for depression. I would be depressed too if I had so little hope of making a living with such a debt load over me. It goes so far as to end up in marital counselling. Many farmers have experienced family breakdown because of this extreme pressure upon them. It goes right to the point of suicide counselling for farmers who feel they have no other choice but to consider taking their own lives.

We are talking about suffering. We are talking about the lives of people. We are talking about jobs being lost because of the crisis. We are talking about the kinds of things the government should be concerned about and want to help out with when it can.

In our constituency we have farmers losing the very land that their farm fathers fought for in World War II. Talk about a guilt trip. Talk about suffering. These poor fellows are crushed because they feel like they have failed their families and their fathers who fought so desperately to pass on the farm to them.

Where do they look for a job? Where do they go? Someone who lives in a city and loses a job has a little better opportunity to move to another source of income than what our farmers are faced with in the rural parts of our country. They suffer because of that. They have little choice in what they can do and where they can go.

I believe this is a crisis that should invoke compassion but also an understanding that we are dealing not only with a drought crisis: we are dealing with the loss of an industry that affects many jobs and many lives. I would hope that our government would take a second look at it and give a second thought to supporting this industry.

● (1820)

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Chairman, I am very happy to stand to persuade all the Liberals in this hon. House that they ought to have compassion and take a serious look at the needs of farmers across the country.

I grew up on a farm, many years ago obviously. As a matter of fact my dad says that I am a child of the depression, the thirties. When we were young and growing up on the farm we were very poor. It is amazing to me that with all our technological advancements and our prosperity in the country now we have not invented a way of solving the problem for farmers when they have these downturns from time to time.

Way back then, like today, farmers faced many problems, anything from drought to too much moisture. I remember that as a youngster there was a time when we had rust in the fields. We also had plagues of grasshoppers. We had various diseases go through the crops. We had ups and downs in prices. Throughout all of that the farmers survived.

In order to emphasize the importance of this, especially in the context of what is seizing us as Canadians these days in terms of national security, I would like to point out that a solid, independent and self-sufficient food supply is absolutely critical to our national security.

There are many Ukrainians in my riding who point out to me frequently that there was a time in their history when the deprivation of food was used to destroy them as a people. It is really atrocious that we do not take it very seriously and make every effort possible to look at a secure food supply as a national security issue.

I imagine that everyone here today, especially on the other side of the House, has had a full meal or two today. We are not accustomed in Canada to thinking about real hunger. I do not know, Mr. Chairman, whether you have ever gone without food. I probably should have more than I have, but from time to time I have fasted, which is a good exercise for many reasons. To go without food for a day or two while drinking only water or perhaps juice has a number of very good effects on a person. One of the most important ones is that it really emphasizes the importance of food in our lives.

It has been said that a person can live about a minute or so without air, a day or two without water and a week or two without food. Mr. Chairman, I would probably outlast you, but it certainly is true that in a very short length of time we become dependent on food input in order to stay alive.

I think it would be a great exercise, as was suggested to me by my son-in-law, a farmer, if every member of parliament were to be asked to do a one day fast. If by the end of the first week the agriculture problem is not solved, the following week the members should do a two day fast. Then if by the end of that week the agriculture problem is not solved, they should do a three day fast, and they should keep going until the problem is solved. He said he was sure that MPs would soon discover a way of solving, in the long term, the agriculture problem that faces our country.

I think we ought to address the issue. Right now of course it is a disaster. My colleagues have spoken of areas where there is no income, where expenses and bills are piling up, where bankers and indeed the government's own Farm Credit Corporation are asking for the money and farmers do not have the ability to pay it back. It is in fact a desperate situation.

● (1825)

I suppose there is another way we can look at it. What would we as members of parliament do if at the end of the month we did not get a paycheque, then did not get one the next month or the month after? Then the banks would want to take our houses for not paying the mortgages, or the gas or electricity would be shut off because we were not paying the bills. We can see how quickly we would become desperate. That is where many farmers are today. They are without an income or a hope of an income and are literally facing personal disaster.

I want to mention a few things the government should do. One is with respect to user fees, which have really shot up for farmers. There is some justification for charging users the fees for these services that are supplied by government, but the fact of the matter is that these services for which fees are charged in the case of agriculture are good not only for the farmers. They are in fact for every Canadian. We should question whether or not we should charge excessive user fees to farmers when every citizen in the country is the beneficiary of the services such as food inspections and things like that supplied by the government.

*S. O. 52*

I am thinking of another one that the government should do immediately. It could be done tomorrow if we had the political will to do it, and that is to have a motion that says effective tonight, or if we want to be generous take it to the weekend or the end of the month, as of October 1 we could have no more fuel tax on farm fuel. Why can we not take away that excise tax? No, the Liberal government seems to be quite content not only to charge excise tax on fuel used by farmers but then to charge GST on the excise tax itself, besides charging GST on the cost of the fuel. It is actually charging farmers, like all Canadians, a tax on a tax and it does not feel badly about it. I sometimes wonder whether government members have any conscience at all.

I think very seriously about the whole issue of trade. We presumably have an open border between the United States and Canada with the free trade agreement, except for food products. We can imagine how frustrating that is to farmers who, having a product in the bin which has value and which they can sell, are forced by the law in the country to sell only to the wheat board, but the wheat board is not buying it. They are prevented from pulling a truck up to the bin, loading their own product into the truck and taking it to a market where they could sell it. I have spoken to more than one farmer who has been in that situation. It is atrocious that in this country farmers do not have the freedom to sell their products to whomever will give them the price they are ready to sell it for. That is how the marketplace works. It works that way in every other area.

In my little town I have a number of different grocery stores to which I can go. I can choose to buy my food at Safeway or IGA. I should not have started the list. The others will be upset if I do not complete it. There is Save-on-Foods. We have all these different marketers of food. I cannot believe that farmers cannot also choose who to sell to. They should be able to make a deal. If somebody is willing to pay the price and they are willing to sell the product, let them go and do it.

I am thinking of organic farming, another area where farmers would like to break free. Can they do that? No. At every turn they have impediments from the government in regard to growing and marketing their products. In fact the wheat board will not handle organic food as a separate commodity and yet farmers are required to sell their grain to the wheat board. That is ridiculous.

I can see nothing wrong with continuing to have the wheat board, but we should make participation in it free. If a farmer gets the best price from the wheat board let him sell his product to the wheat board, but if he can get a better price elsewhere who are we in this country to pass a law to prevent him from doing that?

• (1830)

We should be thinking of some other things. When we go to the grocery store and buy a loaf of bread for around \$1.20, depending upon where we are, the farmer gets about six or 10 cents. We could add just a little to the cost of food and give the farmer a fair market price.

There are many things that can be done. I am very sad that my time is up because I am only half done, but it will hold for another time.

**Mrs. Lynne Yelich (Blackstrap, Canadian Alliance):** Mr. Chairman, I am going to talk about Saskatchewan. Only nine per

cent of the earth's surface is suitable for the production of food. Saskatchewan has more than 65 million acres of agricultural land which consists of cultivated land and grazing land. This represents 39% of Canada's total. We produce 38% of the primary agricultural exports. It is important for people to realize that Saskatchewan is a major producer.

The member across the way talked about the wheat board and how he was among those who helped form the Canadian Wheat Board. He is from Ontario and I am very surprised. He made reference to being an elected official responsible to constituents. I see the wheat board more like a committee where there are eight Liberals and seven opposition members with all the powerful positions being in that area. The Canadian Wheat Board has 10 elected and five appointed members. It is dominated and it is more like a committee than like being responsible to constituents.

I did have a speech but I prefer to raise this issue and if I had the cheque here, I would table it. A farmer wanted to buy school clothes and supplies this fall. He took his 2,100 bushels of wheat to the elevator and the cheque he got had three zeros, it was for \$0.00.

I am not going to get into numbers, but these are some of the costs that came off. He had to pay for weighing and inspection, CWB/FAF deductions, elevation, terminal cleaning, and rail freight which was \$1,430.74. In Saskatchewan we pay a lot more for freight than most other provinces. Then there was an advance refund. It was really nice to see that our minister of agriculture gave him an advance in the spring, but it was taken off his first truckload of wheat to the elevator this fall. Was that done with the Bombardier loan guarantees? Is it taken off the first plane that goes out? The farmer also had to pay for coordinated trucking, accounts receivable, which the farmer owed for chemicals he used in the spring and charged to his account, and there was a deferred amount that is an accommodation for the farmer. He had 2,100 bushels of wheat and got a cheque for zero dollars.

As the member for Elk Island mentioned, one bushel of wheat is worth \$3.18 and produces 42 pounds of flour, enough to make 68 or 72 loaves of bread. Imagine how many loaves of bread have been made with that 2,100 bushels of wheat. In Saskatchewan we have grown up to five billion, accounting for 47% of Saskatchewan's total exports. That is our contribution to agriculture. We are stuck with approximately \$15,000 per year per farm operation for transportation. Revenue user fees have gone up as much as 300% over the past years.

Those things are real. It is not just about saving the family farm anymore. It is about saving an industry.

I have a friend who was widowed at 40 years of age with four children, from nine to 15 years of age. When her husband died they were in bad shape on their farm. They had just gone through the Trudeau years, during which farming really suffered. She almost lost the farm but she learned to drive the tractor, she took a course, her kids took up farming and they decided to save the farm.

*S. O. 52*

•(1835)

However she was hit with kidney disease and needed a kidney transplant. Her boys have helped her by taking over the farm. They now have to work up north in the oil fields to help save the family farm. She saved it by going back and learning how to drive a tractor. These kids will save it by going up north. It is not just up north, it is where nobody wants to go.

I want to make the point that it is about more than saving the family farm. We are talking about an industry. Saskatchewan should be more respected. When I hear how Saskatchewan gets all of these numbers of dollars, I challenge the minister of agriculture to show me the money. We have not seen it yet.

**Mr. Myron Thompson (Wild Rose, Canadian Alliance):** Mr. Chairman, I want to express my gratitude for having a chance to once again speak to the issue of the farm crisis and the agriculture industry crisis. It is such an important thing.

I hope that the one Liberal who is here listening to the speeches, and the one who just came in, the two in this big majority government, will try to take some messages back to their colleagues. They are the ones who are in a position to do something about it. We feel like we are not talking to anybody. They certainly do not respond to anything.

Mr. Chairman, I want to say to you that it is a pleasure that you asked how the elk, the deer and the bear are doing in my riding. One of the places that attracts a lot of people to my riding is the Lake Louise and Banff region. I can understand why they go there because if it is not the most beautiful spot in Canada, then it is one of the most beautiful. It is certainly worth venturing there. There are 25,000 square kilometres in my riding and those kinds of areas represent only about 20%. The other 80%, a big chunk of it, belongs to the agriculture industry.

Driving through Lake Louise and Banff and continuing eastward for approximately 450 miles we get to the eastern side of my riding. We come to a couple of small towns. Cluny is one and Gleichen and Hussar are others. What we see in this area today is absolutely devastating.

My wife and I drove to Gleichen. We drove out to the rural areas and stopped our car. I got out and took a walk into a field of grain which was stubble about six inches high with droopy heads that were not filling out. The cracks in the ground were anywhere from an inch to three inches wide and went all the way through the fields. Literally thousands, if not millions, of grasshoppers were flying in front of my face. It is a terrible thing to see. These people are absolutely devastated and do not know what to do. It is a drastic situation.

I have read comments by the members of the Liberal government who go out there. The minister responsible for the wheat board said "You have got to diversify". We hear this comment a lot. I do not know what crop it is that they could grow that does not need moisture, that does not need water.

I have heard it said that they need to get into livestock. That whole area out there is surrounded with dugouts that are usually full of water where animals and livestock can drink, but the dugouts are dry. The ducks and geese that used to reside and nest on the dugouts are no longer there because there is no water. It is bad.

The day before yesterday I got a call from the riding and the temperature was 30 degrees Celsius. That is very unusual. It is nearly October. Yesterday it was up to about 28 degrees, the wind was blowing and the dust storms are unbelievable.

When I drove through there this summer, there were a couple of very windy days. It was like the panhandle of Oklahoma where the dust blows out of Oklahoma on its way to Texas and then when the wind changes direction it blows back from Texas to Oklahoma. The clouds were totally grey and black and we could not see the sun because of the dust that was flying around.

I went to a family reunion this summer. When we drove across the Salt Lake desert we saw more green there than we did in that portion of my riding. That shows how serious it is.

I think people understand the seriousness of it. We have to get off this kick that we have the programs in place that are working because what those people do not understand is that it is not getting into the hands of the people who are suffering, the people who are trying to make a go of things. It is not getting there.

They brought in the application forms required to be filled out for AIDA. They would need the help of 17 Philadelphia lawyers to fill out the forms. They had to hire accountants and try to find some professionals to help them fill out the documents, and when they apply they never get anything. They never get anywhere.

I do not know where all the money is going. I have not found anybody in my riding in that predicament who has received a cent.

•(1840)

There are solutions to all kind of situations that come up in agriculture but first we have to recognize that it is the most important industry in the country. I do not know if any of my colleagues agree with me, but it does not come across to me that the government puts the emphasis and priority on agriculture, not just in my riding in Alberta but all across the country.

Not only that, when we look at what is going on today, Mr. Chairman, those very mountains that you were talking about, where the elk and the deer roam, at this time of the year the mountains are usually solid white but they are not. They are grey and brown. There is no snow coming. That is going to hurt other industries, but I am not here to talk about them tonight. I am here to talk about the agriculture industry.

We need a cash injection. That is something we could do with. The question is, where are we going to get the money?

Let me help. I am no expert in the budgeting but the ministers who sit in the front row have departments they are responsible for. They know what their budgets are. I think they need to draw back a little and ask where their portfolios are in the list of priorities.

We know that with the tragic events on September 11 security is certainly one of them. Our defence is certainly another one. We have to take a good look at agriculture because food is pretty essential. We talk about air and water. We know what the essentials are, but food is very essential.

There has to be a cash injection. Maybe they need to wear down the erasers on their pencils when they start passing out money.

*S. O. 52*

The public accounts are coming out and I find it amazing that the ministers are still keeping up to their commitments. Billions of dollars are going into different programs, most of which are nice things to do. When things are going well, I would support keeping those kind of things flowing in those areas that are nice things to do, but we are in a situation where the higher priority areas are suffering. Perhaps we could shuffle some of that money around in a different direction. Put it to an essential cause.

When we go further into the public accounts and see where they are spending the money, it gets to the point of ridiculousness. The absolute stupidity of spending millions of dollars in areas that we cannot understand what the devil they are even thinking about.

I suppose \$165,000 sounds like peanuts but it is only a small example of the many projects the government spends money on. My pet one now that I am 65 years old is this wonderful committee on seniors and sexuality. Boy does that make me feel good that I now qualify as a senior and somebody is out there looking after my sex life with tax dollars. A good Liberal program. That is only one example. We could find hundreds of them in the public accounts.

Why do we not direct some of this money at places that deal with essential things? We cannot find anything more essential than food.

Along with that is another essential item. In order to produce food, we need moisture. We need to see what we can do about that. There are excellent irrigation programs. We can start working toward getting something into place in areas that are capable of handling that. I think we could improve on that. At the same time there is the cost of energy. We cannot produce food without energy. They are the two most important items; they go hand in hand.

When I farmed way back in the 1960s, I got as much for a bushel of barley then as they get today. I can guarantee the input cost for energy was not anywhere near what it is now.

Let us address the energy problem. Let us do what we can to relieve our farmers and producers of the headaches of where they are going to get the money to buy fertilizer, where they are going to get the money to pay for the power and how they are going to afford their fuel. What can we do?

•(1845)

I appreciate the two Liberals being here. However I am disappointed that in a crisis of this nature, faced with the essential task of feeding 31 million Canadians and keeping our commitment to the hungry in rest of the world, members are not all here demanding that we stay seated until we come up with resolutions that will solve the problem or at least head in that direction. I am afraid I will wake up tomorrow morning and ask myself what it was all worth because nothing will have changed.

I will make one last comment before I shut it down. Many do not want to diversify. They want value added goods and the wheat board is a hindrance to that possibility. Let us think about that and look at what we can do in those areas.

•(1850)

**Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.):** Mr. Chairman, as members well know, I am from an urban riding next to Toronto and

am one of the two Liberals who happen to be in House right now. However members have been taking care of their work and making calls. I was working in my office watching the debate and I wanted to come here for a good reason: to show my support.

**An hon. member:** We appreciate that.

**Mr. Paul Szabo:** Thanks.

Early in my career I had the pleasure of being corporate treasurer of United Cooperatives of Ontario, an agricultural co-operative which provided farm inputs. I learned an awful lot about the agricultural community and it sensitized me to the reality of the family farm.

The northeast of Ontario is mostly dairy and cattle and the southwest is seed and grain. Their requirements are a little different in terms of their inputs. I will share with the House a few things an urban person learned about the farm, which I think Canadians would be interested to know.

When there is an economic downturn in Canada farmers are the first to suffer and the last to recover. That is the reality I saw in the agricultural community in Ontario.

I learned about the technology of farming. It has been changing dramatically, so much so that we can produce more food with many fewer farms than we ever did before. That is a tremendous pressure on the family farm. How can a family farm compete? Large corporations are buying up farms and consolidating properties. They are able to negotiate with suppliers to get significant savings on agricultural inputs that are not available to the small family farm. Economies of scale are a big issue.

There is no question that the family farm is declining. This is unfortunate but widespread. I listened to the speech of the hon. member for Dufferin—Peel—Wellington—Grey. It was an excellent speech. He has a plan. However the family farm needs help so I am here to lend my support. I am here to say I support the agricultural industry and the family farm.

I do not have the current figures on food and our economy. However Canadians should know that we are not just talking about the livelihood of farmers. Only about 2% of the population are farmers. We are talking about a major industry in Canada which employs an enormous number of people outside the farm gate. I am talking about all the people involved in the supply of inputs, fertilizers and chemicals. I am talking about the Ciba-Geigys, the Monsanto and CF Industries in the U.S. which is a major fertilizer supplier.

I will give an example of the problems and cost issues that used to come up. CF Industries used to make me strike a purchase price for fertilizer months in advance of delivery. Because it came from the United States, I had to make a decision on purchasing timing because there was a risk on the foreign exchange side. We also had to pay in advance. Time is money and this adds to the costs.



In considering this example of incremental costs to the inputs of a farm operation, we can imagine how many other aspects of farming are not typical. There are risks inherent in the agricultural industry. We know about the tragic drought across Canada and other serious problems. We know about the risks we face with regard to foot and mouth disease and the safeguards being taken.

● (1855)

The Government of Canada is concerned about the agricultural industry. Has it been able to do enough? I do not believe so.

During the pre-budgeting process we will get an opportunity to show our support by talking with colleagues like the hon. member for Miramichi who has been such a sound spokesman on behalf of the Canadian farm.

The Government of Canada will make sure it is there in situations of economic downturn where farmers are the first to suffer and the last to recover. It will be there on behalf of all Canadians because it values our food supply.

I cannot overstate the fact that the Government of Canada spends an enormous amount to protect the quality and safety of our food supply. It is another cost to taxpayers but an important one. If the safety of our food supply is in jeopardy Canadians as a whole will suffer. Seventy-five per cent of our exports go to the United States. A large percentage of that, around 80%, is agricultural production.

I am here tonight as an urban member of parliament with a bit of knowledge of the agriculture industry. I know enough about it to know it is important. I favour continued support for the agricultural community. Seeds and grains were the hardest hit by the drought in the last round. However it is not the only tragedy we have had in the agricultural industry. Canada must be vigilant about how to protect the things that are most important to us. I cannot think of anything more important to Canada right now than the security of our food supply.

I thank members for participating in the debate. It is important that Canadians know we care about agriculture.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Chairman, when my hon. colleague from Selkirk—Interlake asked for this emergency debate, I was of two minds as to whether or not to participate. I have been involved in several emergency debates on agriculture in the almost nine years that I have been in the House and I honestly have to say that I am very discouraged. In fact I despair for the way agriculture has been treated and what the future is for agriculture in Canada.

Even though my colleague who just spoke said that he realizes the importance of the industry, in general terms I do not think the government recognizes its importance. I fail to understand how any government could ignore a basic industry which produces food for our country and think that it could build a modern economy if there is no security in our food supply. Is it going to let our farmers disappear and die? We can import corn into eastern Canada from the United States and we can import canola cheaper from the European Union because of all the subsidies, but some day that may change. If it changes, I suggest we will be in big trouble and it may not be as far off as we think.

*S. O. 52*

In terms of security, we have seen what happened to the United States. We always think that things like that happen far away from us. My colleague from Elk Island talked about Ukraine. The Soviet Union had a deliberate policy to starve out the people of Ukraine in the 1920s and 1930s. Twenty million people perished because of that kind of policy. Any nation that does not have the ability or the foresight to look after its food supply is in jeopardy.

Why has the government chosen not to look after our farmers? We know that other countries have looked after their farmers. There are many ways of doing it. There is the subsidy route which the European Union chose. There are other methods. Canada continues to charge high taxes on fuel and fertilizer. We have heard this before. It is not as if the government does not choose to do the same thing with other sectors. Agriculture is obviously not a priority area for the government.

Grants and subsidies are going to businesses all the time. We are about to have another one hit us here next week regarding Air Canada. It wants \$3 billion to \$4 billion. I suggest the track record of the Liberal government will mean that it gets it. Yes, the airline industry is an important industry. What about Bombardier? Since January 1 it has come to the government twice. It was given a \$1.7 billion loan guarantee to sell jets to Air Wisconsin and there was another one shortly after for \$1.3 billion. Why? Because the competition is unfairly subsidizing its product and we have to keep pace. Does that sound vaguely familiar?

The European Union subsidizes its farmers to the extent of about ten times as much as Canadian farmers get. Not only is it supplying its own needs which we can accept, but it is using those export subsidies to steal our other markets in third world countries. Our farmers are withering and dying. I have been at functions and meetings with farmers. I have seen 30 farm wives in tears wondering how their farms are going to survive. Many of them did not survive. In the last few years there has been great devastation. We can choose to go down that road.

One of the members opposite said there has always been change and fewer family farms. That is true and it will continue to happen. Some farmers will survive. What about the fairness aspect of this? We can find money for Bombardier. We can find money to give to Pratt & Whitney and General Electric. HRDC grants of over \$1 billion seem to go missing. McGill University asked for a grant of \$60,000 out of that program and it was sent \$160,000. That is the kind of nonsense that goes on. When farmers come knocking at the door, they are told there is not enough money and that they will just have to survive.

What about cultural grants? Yes, culture is a very important thing. We all need culture, but if we do not have a base economy, what kind of culture are we going to have in the future?

What about Shawinigan? We have money to give to hotel builders in Shawinigan to build hotels, conference centres and so on.

*S. O. 52*

•(1900)

Let us assume that they had chosen not to give money to agriculture because it is not a priority area. How else could we help farmers? We could help farmers by getting out of the intervention that takes place. When farmers realized they could not look to the federal government for any more money, they would want to operate on a market basis and would find the markets to sell their product. However, if they did that the federal government would tell them that they had to sell their product to the Canadian Wheat Board, which will not let the farmer export. He might live five miles from the Canada-U.S., but he cannot take it across the border. He has to get a licence from the Canadian Wheat Board. It is more intervention and more control.

What about the Canadian Grain Commission? If some Canadian companies want to sell products that have 5% dockage and 95% product, wheat for example, to customers who want them, they cannot do that. The Canadian Grain Commission will not allow them to do it.

What about the transportation side? Farmers want to have a transportation, market driven system. They cannot have that because we have the Canada Transportation Act which limits what they can do. They also have to involve the Canadian Wheat Board which says they cannot have rail cars to ship their product unless it tells them to do so.

There is a lack of concern by the government in terms of trying to give some financial help to farmers. There is a lack of concern about letting them go their own way, like New Zealand. When New Zealand thought it was too heavy going and it had to get out of the subsidy business, it at least took the reins off the industry and let it go to a market industry so that railways could reduce their cost of doing business and people were not constricted in what they had to do in terms of monopoly situations.

If the government cannot help farmers it should get out of the way. That is what I say to the Liberals across the way.

We have heard some good speeches from the other side. I asked the chairman of the agriculture committee to take the committee to Grande Prairie a couple of years ago, in the Peace River country, an area that produces as much grain as the entire province of Manitoba. It would have been the first time the committee had ever been in my riding. I asked it to come to hear the concerns of the people. Yes, it came and I was grateful for it.

When the chairman, Mr. Harvard, started, I was a little tough on him. Some of the members of my riding asked me why I was being so tough on the Liberals because they seemed like good people. I told them that was fine, but to wait to see what they would deliver. They delivered great promises. There were speeches afterward at the chamber of commerce, and they got good press. They said they were listening, that they were our best friends and that they would do something. It never happened.

Why are we dubious? I have been here nine years and it is the same old story. We have these debates and yes, things will happen. We asked the Minister of Agriculture and Agri-Food for \$500 million. The government could not do it. It rolled over money from one year to the next to make it look like it was doing something. I

think it is just too little. If the government cannot help, it should get out of the way and let farmers choose their own course. That is what we need.

This year we have a devastating drought in many parts of the prairies. Also, in Ontario some of the other speakers have identified problem areas. That is the latest, but it has happened many times before in different forms. What have farmers come to expect of government? They have come to expect some help in these times.

We had major rains in one sector of the Peace River country. I applied to the Disaster Services Board. It said no. If a farmer took crop insurance he did not qualify. What happened in Ontario after the ice storm? The government could not wait to get cheques into the hands of those people. In fact, there were advances before the claims were even made. It was the same with the flood in the Saguenay. Let us try treating people equally and fairly in this country for a change.

We see where the Liberals are coming from. They are looking after certain sectors. They do not look after others.

I think I know why the Prime Minister did not come to Saskatchewan when it was looking for major help a couple of years ago. The Liberal candidate in Saskatoon summed it up quite nicely in the last election. She said "If you don't elect me, you're getting nothing".

I see my colleagues from Saskatoon here. On this side of the House people will not take that kind of silliness in politics. We want fairness in this country. If the government will not give us fairness, it should get out of our way and let farmers choose their own course of action.

•(1905)

**Mr. Vic Toews (Provencher, Canadian Alliance):** Mr. Chairman, I appreciate your patience here tonight and your presence is certainly appreciated.

Although the recent crisis in the United States has overshadowed the more common domestic problems in Canada, we must not forget about the stresses and setbacks of our citizens. The people I would like to talk about today are our Canadian farmers.

Over the past several years it has been clear that the federal government is unwilling or indeed unable to come to grips with a serious farm income problem in Canada. While the federal and provincial ministers recently announced a long term vision for the future of agriculture, this proposal ignored the immediate income crisis facing grain and oilseeds farmers.

S. O. 52

While continuing to develop a long term goal for Canadian agriculture is important, more immediate steps need to be taken to ensure that farm families can afford to stay on the farm. Canada needs to develop a plan to put more money into the pockets of farmers immediately. However, instead of implementing practical solutions, the federal government has shown nothing but inaction. Its failure to recognize the grave income problem our farmers face will mean that many families will lose their farms, indeed many corporations who run farms will lose their business.

This is not just a problem in western Canada. This year in particular we have heard how Canadian farmers from coast to coast are suffering severe drought conditions as well as extremely low commodity prices.

If Canadians want to know where the water went, it went to southeastern Manitoba where we have been suffering nothing but flood. Fields are under water and we have serious problems with getting our crops in. We have serious problems with our forage crops and with cattle. In my riding we have had an abundance of water. If there was a way to distribute this water across the prairies or into Ontario, I would love to see that solution. However that is the reality of dealing with weather in Canada.

Speaking specifically of the drought situation, the federal agency that was set up to help farmers and ranchers with their problem with the lack of water, the PFRA ran out of money just four days after the beginning of this fiscal year.

Crops of all kinds have been seriously affected this season. A Statistics Canada survey of 5,900 Saskatchewan farmers suggested that spring wheat production will fall 18% from last year. Canola production will fall 38%. Durum wheat will fall 49% from last year to the lowest level in recent history. Corn production is down 20% and soybean production is down 25%.

Problems like drought cannot always be anticipated or prevented and for that reason it is extremely crucial that government improve upon the existing safety net programs to ensure that they meet the needs of farmers.

Sadly, the federal Liberal government continues to fail Canadian farmers with its lack of an effective agriculture policy. The Canadian wheat farmer receives only 11% of his income from government. Compare that to 58% for European grain farmers and 46% for American farmers. Yet instead of providing direct support for Canadian farmers until we can persuade the Europeans and the Americans to reduce their subsidy levels our minister of agriculture simply shrugs and says, "If you don't like it get out of the business".

● (1910)

I was very pleased to hear my colleague from Peace River mention the national security aspect of food production because one need only look at history to realize that when we lose control of food production we lose our country. It is an inevitable connection. If we ignore food production here and allow others to produce it, we will lose our country. This is a national security issue that the government simply does not recognize.

Farmers have been ignored and sidelined by the federal Liberal government for years, but our nation rests on the backs of these farmers. Now Canadian farmers are having to face not just what have

become the more common problems of debt, drought and flood. They are being hit from all sides by ill-advised government policies. For example, the legislation dealing with cruelty to animals, Bill C-15 currently before the House, has the potential to adversely affect normal farming practices. In the bill we see significant alterations in the underlying principles related to animal offences. It is something that needs to be very carefully considered.

The justice minister has attempted to assure members of the House and the Canadian public that the bill is not intended to target farmers or others who use animals legitimately. She has promised that these changes do not in any way negatively affect the many legitimate activities that involve animals such as hunting, farming, medical or scientific research. I can only ask this question. If it is not intended to change legitimately the way we deal with animals, then why do we need these substantive changes? It is creating anxiety and concerns among farmers.

If the minister were to stand and say that we needed tougher penalties against those who were cruel to animals, I and I think every member of the House would agree with that, but there is something much more behind this legislation. It has nothing to do with more severe penalties. There is an animal rights agenda here that is designed to drive farmers out of business and the Liberal government is buying into the policy. No member across the way will stand up and tell farmers that they will not allow a narrow political agenda to jeopardize the farmers' livelihoods.

The other issue again is ill-advised government policy driven not by members of the House, not the two good Liberal members I see across the way, but by the secret bureaucrats who drive these agendas. Who are they? Who would have advised the minister to introduce this type of legislation? Probably the same bureaucrats or policy advisers who brought in Bill C-68.

What does that have to do with agriculture? It has everything to do with agriculture. It criminalizes activities of hunters and farmers. It is just another government program to worry about; half a billion dollars that it has been dumped down the drain. That half billion dollars could go to our farmers in direct supports. It could go to national security. However, to set up programs to aggravate hunters and farmers and to allow criminals to escape simply is not acceptable.

I have had the opportunity to put a few thoughts on the record. I thank the House for its patience and indulgence.

● (1915)

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, Canadian Alliance):** Mr. Chairman, it is an honour and, in some sense, sad that I am here participating in this debate. I am sure other members would prefer not to be here and that things were going well in the farming communities across the country.

S. O. 52

I speak particularly on behalf of the farmers of the Saskatoon—Wanuskewin constituency, but we know there is a major problem for Canadian farmers and agriculture producers from coast to coast who are suffering from drought conditions. They are facing some real burdens these days.

It has been fairly obvious over a number of years and even of late that the Liberal government does not have, as any kind of priority, the needs of farm families in rural Canada. It may say that it is not in its interest nor in the national interest, but it is very wrong on that. At a time like this, it is in the national interest to sustain and assist those who put food on our tables day by day. It is in the interest of each of us, three times a day at least.

The Liberal agriculture minister refuses to acknowledge that there is a crisis. We see him responding in the House in a rather lacklustre fashion refusing to acknowledge the depth of the ongoing farm crisis and the exacerbating impact of the drought across our country. At times, when he is pressed on it, he comes up with a briefing package that nicely itemizes or details all the help available to farmers, but it proves to be rather pitiful. It may look great on paper but there is not a lot of cash or dollars on the table when it comes right down to it.

Overall yields are down very significantly across the country, anywhere from 20% or better in the prairies. Surely in this session the time has come for farmers to get some help and receive deliverance. The government ought to finally follow through in terms of the many years of promises of a solid, long term farm safety net program. We need it and we have been insisting on it, and there is no better time than these days ahead to put that into practice.

During this session of parliament we hope the Liberals will view those who till the soil as at least equal to some of the companies across other parts of the country, such as Bombardier, that make up the so-called new economy. Air Canada has asked Ottawa for some \$3 billion to \$4 billion or it may have to file for bankruptcy. Well the fact is that many farmers have already had to file for bankruptcy and it has created enormous distress. Help lines have been set up across the west and elsewhere in the country. Forgive us if we fail to see the justice in a possible \$3 billion to \$4 billion bailout if the government goes down that road.

The Liberals have failed to clearly address the root causes of the farm income crisis which has been further hampered by the drought arriving on the heels of disastrously low commodity prices. Farmers need immediate emergency financial help and they need it now.

The Canadian Alliance has a plan which we have laid out very clearly over a period of time after consultations with farmers and by holding town hall meetings. It is a plan to deal with the immediate crisis and includes a long term vision so that our agriculture industry becomes as vibrant as it once was in the country.

It is obvious, if one looks at the record in *Hansard*, in committee and so on, that the Alliance considers agriculture as one of its top parliamentary priorities. Everyone can be assured that the Alliance's efforts on behalf of farmers will not abate.

This was the fifth driest year on record for my province of Saskatchewan, but I do not want to seem to be concerned only about my backyard. I had the opportunity to spend some time in the maritimes this past summer travelling with our leader, the member

for Okanagan—Coquihalla. When we were in the province of New Brunswick we saw some of the effects of the drought. New Brunswick received only 17.3 millimetres of rain in July compared with normal precipitation in the range of about 102 millimetres.

Livestock producers are searching for water and are being forced to sell off their land in parts of the country. The impact of the drought is hurting cattle ranchers in B.C., on the prairies, in Quebec, in Ontario and in the maritimes.

• (1920)

The Medicine Hat office of the PFRA has estimated that 95% of surface water in southern Alberta is depleted. Some of those pastures may bounce back, but they will not regain full productivity until maybe a decade down the road.

When we visited New Brunswick we saw that ranchers and farmers are hurting because of the drought or the lack of rain. They estimate that their forage crops will be down by 25% to 40% in that province.

I will describe some of the impacts in Saskatchewan and the riding of Saskatoon—Wanuskewin which I have the privilege to represent. Oilseed production is down. Canola production is down by 38% from last year. Durum wheat has fallen by 49%, almost by half from last year, to the lowest level in recent history.

The drought is not only affecting the west or my backyard but also Ontario. Corn production is down by 20%. Soybean production is down by 25%.

We met with the head of the potato board of the Prince Edward Island Federation of Agriculture. He indicated to us that the lack of rain was expected to cut the 2001 yield crop of vegetables by at least half, if not more. That reduces the gross farm revenue by at least \$62.5 million. This is pretty significant. It is not an isolated or remote spot in Saskatchewan. It is in different parts of the country.

I draw to everyone's attention some of the things that must be done, as has already been suggested by members. We have had years of neglect by the Liberal government. We are now faced with the drought and the impact of disastrously low commodity prices.

The minister of agriculture needs to get a special committee together to carefully analyze the grains and oilseed sector crisis we face.

Ranchers are asking for something that is very reasonable. They are liquidating their herds because of the drought. They want to be able to defer the tax on that sale for at least one year to allow them to repurchase breeding stock. Asking for that one year extension is not unreasonable.

Members of the official opposition on this side of the House have often talked of how existing safety net programs need to be dramatically improved to ensure they meet the needs of our farmers. Some of the suggestions for change have come from our agriculture critic, the hon. member for Selkirk—Interlake. I commend him for the consistent job he has been doing over a considerable time keeping us rallied, focused and hammering on this issue.

With respect to existing safety net programs, the crop insurance program needs to be significantly improved to ensure that it covers all the costs that producers incur in seeding their crop.

The regulations surrounding natural disasters need to be amended to ensure that farmers receive compensation for inputs lost due to natural disasters, as we are facing now. If that had been in place in southeastern Saskatchewan and southwestern Manitoba, they would have received disaster assistance on the other side of the equation when they had flooded farmland back in 1998.

The net income stabilization account must be made more accessible. I have talked to countless farmers on numerous occasions who have told me how they need to be able to get better access to NISA. The calculation of NISA eligible costs should be adjusted to include grain transportation costs as well.

We have suggested other practical things such as reducing the costs imposed on farmers by the federal government. We have some pretty excessive taxes on things like farm fuel, user fees, taxes on taxes, and taxes on inputs.

We need to encourage farmer driven value added processing. The Canadian Wheat Board market monopoly is a hindrance that gets in the way. It should get out of the way so that farmers can get on with the job. That is what farmers want. They want marketing choice. Farmers' costs should be reduced by modernizing the grain handling and transportation system.

The Canadian Alliance policies have been built through continued consultations with farmers and farm groups. We put together the action for struggling agriculture producers, ASAP for short. It heard from more than 3,500 farmers at 70 different meetings in five provinces.

• (1925)

The member for Battlefords—Lloydminster was very instrumental in that and a key player. It was pushed forward by our lead critic, the hon. member for Selkirk—Interlake. Our consultations will not stop. They will continue.

We have put in considerable effort and we need to build on that. Our leader, the member for Okanagan—Coquihalla, has been in the forefront of this in Parliament. After the last election there was a letter to the Prime Minister and we have gone after this in question period time and again. We have made almost a hundred statements on the issue. A variety of farm issues have come up that we have pressed on and that we will continue to press on.

We had a vote in the House asking for an additional \$400 million in emergency help and the Liberals voted it down. The Canadian Alliance will continue the fight. We will fight for farmers. We have been leading the fight for farmers in recent years and we will continue. For more details on these efforts I would ask all those interested to visit our agriculture website at [www.canadianalliance.ca/agriculture](http://www.canadianalliance.ca/agriculture).

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Mr. Chairman, on behalf of the people from Surrey Central I am very pleased to participate in this debate on the agricultural industry. I would also like to extend my thanks to our agriculture critics, the hon. member for Selkirk—Interlake and the hon. member for

*S. O. 52*

Cypress Hills—Grasslands, who have done an excellent job in being proactive and listening to the farmers about their concerns time after time.

I can tell viewers as well as members that before doing my M.B.A. I did my first degree in agriculture honours at the number one university in Asia, Punjab Agricultural University. I mention this because the university worked together with the government of Punjab state and brought about a green revolution in the state. The Punjab has an area of about 2% of the country but it produces over 70% of the food for the whole country. This shows how effective a government role, as well as that of an institution, can be in bringing about a green revolution.

From the agricultural perspective here in Canada, when I compare it with my experience of agriculture in India, I believe that the government approach in Canada is one of neglect, not only in the budget, health care or various other areas such as defence, organized crime, terrorism and so on, but specifically in agriculture. Farmers have not been listened to by government in regard to their problems and neither does the government appear to be looking forward to addressing the problems. I do not see any political will from the government to address those issues.

**An hon. member:** I don't see any politicians.

**Mr. Gurmant Grewal:** Exactly. Attendance in the House shows that only one Liberal member is listening to the debate. I thank him for being here.

Canada is geographically the second largest country in the world. We can be number one in agriculture or at least make our agricultural accomplishments known at the international level. Remember that when we visit other countries people talk about Canadian wheat, but given the circumstances the farmers are surrounded by here I think it is a pity for the farming industry in general.

A few weeks ago I toured some farms in my constituency of Surrey Central. I was amazed by the particular initiatives of the farmers and how well some can do by diversification because they cannot survive with traditional farming practices. One farmer ventured into herb production and that farm is the largest herb and special plant producer in North America. Another farmer went into blueberries, Purewal Farms, and it is also the largest blueberry farm in North America.

Some smart farmers are shifting from traditional farming, and the government has to address that issue.

I have noticed so many particular issues like the wheat board, for example. Why would government interfere with the marketing of a specific commodity? Similarly, there is the labour code. Farm workers cannot apply for employment insurance. I compare that with the fishery industry. Why is there a double standard? The farmers do face crises in labour.

*S. O. 52*

Some farmers told me that their vehicles were stopped on the road for safety inspections and their labourers, who worked hard all day from early in the morning until late in the evening, were left sitting on the side of the road for four and half hours. Why would the inspectors not go to the farms and examine the vehicles there?

There are so many things to consider, like pesticides. In Canada we of course want to be environmentally friendly and protect our environment, but certain pesticides are banned in Canada and not in the U.S. I understand where the government is coming from but look at the impact. Farm produce from the U.S., where those pesticides are used and help make farming more economical, is allowed into Canada and consumed in the Canadian market. Why not have standardization and look at it from the perspective of making our industry competitive? I believe that the farm industry in general is a business. Why is the business not profitable? It should be profitable.

We see the dumping of produce into the Canadian market, for example, tomatoes. I visited some B.C. hothouses, which are greenhouses where tomatoes are produced. They are having a crisis because the government does not address dumping by the U.S. tomato producers. Free trade is not fair trade. Our agriculture industry is paying the price.

• (1930)

Similarly with crop insurance, I notice that for the fruit producers in the Okanagan Valley when there is a climatic catastrophe the

crops are not being properly insured, because crop insurance is a major issue for those farmers.

There are so many other issues I can mention but my time is up. I believe that the government should listen to the farmers, be proactive and make the farming industry profitable in Canada rather than having farmers selling farms and facing this crisis. Now that we have the recent situation of drought in the agricultural community, farmers are facing unprecedented difficulties. The Liberal government is completely ignoring the needs of the family farms and it is ruining rural Canada. The costs of the ongoing farming crisis and the impact of the drought are significant and the government needs to address that. The low commodity prices are affecting the farmers and the government is completely ignoring that too.

I believe the government should pay attention, look into the root causes of these problems and develop a strategic plan whereby the farmers are assured that they should have confidence in this industry and make their industry useful for the country, not only for the farmers but for the 31 million of us living in Canada.

• (1935)

**The Speaker:** It being 7.35 p.m., pursuant to the order made earlier today the committee will rise and I will leave the chair.

The House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 7.35 p.m.)

---







# CONTENTS

Thursday, September 27, 2001

<b>ROUTINE PROCEEDINGS</b>	
<b>Interparliamentary Delegations</b>	
Mr. Patry .....	5627
<b>Criminal Code</b>	
Mr. Pankiw .....	5627
(Motions deemed adopted, bill read the first time and printed) .....	5627
<b>Petitions</b>	
<b>Kidney Disease</b>	
Mr. Adams .....	5627
<b>VIA Rail</b>	
Mr. Adams .....	5627
<b>Road Transportation</b>	
Mr. Asselin .....	5627
<b>Post-Secondary Education</b>	
Mr. Herron .....	5628
<b>Questions on the Order Paper</b>	
Mr. Regan .....	5628
<b>Questions Passed as Orders for Returns</b>	
Mr. Regan .....	5628
Mr. Milliken .....	5628
Mr. Milliken .....	5628
<b>Agriculture</b>	
Mr. Hilstrom .....	5628
<b>Speaker's Ruling</b>	
Mr. Milliken .....	5629
Mr. Boudria .....	5629
Mr. Milliken .....	5629
(Motion agreed to) .....	5629
<b>GOVERNMENT ORDERS</b>	
<b>International Boundary Waters Treaty Act</b>	
Bill C-6. Third reading .....	5629
Mr. Boudria .....	5629
Motion .....	5629
Mr. Milliken .....	5629
(Amendment withdrawn) .....	5629
Mr. Cardin .....	5629
Mr. Comartin .....	5631
Mr. Herron .....	5633
Ms. Lill .....	5633
Mr. Bailey .....	5633
Mr. Casey .....	5633
Mr. Casey .....	5634
Mr. Bailey .....	5635
Mr. Caccia .....	5635
Mr. Bailey .....	5636
Mr. MacKay .....	5636
Mr. Mills (Toronto—Danforth) .....	5636
Mr. Casson .....	5637
Mr. Dubé .....	5638
Mr. Casson .....	5638
Mr. St. Denis .....	5639
Mr. Martin (Esquimalt—Juan de Fuca) .....	5639
Mr. Regan .....	5641
Mr. St. Denis .....	5641
Ms. Girard-Bujold .....	5642
Division on motion deferred .....	5644
<b>Nuclear Fuel Waste Act</b>	
Bill C-27. Second reading .....	5644
Mr. Comartin .....	5644
Mr. Keddy .....	5646
Mr. Martin (Winnipeg Centre) .....	5646
Mr. Keddy .....	5647
Mr. Martin (Winnipeg Centre) .....	5648
Mr. Reed .....	5649
Mr. Blaikie .....	5650
Mr. Bailey .....	5650
Mr. Hilstrom .....	5650
Mr. Grewal .....	5651
Mr. Bryden .....	5652
Ms. Girard-Bujold .....	5654
<b>Ways and Means</b>	
<b>Notice of motion</b>	
Mr. Peterson .....	5655
<b>STATEMENTS BY MEMBERS</b>	
<b>Mark Conliffe</b>	
Mr. Comuzzi .....	5655
<b>Agriculture</b>	
Mr. Hilstrom .....	5656
<b>Breast Cancer Awareness Month</b>	
Mr. Myers .....	5656
<b>Arthritis Month</b>	
Mr. Adams .....	5656
<b>Phyllis Rawlinson Park</b>	
Mr. Wilfert .....	5656
<b>Royal Canadian Air Forces</b>	
Mr. Goldring .....	5656
<b>Steel Industry</b>	
Mr. Valeri .....	5657
<b>Violence</b>	
Ms. St-Hilaire .....	5657
<b>Steel Industry</b>	
Mr. Provenzano .....	5657
<b>National Defence</b>	
Mr. Martin (Esquimalt—Juan de Fuca) .....	5657
<b>Terrorism</b>	
Mr. Bonwick .....	5657

<b>Emergency Workers</b>	
Mr. Blaikie .....	5658
<b>Steel Industry</b>	
Mr. Bergeron .....	5658
<b>Chrysotile Asbestos</b>	
Mr. Binet .....	5658
<b>Project L.O.V.E.S.</b>	
Mr. Keddy .....	5658
<b>Ukrainian Canadians</b>	
Ms. Bulte .....	5658
<b>Terrorism</b>	
Mr. Fitzpatrick .....	5659

### ORAL QUESTION PERIOD

<b>Terrorism</b>	
Mr. Day .....	5659
Mr. MacAulay .....	5659
Mr. Day .....	5659
Mr. Manley .....	5659
Mr. Milliken .....	5659
Mr. Day .....	5659
Mr. MacAulay .....	5659
Mr. Sorenson .....	5659
Mr. MacAulay .....	5660
Mr. Sorenson .....	5660
Mr. MacAulay .....	5660
<b>The Economy</b>	
Mr. Duceppe .....	5660
Mr. Martin (LaSalle—Émard) .....	5660
Mr. Duceppe .....	5660
Mr. Cauchon .....	5660
Mr. Loubier .....	5660
Mr. Cauchon .....	5660
Mr. Loubier .....	5660
Mr. Martin (LaSalle—Émard) .....	5661
<b>Export Development Corporation</b>	
Ms. McDonough .....	5661
Mr. Pettigrew .....	5661
Ms. McDonough .....	5661
Mr. Pettigrew .....	5661
<b>Terrorism</b>	
Mr. Clark .....	5661
Mr. Martin (LaSalle—Émard) .....	5661
Mr. Clark .....	5661
Mr. Martin (LaSalle—Émard) .....	5661
Mr. Toews .....	5661
Mr. Martin (LaSalle—Émard) .....	5662
Mr. Toews .....	5662
Ms. McLellan .....	5662
<b>The Economy</b>	
Mr. Duceppe .....	5662
Mr. Martin (LaSalle—Émard) .....	5662
Mr. Duceppe .....	5662
Mr. Martin (LaSalle—Émard) .....	5662

<b>Airline Industry</b>	
Mr. Kenney .....	5662
Mr. Collenette .....	5662
Mr. Kenney .....	5662
Mr. Collenette .....	5662
<b>Employment Insurance</b>	
Ms. Guay .....	5663
Mrs. Stewart .....	5663
Ms. Guay .....	5663
Mrs. Stewart .....	5663
<b>Airline Safety</b>	
Mr. Moore .....	5663
Mr. Collenette .....	5663
Mr. Moore .....	5663
Mr. Collenette .....	5663
<b>Customs and Excise</b>	
Mr. Galloway .....	5664
Mr. Cauchon .....	5664
<b>Airline Safety</b>	
Mrs. Desjarlais .....	5664
Mr. Collenette .....	5664
Mr. Godin .....	5664
Mr. Collenette .....	5664
<b>Airline Industry</b>	
Ms. Meredith .....	5664
Mr. Collenette .....	5664
<b>Citizenship and Immigration</b>	
Mr. Herron .....	5664
Mr. Collenette .....	5664
<b>National Defence</b>	
Mr. Benoit .....	5664
Mr. O'Reilly .....	5665
Mr. Benoit .....	5665
Mr. O'Reilly .....	5665
<b>The Canada Jobs Fund</b>	
Ms. Girard-Bujold .....	5665
Mr. Cauchon .....	5665
Ms. Girard-Bujold .....	5665
Mr. Cauchon .....	5665
<b>National Security</b>	
Mr. Jaffer .....	5665
Mr. Cauchon .....	5665
Mr. Jaffer .....	5666
Mr. Cauchon .....	5666
<b>Wireless technology</b>	
Mr. Proulx .....	5666
Mr. Drouin .....	5666
<b>National Security</b>	
Mr. Penson .....	5666
Mr. Cauchon .....	5666
Mr. Penson .....	5666
Mr. Cauchon .....	5666

<b>Canadian Banks</b>	
Ms. Picard .....	5667
Mr. Martin (LaSalle—Émard) .....	5667

<b>The Environment</b>	
Mr. Savoy .....	5667
Mr. Anderson (Victoria) .....	5667

**Presence in Gallery**

<b>Business of the House</b>	
Mr. Reynolds .....	5667
Mr. Boudria .....	5667
Motion .....	5667
(Motion agreed to) .....	5668
Motion .....	5668
(Motion agreed to) .....	5668

**GOVERNMENT ORDERS**

<b>Nuclear Fuel Waste Act</b>	
Bill C-27. Second Reading .....	5668
Ms. Girard-Bujold .....	5668
Mr. Blaikie .....	5669
The Acting Speaker (Ms. Bakopanos) .....	5671
Bill C-33. Second reading .....	5671
Ms. Karetak-Lindell .....	5671
(Motion agreed to, bill read the second time and referred to a committee) .....	5672

<b>Business of the House</b>	
Mr. Boudria .....	5672
Motion .....	5672
The Acting Speaker (Ms. Bakopanos) .....	5672
(Motion agreed to) .....	5672

**Privilege**

**Computer Access**

Miss Grey .....	5672
Mr. Harris .....	5673

Mr. MacKay .....	5674
------------------	------

**ROUTINE PROCEEDINGS**

**Committees of the House**

**Procedure and House Affairs**

Motion for concurrence .....	5674
Mr. Adams .....	5674
(Motion agreed to) .....	5674

**EMERGENCY DEBATE**

**Agriculture**

Ms. Bakopanos .....	5674
Mr. Hilstrom .....	5674
Mr. Vanclief .....	5676
Mr. Borotsik .....	5677
Mrs. Desjarlais .....	5679
Mr. McCormick .....	5680
Mr. Casson .....	5681
Mr. Mitchell .....	5682
Mr. Anderson (Cypress Hills—Grasslands) .....	5683
Mr. Finlay .....	5685
Mr. Breitreuz .....	5686
Mr. Calder .....	5687
Mr. Solberg .....	5689
Mr. Hubbard .....	5690
Mr. Hearn .....	5691
Mr. Spencer .....	5692
Mr. Epp .....	5693
Mrs. Yelich .....	5694
Mr. Thompson (Wild Rose) .....	5695
Mr. Szabo .....	5696
Mr. Penson .....	5697
Mr. Toews .....	5698
Mr. Vellacott .....	5699
Mr. Grewal .....	5701

**MAIL  POSTE**

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

**Lettermail**

**Poste-lettre**

**1782711  
Ottawa**

*If undelivered, return COVER ONLY to:*

Communication Canada - Publishing  
Ottawa, Ontario K1A 0S9

*En cas de non-livraison,*

*retourner cette COUVERTURE SEULEMENT à :*

Communication Canada - Édition  
Ottawa (Ontario) K1A 0S9

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

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

**Also available on the Parliamentary Internet Parlementaire at the following address:**

**Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :**

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

---

**The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.**

**Additional copies may be obtained from Communication Canada - Canadian Government Publishing, Ottawa, Ontario K1A 0S9**

**Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.**

**On peut obtenir des copies supplémentaires en écrivant à : Communication Canada - Édition, Ottawa (Ontario) K1A 0S9**

**On peut obtenir la version française de cette publication en écrivant à : Communication Canada - Édition  
Ottawa (Ontario) K1A 0S9**