



CANADA

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OFFICIAL REPORT
(HANSARD)

Wednesday, February 4, 2004
(Part A)

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Wednesday, February 4, 2004

The House met at 2 p.m.

Prayers

• (1400)
[English]

The Speaker: It being Wednesday, we will now have the singing of the national anthem, led by the hon. member for Ancaster—Dundas—Flamborough—Aldershot.

[Editor's Note: Members sang the national anthem]

STATEMENTS BY MEMBERS

[English]

AUTOMOBILE INSURANCE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, there is a crisis in insurance all across Canada. Auto insurance has received a great deal of attention in recent provincial elections but in fact the problems extend to most facets of business and social life in Canada.

I have heard concerns about the cost of insurance, about a reduction in insurance coverage and a limited choice of insurers from small business people, health professionals, school bus operators, municipalities, realtors, farmers and homeowners.

I realize that insurance is a provincial matter in Canada but the time has come for a full scale national inquiry. The variety of auto insurance programs across the country alone merits national study. All provinces, territories and citizens would benefit from this.

I urge the government to initiate a national inquiry into insurance at the earliest possible opportunity.

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CONSERVATIVE PARTY OF CANADA

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, the new Conservative Party of Canada is an historic move forward for Canadian democracy.

Voters will now have a broad-based, competitive and energetic alternative to the tired and troubled Liberals.

The coming together of renewed Conservative forces has been achieved by significant goodwill at the constituency level.

My riding of Calgary—Nose Hill has proven to be a superb example of this forward thinking.

I would like to pay tribute to the leadership and dedication of Calgary—Nose Hill constituency president Dr. John Huang and vice-president Mel Johnson. Led by these two fine and capable Canadians, our board includes executive officers Jason Hatcher, Stephen Bin, Jeff Henwood, Gerrie van Ieperen and Frank Hickey, as well as a large number of other committed and hardworking members.

It is with great pleasure and anticipation that I enter a new chapter in public life working with this dynamic group of people for the success of the Conservative Party of Canada.

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• (1405)

CANADIAN TRANSPORTATION AGENCY

Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.): Mr. Speaker, I would like to take this opportunity to congratulate the Canadian Transportation Agency, as today marks the centennial anniversary of the CTA's 100 years at the heart of transportation.

We Canadians have benefited greatly from the work of this independent agency. I congratulate its chair, Ms. Marian L. Robson, its members and staff for their continuing efforts and success.

The origins of this agency can be traced back to the 1903 Railway Act. The first board of railway commissioners took up their tasks in 1904. Through its long history, it has evolved to become the Canadian Transportation Agency that we know today. Originally it was only to cover rail. Today it includes marine and air sectors. It is also responsible for the accessibility of the federal transportation network to persons with disabilities.

Thanks to the Canada Transportation Act, the agency's enabling statute, it can implement the federal government's transportation policy which subsequently makes the CTA an important part of the Canadian transportation hierarchy.

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WHITE CANE WEEK

Hon. Jerry Pickard (Chatham—Kent Essex, Lib.): Mr. Speaker, thousands of Canadians suffer from print disabilities. They include people whose vision is impaired, those with perceptual or eye problems and people who suffer from blindness.

All Canadians must have the right to access print material in our society. For those Canadians, alternative print material, such as large print books, magazines, Braille, audio materials and specialized electronic resources are tools to help keep visually impaired people informed.

During this White Cane Week I encourage the government to continue to help those Canadians to function more independently with adequate resources in order to better serve the visually impaired.

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[*Translation*]

BLACK HISTORY MONTH

Ms. Yolande Thibeault (Saint-Lambert, Lib.): Mr. Speaker, it is my pleasure to rise today to recognize Black History Month.

This is a time to celebrate the numerous achievements and contributions of African-Canadians who, historically, have done so much to move Canada toward becoming the culturally diverse, humanitarian and prosperous country that we live in today. It is also a time for most people in Canada to learn more about the experiences of black people in Canadian society and about the vital role this community has played throughout our history.

This year again, as in the past nine years, activities will be organized across Canada. My wish is that these activities have a positive impact on the lives of Canadians. Openness to other cultures enriches all who experience them.

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[*English*]

HEALTH

Mr. Roy Bailey (Souris—Moose Mountain, CPC): Mr. Speaker, most people, including myself, began smoking cigarettes at a young age because of peer pressure. The town in which I was living at that time was a military town and not only were the uniforms very attractive but also the fact that many of the soldiers smoked.

At that time no one thought of the dangers of cigarette smoking. Today the government spends millions in providing educational warnings to all cigarette smokers.

Today's new danger is one now considered by the scientific community to be even a greater danger than smoking cigarettes. It has been widely proven by competent researchers that marijuana smoking is more dangerous to our health than cigarette smoking. Where are the government's educational facts about the dangers of marijuana and hashish smoking?

Today we have a health care system already overburdened. The government should be educating the public on the hazards of the use of these two illicit drugs.

● (1410)

YECHEZKEL GOLDBERG

Hon. Elinor Caplan (Thornhill, Lib.): Mr. Speaker, on the morning of January 29, Canadians woke to the tragic news of another horrific incident of a bus blown apart in Israel.

Dr. Yechezkel Goldberg, of Blessed Memory, was on Jerusalem bus 19. He was murdered in a senseless and appalling act of terrorism which targeted, once again, the innocent.

Dr. Goldberg, of blessed memory, a Canadian, grew up in Toronto and sang with the Toronto Boy Choir which celebrated Jewish music. He was an observant Jew, graduated from the University of Toronto and was an internationally renowned psychologist who tried to help and specialized in helping troubled teenagers.

I paid a shiva visit to his family in Thornhill and I could not find any words of comfort because of the outrage and terrible sadness that is shared by all of the Jewish community and all civilized people everywhere.

I say to his wife Shifra, their seven children, his brothers, sisters and mother, that their unbearable pain is shared. We pray for an end to violence and bloodshed and pray as well for a return to sanity in our world and peace in Israel.

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[*Translation*]

SOURCES OF INFORMATION

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, January 22 was a sad day for our democracy when the Royal Canadian Mounted Police raided the home and office of Juliette O'Neil, a journalist from the *Ottawa Citizen*, under the Security of Information Act.

This police action challenges one of the pillars of our democracy, namely freedom of the press and the protection of sources.

The president of the Fédération professionnelle des journalistes du Québec, Anne-Marie Dussault, finds it disturbing and shocking that police would seize journalistic material collected in good faith. She had warned the government, in the fall of 2001, when the controversial anti-terrorism bill was passed, that things might get out of hand.

The Bloc Québécois believes that such interference in the affairs of the *Ottawa Citizen* is a threat not only to the public's right to know but also to the right of journalists to carry on their profession freely.

The Bloc Québécois therefore calls on the government to do everything in its power to ensure that these principles remain sacred.

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RIVIÈRE DES PRAIRIES

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, for some time now the residents of Laval West have been battling floods from the Rivière des Prairies.

Because of the ice jams, the residents of Sainte-Dorothée have had to leave their flooded houses and seek shelter with friends and family. I saw for myself that everyone is working flat out to ensure the safety and well-being of those affected.

Along with the people of Laval West, I offer my help and my concern for the disaster victims. I hope that the measures being taken to correct the situation will take effect rapidly so that the victims will be able to go home very soon.

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[English]

JAMIE BRENDAN MURPHY

Mr. Norman Doyle (St. John's East, CPC): Mr. Speaker, yesterday I, along with the Minister of Natural Resources, attended the funeral of Corporal Jamie Brendan Murphy of Conception Harbour, Newfoundland, who tragically lost his life in the line of duty while serving with the Canadian armed forces in Kabul, Afghanistan.

I am sure all members of the House join me in conveying sincere condolences to his family, comrades, friends and community.

We often debate foreign policy in the chamber but it takes a special kind of courage to carry out that policy by standing in danger half a world away. During this time of reflection our thoughts and our prayers go out to the men and women of our Canadian armed forces and their families as they stand on guard for us at home and abroad.

Corporal Jamie Murphy is a Canadian hero.

At the going down of the sun,
And in the morning,
We will remember him.

* * *

CHINESE NEW YEAR

Mr. Joe Peschisolido (Richmond, Lib.): Mr. Speaker, Chinese New Year is an elaborate, colourful and joyous time when families and friends gather to celebrate over traditional new year foods and delicacies.

As the third largest ethnic group, with over one million Chinese Canadians, Chinese New Year has become a major celebration for many Canadians. Residents in my riding of Richmond, British Columbia invite all Canadians to join them in celebrating Chinese New Year with a national holiday across our land.

Please join me in wishing all Canadians a healthy, prosperous and successful Year of the Monkey.

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GLADYS STRUM

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, today marks the 98th birthday of Gladys Strum, CCF member of Parliament from 1945 to 1949. Gladys was only the fourth woman elected to this place and the very first woman to head a provincial political party.

A strong advocate of women's equality, Gladys must be aghast at this government's failure to act on women's issues.

Just look at the throne speech. Women were practically invisible. Then there is the cabinet. To set himself apart, the new Prime

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Minister has added one—that is right, one—more woman to cabinet. And in his array of parliamentary secretaries? We are at 15%.

Not only did he leave experienced women out of cabinet, he is trying to drive them right out of politics.

Instead of patronizing platitudes, why does this government not act? It can start by establishing a parliamentary status of women committee, a standing committee in this place. Then at least Canadians would have a permanent place to pursue women's equality and we would have a forum to address Canada's failure to live up to UN obligations.

Give equality a chance, Mr. Speaker, and happy birthday to Gladys Strum.

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●(1415)

[Translation]

CYNTHIA PHANEUF

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, as of January 9, Quebec boasts the new women's Canadian figure skating champion. Fifteen-year-old Cynthia Phaneuf, from Contrecoeur, gave a dazzling performance in Edmonton to dethrone six time champion Jennifer Robinson, from Ontario, and take the crown.

A person's dreams can come true at any age, and we know that Cynthia's success is due to more than just luck. Her many hours of practice and her constant efforts over a decade have a lot to do with it.

Heroes can be any age. Throughout history, they have achieved immortal glory in their own way. All peoples and all communities need a hero to act as their model and source of inspiration for their lives. Cynthia, you will provide very tangible inspiration to the thousands of young Quebecers who regularly lace up their skates and glide off down the ice to glory.

Speaking personally, and on behalf of all hon. members, I would like to offer warmest congratulations to our champion. Bravo, Cynthia. I am sure that you will be a shining star in figure skating for a long time to come.

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ACADIA

Mr. Dominic LeBlanc (Beauséjour—Petitcodiac, Lib.): Mr. Speaker, this morning in Fredericton, the Royal Canadian Mint unveiled a commemorative silver dollar recognizing the 400th anniversary of Acadia.

Herménégilde Chiasson, the Lieutenant-Governor of New Brunswick, the New Brunswick Minister of Intergovernmental and International Relations, and David Dingwall, the President of the Royal Canadian Mint, attended this event.

The 400th anniversary of the arrival of the first French settlers in North America will be celebrated all year long, with special recognition for Sainte Croix Island, the cradle of Acadia, on June 26, which is the date the first explorers landed.

*Oral Questions**[English]*

We thank the Royal Canadian Mint for this important recognition.

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PARLIAMENTARY REFORM

Mr. Scott Reid (Lanark—Carleton, CPC): Mr. Speaker, several years ago Fair Vote Canada coined the phrase “democratic deficit” to describe the sad state of Canada’s parliamentary and electoral systems.

During his year in exile, the Prime Minister took over this phrase, without attribution, and declared that he was the man to set things right.

So what is his record so far? What about an elected Senate, for example? Well, in December the Prime Minister announced that he will never appoint Alberta’s two elected senators and will not permit elections in any province.

What about fixed election dates to the Commons? Not under this Prime Minister. He is planning to advance the date of electoral boundaries changes in order to call an election long before his government has served a four year term.

If there were time, we could dwell upon the Liberal Party’s internal democratic deficit in the nomination races in some of those redistributed ridings, but that would keep us from the final topic.

The crowning achievement of the Prime Minister’s democratic agenda; that is the three line whip. Under this daring new proposal, MPs will now be allowed to vote freely on anything the Prime Minister decides to designate as a free vote, but not on anything else.

How this differs from how Jean Chrétien did things beats me.

ORAL QUESTION PERIOD*[English]***CANADA STEAMSHIP LINES**

Mr. Grant Hill (Leader of the Opposition, CPC): Mr. Speaker, after only 20 minutes of questioning in the House of Commons on his business dealings, we hear that the Prime Minister wants to take this issue to the Auditor General and all her resources for a study that will not be clear until fall. That does not smell like transparency. That smells like something else.

Why is the Prime Minister trying to hide this issue from the Canadian people until after the next election?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, it is very difficult to understand that kind of an allegation against the integrity of the Auditor General.

Let me just say that yesterday I offered to refer this matter to the Auditor General. I am pleased to say that I spoke to her this morning. I have asked her to review the matter. I have also asked her to review whether the answers provided by the government to Question No. 37 on the Order Paper were satisfactory based on the information the government possessed. I also asked her to review whether the

solutions in terms of the future, which were suggested by the House leader, were satisfactory.

● (1420)

Mr. Grant Hill (Leader of the Opposition, CPC): Mr. Speaker, there is a pattern here. First, we have the definition of marriage pushed off to the Supreme Court. Second, the Arar issue was pushed off to a public inquiry. Now we have dealings directed at the Prime Minister and they are pushed off to the Auditor General until after the next election.

My question is straightforward. Why does the Prime Minister not answer the question? How much money did his company get from the federal treasury? Why does he hide behind the Auditor General?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the question is, why is the Leader of the Opposition afraid of having the Auditor General review this matter? Why is he against openness and transparency?

Let me just say that in addition to asking the Auditor General to do this, I have also asked that all future dealings with the company will be posted on the website so Canadians can view this.

The Leader of the Opposition may not believe in openness and transparency, but Canadians do and so do I.

Mr. Grant Hill (Leader of the Opposition, CPC): Why do we need the Auditor General, Mr. Speaker? This would be so simple for the Prime Minister to take care of.

All he has to do is pick up the phone, talk to his sons at the company and ask, “How much money did the company get when I was the finance minister”? Why does he simply not do that? Telephone the boys.

[Translation]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, the party that claims to be seeking integrity is asking the Prime Minister to breach the code of ethics that applies to all ministers as well as the Prime Minister by making inquiries about something that is completely out of his control.

This is utterly inappropriate.

[English]

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC): That is more feigned indignation, Mr. Speaker. If the Prime Minister has been telling Canadians for 15 years that he was not involved in the running of his own steamship company, why did he later admit he had 12 meetings with the ethics counsellor? That number later rose to 33 meetings. It was one more administrative error, I suggest.

The Prime Minister asserts that he is not involved with running his business, yet he seemed to know last week that the figure of \$137,000 was incorrect. He knew that immediately.

If he were adhering to the blind trust rules, how did he know?

Oral Questions

[Translation]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, the figures are on the Internet, on my website. All the tables are on my website. The letter I sent to my hon. colleague is on the website. I cannot help it if people do not see what is on my website. They must be blind.

[English]

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC): Mr. Speaker, we have a blind trust with a lot of peripheral vision in this case. Calling for the Auditor General to now give her input is simply another attempt by the Prime Minister to divert attention away from the truth.

The Prime Minister failed to close loopholes that sheltered his shipping empire. The Prime Minister placed most of his CSL shipping assets offshore to avoid Canadian taxes.

Is the Prime Minister telling Canadians now to just trust him and that in fact he did not have financial relations with that company?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, I for one will not engage in the kind of spurious allegations and insinuations that tend to characterize the type of question period we have had in the last couple of days.

With respect to the tax treaty arrangements with other countries, I answered that question yesterday in a very detailed manner, saying that they were under review.

• (1425)

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister who demands such high ethical standards is the sponsor of Bill C-28, allowing foreign subsidiaries of Canadian shipping companies to avoid paying Canadian income tax. This legislation, coupled with the tax treaty with Barbados, has made it possible for CSL International to avoid paying a minimum of \$100 million in taxes.

Since this bill did so well by CSL International, and since he himself sponsored it, will the Prime Minister admit that this is a case of flagrant conflict of interest?

[English]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, as the hon. gentleman will know, under the rules applicable at the time, there was indeed no conflict of interest.

With respect to the matter of the tax treaty arrangements between Canada and other countries, as I answered yesterday to his colleague, that is a matter that I am examining in the context of the integrity of our tax system, fairness to taxpayers, and the fact that all taxpayers should pay their fair share.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, Bill C-28 was sponsored by the Prime Minister. Maintaining the tax treaty with Barbados is also the Prime Minister's doing. I am quite prepared to believe that the Minister of Finance is going to ensure that equity is restored, but if there is none at present, that is

the doing of his predecessor. And he benefited from it. He saved \$100 million in taxes.

What more do we need before this can be called a conflict of interest? If this is not a conflict of interest, what is? When a person sponsors a bill, maintains a tax treaty with Barbados, asks others to pay taxes but arranges things so as not to have to pay any, what is that, exactly?

[English]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, the loudness of the hon. gentleman's question does not make it any more valid.

The point I am making is that in relation to the tax treaties with certain countries around the world, those are matters that we need to constantly review in the context of the integrity of our tax system and the fairness to all taxpayers. They must all pay their fair share and I will examine that as I prepare my next budget.

[Translation]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the law in question applied to only eight companies, including the Prime Minister's. That law allowed him to avoid at least \$100 million in taxes. On February 10, 1998, a director general at Finance suggested that, with a few structural changes, CSL could indeed take advantage of the new provisions in Bill C-28.

How can the Prime Minister maintain he was not in conflict of interest, while sponsoring legislation which, even according to an employee of what was his department at the time, would benefit him and a company like his?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, CSL is a Canadian company, headquartered in Montreal. The vast majority of its employees are Canadians. The vast majority of its vessels are Canadian. This is very clear. If there is anyone who has fought against tax havens on the international level, it is I. We have debated this issue here in this House, I have debated it at the OECD, and I will continue to debate it.

Some hon. members: Oh, oh.

The Speaker: It is very hard for the Chair to hear the answers when there is so much noise. I would ask for a little more order in the House, if you please.

The hon. member for Joliette.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, not only was this legislation tailored so as to allow companies, such as his CSL International, to save millions of dollars in taxes, but furthermore, it is retroactive to 1995.

Does the Prime Minister know many taxpayers able to benefit from tax legislation that is retroactive, as Bill C-28 was for companies such as his?

[English]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, the opposition continues to perpetuate a line of reasoning that is absolutely devoid of logic. It is also false.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, there seems to be a three line whip on applause for the Prime Minister today no matter what he says.

Oral Questions

The Prime Minister has asked the Auditor General to look at the government spending with respect to CSL. Given what we have now come to know about the \$21 million related to Hibernia, would the Prime Minister be willing to ask the Minister of the Environment to investigate all the ways in which CSL is involved in exploration of fossil fuels? Perhaps this is the reason we do not have a plan for Kyoto yet.

• (1430)

[Translation]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, it is quite interesting that our NDP colleague is asking a question about Hibernia. Were he better informed, he would know that Question No. 37, asked by the hon. member, dealt with crown corporations, government departments or agencies.

Hibernia was never a government contract.

[English]

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, there was government money involved. It is the Prime Minister who gives orders to the Minister of the Environment, not the government House leader.

I am asking the Prime Minister a question. Is he willing to have the Minister of the Environment look into all the ways in which CSL is implicated in the fossil fuel industry? Why is the oil patch happy? Why are those who opposed the Kyoto accord happy with the election of the Prime Minister? What is, after all, happening to the Kyoto accord?

[Translation]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, the matter referred to the Auditor General deals with issues relating to Question No. 37. What my hon. colleague opposite is asking has absolutely nothing to do with Question No. 37.

[English]

Mr. James Rajotte (Edmonton Southwest, CPC): Mr. Speaker, the fact is that there are astronomical errors in the government's accounting for the Prime Minister's companies and the money they received from the Canadian taxpayer.

I would like to give the government House leader an opportunity to cut through the fog and explain how the final amount was so massively underestimated a year ago. How does the government explain the huge difference between the original figure of \$137,000 of February 2003 and the apparently final figure, which now appears to be growing, of \$161 million last week and counting?

[Translation]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, the question raised by the hon. member is rather strange because it is addressed in the specific answer I provided him in a letter. It is also on the Internet site. It is very clear.

First, there was a longer period; second, crown corporations were exempt; and third, serious errors were made, for which I have apologized.

The errors of which I speak were purely administrative and were never made in bad faith. They can be explained, and I have taken steps to ensure that they never happen again.

[English]

Mr. James Rajotte (Edmonton Southwest, CPC): Mr. Speaker, the government cannot hide behind administrative errors and mistakes made. That is simply a slap in the face to Canadian taxpayers. This is an issue of trust.

The government said the gun registry would cost \$2 billion. It is a billion dollars and counting. The government said that there was \$137,000 in contracts to the Prime Minister's companies. Now it is \$160 million and counting.

How can Canadians trust anything the government says with respect to their tax dollars?

[Translation]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, I would like to thank the hon. member opposite for giving me the opportunity to detail some of the measures we have taken.

From now on, before a minister can reply to a written question, the most senior public servant involved in the file will have to guarantee the minister that all the work has been done accurately.

There is something else. When a number of departments are involved in the same question, one department will be designated responsible for collecting information.

Some hon. members: Oh, oh.

Hon. Jacques Saada: Mr. Speaker, they are not interested at all in the facts: I am speaking, and they are talking at the same time.

What this means—it all boils down to one thing—is that the truth does not interest them. They are only interested in politics.

[English]

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, that was a truly pathetic answer. Canadians want to know what happened when the government was asked a serious question about the contracts that the finance minister got at the time from the government.

We get garbage such as \$137,000 when the actual figure was \$161 million. Now we find out that does not include potentially millions of dollars in subcontracts. These are subcontracts that are registered with the federal government.

We would like to know, how much money has the government given to CSL through subcontracts on top of the \$161 million?

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, I said a few seconds ago that the government has no role and had no role in this contract with Hibernia. It was not a government contract.

The Hibernia oil project is a joint venture managed on behalf of its owners by Hibernia Management Development Corporation. It has hundreds of supply contracts for the construction of the Hibernia project, including one with a Dutch engineering firm. It was this firm that selected its own suppliers and subcontracted with CSL.

I cannot answer a non-question.

•(1435)

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, we are not really interested in the House leader's hair splitting about what is a subcontract and what is a contract. We want the truth, the whole truth and nothing but the truth. That is what we want from the government.

The question the public has and the public's right to know trumps the Prime Minister's desire to keep hidden his business dealings with the government. We want the answer. What are the subcontracts that went to CSL for government work?

[Translation]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, all the contracts and subcontracts given directly to CSL by the government, as indicated in the documents we have available, have been presented in the report. That report has been submitted and is on my Internet site.

I think that is about enough.

[English]

That is not a new party; it is only by name. It is an old party casting aspersions in the same fashion that it used to do, throwing mud, not caring about the rest.

* * *

[Translation]

TAXATION

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Prime Minister has just declared that he has fought against tax havens throughout the world.

Can the Prime Minister tell us why he has tightened up the rules against tax havens everywhere in the world except Barbados? Could it be because that is where his own company had its headquarters?

[English]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, the short answer to the hon. gentleman's question is no.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, let us be serious here. The Prime Minister's defence is to say "I have fought against all tax havens" and this is true, with the exception of Barbados. In 1995, he moved the headquarters of his company to Barbados.

Is there a connection between the fact that the Prime Minister has tried to eliminate all tax havens, with the exception of the one that enabled him to pocket \$100 million?

Oral Questions

[English]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, emphatically the answer to the hon. gentleman's allegation is no.

* * *

[Translation]

EMPLOYMENT INSURANCE

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, while the Prime Minister was working on saving hundreds of millions of dollars in taxes for himself and seven of his friends, he was taking away billions of dollars from thousands of unemployed people.

How does the Prime Minister explain his eagerness, as Minister of Finance, to save millions of dollars in taxes for himself and seven of his friends, when at the same time he was eagerly taking away billions of dollars from Canada's unemployed?

[English]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, with other colleagues in the cabinet, the Prime Minister was indeed the author of one of the most superb programs for the assistance of children and poor families, the national child tax credit. It is growing to the value of \$10 billion a year for the assistance of poor people in this country.

[Translation]

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, on June 6, 2003, during his leadership campaign, the Prime Minister promised the "sans chemise" movement that employment insurance would be reformed. Today, the "sans chemise" feel betrayed.

How does the Prime Minister explain the fact that it is so easy to change legislation to help him and his friends, but it is so difficult to honour his promise to the unemployed and that many elections later, Liberal promises still have not been kept?

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, my department is currently examining and reviewing all the employment insurance boundaries.

This process takes place every five years. The Prime Minister has shown particular interest in this matter and an accelerated process was implemented to find a way to address the problems the hon. member opposite is talking about.

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•(1440)

[English]

LOBBYISTS

Mr. Chuck Strahl (Fraser Valley, CPC): Mr. Speaker, apparently there are other problems with the ship of state over there. The Prime Minister has developed a two tier ethical system, one for public office holders and another for his closest advisers.

Oral Questions

A senior member of the Prime Minister's transition team, Mr. John Duffy, has left his job advising the Prime Minister and has now gone to work immediately to lobby the very government that he helped to set up.

We all know that public office holders and paid staff must wait one year before they can join a lobbying firm, but there is no waiting period for political staff.

Why does the Prime Minister hold his transition team to a lower ethical standard than a regular public servant?

[*Translation*]

Hon. Lucienne Robillard (Minister of Industry and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec, Lib.): Mr. Speaker, the person in question followed the advice of the ethics counsellor to the letter. During the transition, this person deregistered and did exactly what the ethics counsellor advised him to do.

[*English*]

This is quite different from a public office holder. It is a private sector person who came to help the government, the transition team, and it is normal that this person could go back to his ordinary occupation.

Mr. Chuck Strahl (Fraser Valley, CPC): Well, Mr. Speaker, excuse us if we are not overly impressed with the ethics counsellor's rulings on these things.

Another lobbyist by the name of Cyrus Reporter joined the Prime Minister's transition team to help him hire staff for the offices of cabinet ministers. Once Mr. Reporter had hired all the folks for the backrooms, once the Rolodex was bulging with new phone numbers and the computers were full of insider information, he went back to work for the lobbying firms as well. He is going to be helping to lobby the very government that he helped to set up.

This would be unacceptable for public servants. It is unacceptable for public office holders. But why is it okay for transition members from the Prime Minister's own team to lobby the government that they helped to set up?

Hon. Lucienne Robillard (Minister of Industry and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec, Lib.): Why, Mr. Speaker? Because these people that come from the private sector are following the legislation. If the member does not know, we have in legislation a rule of law in this country and these people are to follow the restrictions under the legislation.

According to the Lobbying Disclosure Act, they could go back to their private practice after having offered their help to the government. This is normal. So, if that party wants to make a change to the legislation, it should come forward with some proposals.

* * *

SPEECH FROM THE THRONE

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, on Monday in the Speech from the Throne the Prime Minister told other countries that what they need is to hear more about Canada. Yet, the ambassadors of those nations who live right

here in Ottawa, for the first time in recent memory, were not even invited to the Speech from the Throne. Instead, they got a fax telling them to log on to the Internet.

I would like to ask the Prime Minister, is this part of his strategy to renew Canada's place in the world, or is this just another administrative oversight on the long list by this new replacement Prime Minister?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, there is a diplomatic gallery in this House. There is a diplomatic way in which diplomats can come to this House and are always received well here.

The hon. member has obviously decided to make an issue of something which none of the diplomats in question have chosen to raise with me. I can only assume that he is raising it for his political purposes, not because it is a problem with the diplomatic corps.

* * *

TERRORISM

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, world leaders from Australia, Asia, United States, Great Britain and many countries in Europe today have dispatched their most senior ministers and officials to the Executive Level Strategic Conference on Police Response to Terrorist Incidents in Bali.

Our Prime Minister did not even send a parliamentary secretary. Attach that to the announcement that our 2,000 courageous troops in Afghanistan will soon be brought home from the war on terrorism.

I ask the Prime Minister, what message do these two actions send to terrorist regimes around the world?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, the actions of our troops in Afghanistan speak for themselves and speak for the Canadian people, and speak of the pride of this country and what we are doing about terrorism.

I do not have to take lessons from that party about what we have been doing at every international conference. Since this Prime Minister has been present, he has already raised this with President Bush. He has established his record as being firmly against terrorism. We are active on all international levels against terrorism, both militarily and diplomatically.

* * *

[*Translation*]

INTERNATIONAL TRADE

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, my question is for the Minister of International Trade.

Given the statement by the President of the Canadian Wheat Board, according to whom Monsanto's Roundup Ready wheat will have a devastating economic impact on grain producers in western Canada, particularly in terms of "lost access to premium markets", and given the importance of the European market for non-genetically modified Canadian wheat, can the Minister of International Trade indicate what he intends to do to prevent any potential loss of access to European markets?

• (1445)

Hon. Jim Peterson (Minister of International Trade, Lib.): Mr. Speaker, first, I want to thank the hon. member for asking the first intelligent question of the day.

[English]

I am very aware of the concerns of farmers. This matter is before Health Canada and our approvals are based on science.

Last week in Europe I stressed that EU treatment of Canadian products must be based on science, not on politics. Since then, Commissioner Lamy has returned to me and said that the commission has approved GM sweet maize BT.

* * *

POST-SECONDARY EDUCATION

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, today, thousands of students are marching across Canada and they are not hailing the throne speech. They are hopping mad that the guy who helped tuition rise five times the rate of inflation when he was finance minister wants them now to carry even more debt load and graduate into poverty.

I would like to ask the Prime Minister, does he really expect students to believe that increasing their loan limits will help them when it is abundantly clear that debt is a problem because of exorbitant tuition fees caused by the government and the loss of \$4 billion in transfer payments?

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I would like to begin by addressing the allegation and accusation by the member opposite. Of course, tuition fees have increased. I do not want to suggest that it is somebody else's responsibility. I am sure she is well aware of the jurisdictional divide. We have transferred additional billions of dollars in order to address that.

Most importantly, in the Speech from the Throne, we have given an indication of the comprehensive fashion in which we will address accessibility by all Canadians to institutions of higher learning and we have done it in a variety of fashions.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I can tell the House that students do not think much of those promises. If only students counted as much as the Prime Minister's corporate friends. It is yes to corporate tax cuts, but no to tuition cuts.

I would like to ask the Prime Minister, does he have the guts to stand up and answer for his values? Will he please tell the students of this country why his corporate friends received a tax cut while students get more debt? Why is that?

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I am not sure we should

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disparage students this easily and in such a facile fashion. The fact of the matter is that over 75% of all students have an easy time of repaying their debts. For those that do not, we have put in an interest relief package that totals some \$77 million and accommodates some 128,000 students across the country.

We have extended the repayment period for up to 15 years beyond graduation so that they have an ability to pay. What we have done is included as well—

The Speaker: The hon. member for Cumberland—Colchester.

* * *

PUBLIC SERVICE

Mr. Bill Casey (Cumberland—Colchester, CPC): Mr. Speaker, when the Minister of National Defence needs to hire soldiers, he does not hesitate to go to Atlantic Canada and hire soldiers and send them to Afghanistan to risk their lives and safety everyday.

However, when they are going to hire someone for a safe job in Ottawa like this one on the Internet today, only applications from certain postal codes in eastern Ontario and western Quebec, including the minister's own riding, will get considered. No applications from Atlantic Canada will be considered.

Why does the minister think it is all right to send Atlantic Canadians to Afghanistan to risk their lives but they are not good enough to work in Ottawa?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I assume the member is referring to the regional hiring policies in the public service, which have been discussed at some length.

They are applied to lower levels in the public service because of the huge number of applications we get. It is enormously expensive to process this and it was an attempt to bring some balance to the process. It is a reasonable accommodation.

• (1450)

Mr. Bill Casey (Cumberland—Colchester, CPC): Mr. Speaker, it is not reasonable when they are looking for soldiers. There is no discrimination there. They will take anybody across Canada.

When it is a job in Ottawa, they restrict it to the minister's own area right around Ottawa. Here are four more jobs and it is the same story. Again there is discrimination by postal code. Only those people with postal codes around Ottawa can apply.

I would like the Minister of National Defence to answer this question. How does the minister face the families of the soldiers when he says that he is sending their kids to risk their lives in Afghanistan, but when they come back they are not wanted in Ottawa?

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Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I am not certain what the question is that the member is trying to ask.

Let me be clear about this. The policy is intended to put some bounds around the number of applications that are processed for a certain job simply because the cost of processing is enormous, and if we widen the net, simply, there are too many people involved.

If the member would like additional information, I would be more than willing to meet with him and go through the policy with him.

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VETERANS AFFAIRS

Mr. Rick Casson (Lethbridge, CPC): Mr. Speaker, when he appointed his cabinet, the Prime Minister eliminated the position of parliamentary secretary to the Minister of Veterans Affairs. Canadians expect their government to take care of the people who go out and lay their lives down for this country.

With all the issues facing Veterans Affairs, how can the Prime Minister justify this callous slap in the face?

Hon. John McCallum (Minister of Veterans Affairs, Lib.): Mr. Speaker, for the past 18 months it was a great honour for me to serve the brave men and women in the current military.

It is equally a privilege for me today to serve those equally brave Canadians who are retired members of the military.

I am absolutely delighted as well to take on board the member for Haliburton—Victoria—Brock, a man with great devotion to the veterans, who has agreed enthusiastically to accept the Prime Minister's invitation to work with me, for veterans, in a capacity very similar to that of a parliamentary secretary.

Mr. Rick Casson (Lethbridge, CPC): Mr. Speaker, we have widows' pension issues, we have mustard gas victims, we have pension review appeals piling up, and these are just a few of the issues facing our veterans.

How can the Prime Minister justify three parliamentary secretaries to carry his coat around and not give one to Veterans Affairs?

Hon. John McCallum (Minister of Veterans Affairs, Lib.): Mr. Speaker, I can think of no individual in this House who is more devoted to veterans, who has more experience in dealing with veterans, and who has more enthusiasm for taking on this job, than the member for Haliburton—Victoria—Brock, who has previously served as parliamentary secretary for defence and who has taken on this job with enormous enthusiasm.

Together, the two of us will work very hard to do what is right for the brave men and women who are Canada's veterans.

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[*Translation*]

NATIONAL DEFENCE

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, the Minister of Foreign Affairs maintained yesterday that action needed to be taken and that he was not waiting on studies before making decisions about the missile defence program.

Instead of letting a handful of public servants make such important decisions, if the Prime Minister is truly concerned about the role of elected representatives, as he says he is, will he commit not only to holding a debate on the missile defence program but also a free vote?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, our tradition has always been to hold a debate in the House on important issues concerning foreign and domestic affairs. We are continuing this policy. We will do so. As I indicated yesterday, the government has committed to a discussion with the United States on this issue. A decision has not yet been reached, but it will be based on our security needs, on the one hand, and maintaining our independence, on the other.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, I want to remind the minister that the Standing Committee on Foreign Affairs and International Trade has already spoken out against the weaponization of space. The government is getting ready to launch its democratic reform a bit later this afternoon.

Is not the true test of democratic reform allowing a free vote, not just a debate, but a free vote—v-o-t-e—on the missile defence program here in the House, before the election?

● (1455)

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, democratic reform is not about voting on questions of a hypothetical or speculative nature.

* * *

[*English*]

TAXATION

Mr. Gerald Keddy (South Shore, CPC): Mr. Speaker, hurricane Juan has forced Nova Scotian woodlot owners to prematurely harvest tens of thousands of acres of blown down timber. This salvage operation will cause landowners to incur an extraordinary profit on their annual income.

Will the Minister of Finance help these landowners, by allowing income tax on this emergency profit to be deferred and paid at 10% per year for 10 years?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, when there are extraordinary circumstances that do not fit within the normal administration of taxation rules, there are from time to time provisions made to take those extraordinary circumstances into account. I will take the hon. gentleman's question as a representation. I will look into the idea and I will get back to him.

Mr. Gerald Keddy (South Shore, CPC): Mr. Speaker, I appreciate that the minister recognizes that this is an important issue, but right now woodlot owners are racing against time before their product rots on the ground, and they are being forced to harvest their stumpage because of hurricane Juan.

Oral Questions

Again, will the minister find a way to defer that income at 10% a year for 10 years?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, I understand the urgency of the situation and I will get back to the hon. gentleman just as rapidly as I can.

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AGRICULTURE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, my question is for the Minister of Agriculture and Agri-Food. I know the minister is working hard on the BSE file. I know that the Prime Minister made that issue a priority for his meeting with President Bush, but complications following the discovery of BSE in the United States have made farmers in my riding desperate.

I represent 1,000 beef, dairy, sheep, goat and buffalo farmers and their families. Can the minister give us some hope that there will be an end to the BSE crisis and give us an update on the U.S. investigation into BSE?

Hon. Bob Speller (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I want to thank the hon. member for his question and I also want to thank the members of my caucus who have pushed for a take note debate tonight on this very serious issue.

I want to assure him and all hon. members today that the Government of Canada takes this issue very seriously and that we will continue to work hard internationally to get the borders open to Canadian beef. I also want to thank the hon. member for bringing up the United States peer review report, which of course was announced today, and it is one that the government—

The Speaker: The hon. member for Portage—Lisgar.

* * *

EMPLOYMENT INSURANCE

Mr. Brian Pallister (Portage—Lisgar, CPC): Mr. Speaker, yesterday the HRDC minister made the incredible statement in the House that there is no \$45 billion EI surplus. Over the last decade, this Prime Minister has misappropriated \$7,000 from each and every working Canadian family in extra EI premiums. He has turned EI into a vast personal cash cow.

Can he explain what right he has to dupe low income, working Canadians on their taxes when he tries to avoid paying his own?

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I guess we engage in hyperbole for the simple reason that we do not want it to go into disuse, but the hon. member would know, of course, that the amount of money he is talking about has all gone back into the consolidated general revenue and has gone to programs that have helped Canadians, all Canadians, especially the ones to which he has made reference.

Because programs have gone to poor families to provide for sustenance, to provide for community building, as I said, as well as for programs for their children and programs for the elderly, those are moneys that have gone to enhance the quality of life—

The Speaker: The hon. member for Portage—Lisgar.

Mr. Brian Pallister (Portage—Lisgar, CPC): Mr. Speaker, the Prime Minister suggested earlier today that the Auditor General

could vindicate his dealings with Canada Steamship Lines. The Auditor General has already commented unfavourably on his ethics in her 2003 public accounts report, when she concluded that the government is violating the intent of its own Employment Insurance Act with excessively high EI premiums.

The Prime Minister is wanting to invoke the counsel of the Auditor General on one issue but he chooses to totally ignore the counsel of the Auditor General on another. I would like him to explain to the House the total contradiction in that remark.

● (1500)

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I guess the hon. member ignores the fact that there has been a reduction in EI premiums every year for 10 years, both from employers and from employees. In fact, there is an additional reduction even this year. We are going on a constant path where we are reducing deductions and we are maintaining the appropriate level of benefits as required by the EI act.

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[*Translation*]

SOCIAL PROGRAMS

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, in the throne speech, the government claims to want to strengthen Canada's social foundations by changing the way things work in government, particularly with respect to programs to provide seniors with income assistance and care when needed.

If the government is as concerned about the situation of seniors as it claims to be, what is it waiting for to provide full retroactivity on the guaranteed income supplement it owes seniors?

Hon. Liza Frulla (Minister of Social Development, Lib.): Mr. Speaker, I thank the hon. member for his question.

First, I think it is worth repeating that the lives of seniors were greatly improved through the public pension plan which, I must add, was secured by the current Prime Minister when he was the Minister of Finance.

It should be pointed out, and the hon. member failed to do so, that between 1980 and 2000, the percentage of low income seniors dropped from 20.8% to 7.3%. Obviously, we are aiming for 0%; still, I think this is pretty good.

* * *

[*English*]

FOREIGN AFFAIRS

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, Canada has strongly criticized the illegal and inflammatory wall built by Israel in the West Bank and Gaza. This provocative incursion beyond the 1967 borders makes the Palestinian people prisoners in their own towns.

Privilege

To date Canada has taken no effective legal or political action in this matter. It is time for action, not just words. What specific action is Canada prepared to take to persuade Israel to tear down this illegal and inflammatory wall?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, Canada has clearly indicated in our vote in the United Nations that in our view this wall is not contributing to the ultimate security and peace of Israel. We strongly support Israel in its security measures, but we believe that the construction of the wall and where it is going is such that it is inhibiting the peace discussions.

That said, Canada has continually urged the parties to work with the Security Council, to work with all the partners, to dialogue between them. It is a dialogue that will ultimately solve this. It is a political solution. Canada's balanced position in urging the parties to this political solution makes a contribution to that process.

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HEALTH

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, the throne speech on Monday stated the government's desire to strengthen drinking water guidelines.

I am sure that the Minister of Health is aware that over two years ago, in the wake of the North Battleford tragedy, the House passed a motion calling on the Government of Canada to establish a safe drinking water act. Of course that legislation would have to respect provincial jurisdiction.

Building on the throne speech, is the Minister of Health planning on moving forward by introducing a safe drinking water act?

Hon. Pierre Pettigrew (Minister of Health, Lib.): Mr. Speaker, I would like to thank the gentleman for his very pertinent question. Our government is collaborating with the provinces and with the territories at this moment to develop guidelines for drinking water quality. Our government understands that water quality needs an integrated, collaborative approach within the provinces, the territories and the Government of Canada. These guidelines are being developed now.

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JUSTICE

Mr. Myron Thompson (Wild Rose, CPC): Mr. Speaker, as the justice minister is well aware, the House passed the motion to eliminate all defences for the production, distribution and possession of child pornography. Can the minister tell the House today when we can expect this legislation?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as part of a series of motions, we are going to be reinstating this legislation along with other pieces of legislation during the coming week.

* * *

● (1505)

PRIVILEGE

ANSWER TO QUESTION NO. 37

The Speaker: The Chair has notice of a question of privilege from the hon. member for St. John's West. We will hear him now.

Mr. Loyola Hearn (St. John's West, CPC): Mr. Speaker, I rise to draw your attention and the attention of the House, which is difficult, as you know, to a letter I received from the leader of the government in the House, dated January 28, 2004, a copy of which was also sent to you and all the other House leaders.

This letter concerns the answer given by the government to Question No. 37 in the previous session on February 14, 2003. After providing its initial response, the Chrétien government later admitted that the answer provided was deficient. Since then, the new government has become involved and has accepted responsibility for providing an accurate answer to Question No. 37. This is the subject of the letter I received from the Leader of the Government in the House of Commons.

The leader of the new government has also written to the member for Edmonton Southwest and has provided certain information. However, I am not dealing with the accuracy of that information at this time. My objection is that the information provided has not been placed before the House of Commons by government. The government, having accepted responsibility for the accuracy of the answer to Question No. 37, has an obligation to make a full statement in the House of Commons and has an obligation to correct what it knows to be a false answer.

The government also has an obligation to the House to make known what steps it has taken to ensure that the information provided to Parliament has been accurate, is accurate and will be accurate in the future. This is a primary duty for any government.

Mr. Speaker, you will be familiar with the precedents that require the House to be informed when it has been given inaccurate information. You will also be aware that in the past the House has treated the deliberate giving of false information as contempt.

Several things are clear here. The House was given inaccurate information. The new government has accepted responsibility for that false answer. It has issued public statements giving new information, but it has failed to bring that new information to the House of Commons in order to make it part of the parliamentary record. It has also failed to give that information to every member of the House of Commons by presenting it to the House. I should also note that it has failed to assure the House of the measures taken to guarantee the integrity of the answers posed to the government by opposition members.

I maintain that this constitutes contempt of the entire House by writing only to House leaders and to the member for Edmonton Southwest. The government House leader has withheld this information from other members of the House, particularly those who are not affiliated with any political party. Indeed, he may have withheld it from the entire Liberal backbench.

Privilege

The government House leader wants Parliament—and I dare say Canadians—to believe that he has corrected this wrong by posting the information on a website. I would remind the government House leader that the House of Commons is by no means a website and should not be treated as such.

There is also reason to believe that the government withheld this information from the member for Edmonton Southwest until a time when it could bury this bad news among other media activity on the day it was released.

You will recall, Mr. Speaker, that at his news conference on that day the Prime Minister stated that it was a “good news day”. Clearly, news management was on the Prime Minister’s mind.

I believe that a committee examination could well find that the detailed information contained in the letter by the government House leader was available in early January but withheld from the member for Edmonton Southwest until January 28.

The procedures used by the government House leader in this case are contemptuous to individual members of Parliament and indeed to the collective House. Should you rule in my favour, Mr. Speaker, I would be prepared to move that this matter be referred to the Standing Committee on Procedure and House Affairs to determine if contempt of the House has occurred.

● (1510)

I have that motion ready, Mr. Speaker, should you require it.

Hon. Roger Gallaway (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I thank the member for St. John’s West for raising this question of privilege because privilege is an important matter to the House and is one that needs to be discussed more often here.

However, sadly I cannot agree with anything he said here today. He has used a number of words that were very provocative and without foundation. For example, he has referred to the deliberate giving of false information. He has opened a new front with respect to Question No. 37 where he is now attributing motive. He is saying that there was some intention that was deliberate to mislead the House.

Second, he talked about contempt of the House. Let us go back and examine what occurred. This was a question that was put on the Order Paper pursuant to the Standing Orders. An answer was given which all agree was insufficient and incorrect.

A further answer was given on January 28. That answer was given to the member for Edmonton Southwest who had put the question on the Order Paper.

I would refer the hon. House leader, the member for St. John’s West, to the Parliamentary Returns Guide which lays out the operational procedures. It refers to the Standing Orders and is very clear that an answer to a question on the Order Paper has in fact for years been answered by direct letter to the member. If an answer cannot be provided within 45 days as a rule, as provided by the Standing Orders, the member can wave that time and ask that the answer be forwarded to him or her when it is available. This is an old, longstanding procedure and convention of the House.

The fact is the government House leader forwarded the letter to the member for Edmonton Southwest on January 28. There is nothing new in any of that. It is a longstanding practice of the House.

What is being said now is that this was contempt of the House. I find this a very interesting conclusion. On the one hand an answer was given on February 14, 2003 by the former government House leader who undertook to look into it and on the other hand an absolutely complete answer was fulfilled on January 28. Now that all the information has been given, too much information is contempt of the House. They are complaining because they have too much information.

Once again I would refer to a book called Marleau and Montpetit, at page 443. I refer to footnote 204. I point out that there are no provisions in the rules, Mr. Speaker, for you to review government responses to questions on the Order Paper.

I would also point out that on many occasions in the past 10 years members opposite have raised this question of privilege. This is not a new phenomenon. In all cases, and I refer to footnote 204 on page 443, your predecessors have ruled, Mr. Speaker, that in no way are these prima facie cases of privilege and that in fact the Speaker has no right or authority to determine or assess the accuracy of the contents of documents tabled in the House or provided to a member in response to a question on the Order Paper. Therefore, in every case, of which there were four or five, it was held it was not a question of privilege.

● (1515)

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, just briefly on one aspect of this point. It may be that it is expected that there is an implication that when a letter is delivered to a House leader of a political party in the House, it is delivered to every member of that political party. That may be the case.

Clearly, when a document is delivered only to House leaders, there is no delivery, either direct or implied, to members who sit in the House without affiliation to recognized political parties. In other words, independent members of Parliament, members of Parliament who are classified as independent in the House, do not receive the same right of access to a statement issued by the government as do other members of Parliament. The effect of this is to have party status intrude upon the rights of a private member of Parliament.

It was my understanding that the assault so-called upon the democratic deficit was designed precisely to put all members of Parliament on an equal footing and to deny this intrusion of party status upon the rights of individual members of Parliament.

I draw to your attention, Sir, that the question raised by the member for St. John’s West, which includes Mr. Hill, has to do with the rights of individual members of Parliament who are not affiliated with parties in the House and who sit as independent members.

I hope whether or not there is a question of a breach of the rules here, there will at least in the future be a change in the practice to treat all members of the House equally.

Mr. James Rajotte (Edmonton Southwest, CPC): Mr. Speaker, since it was my question that was submitted, I would like to add a few comments to this question of privilege raised by my colleague from St. John’s West.

Privilege

The government has basically taken the position that it can offer the information to the public at any time it wants provided there is no requirement to table the information in the House. In this case the information flows from an Order Paper question that I tabled in October 2002.

Notwithstanding the fact that the question died on the Order Paper as a result of Parliament being prorogued, I consider the act of releasing the answer outside the House by the government an affront to the House and to me personally.

I have two essential points to make.

First, the government refers to this information as information resulting from Question No. 37, making the public and members aware that the information provided was as a result of a proceeding in Parliament. In addition, there was the expectation from members that the answer would be tabled in the House. That would have been the proper and expected course for the government to take. This point is about the dismissive view and disrespect the government has for the House and its members.

Second, and most important, is the fact that the government ignored the practice that when it was discovered that inaccurate information had been provided to the House with respect to the first question in February 2003, the corrected information must then be provided to the House and it must be provided to the House first.

If the House is wronged, which it was, then it is to the House that the government must make its redress. Instead, it participated in a publicity tactic crafted from the communications office of the Prime Minister. That is a clear affront to me personally and to the House collectively.

The authorities on parliamentary procedure are clear. It is of paramount importance that ministers give accurate and truthful information to Parliament, correcting any inadvertent error at the earliest opportunity. The earliest opportunity in a parliamentary sense would have been yesterday during routine proceedings, not last week when the House was not sitting.

Parliamentary privilege can be bridged from session to session and from Parliament to Parliament. If a breach occurs in one Parliament, it can be raised in another. Applying that same logic to the obligation on the part of the government to provide accurate and truthful information to Parliament, then the obligation to correct an error in one session or another Parliament must be done in Parliament, and its failure to do so is contempt.

The fact that the question died on the Order Paper in the last session is immaterial. What is of concern is the inaccurate information provided to the House in February 2003. What is of greater concern is that the supposedly corrected information was not provided to the House first but to the public. No formal apology to the House was offered yet it was the House that was offended by the government's obvious incompetence with the first answer.

The government cannot even argue that time was an issue. The first answer was provided in February 2003. Our research showed that the answer was faulty. We raised the issue in the fall of 2003. The government provided the answer on January 28, 2004. The

House was scheduled to come back on February 2, a date that the government itself set.

My second point will address the government's dismissive view of the House and its members. I will argue that this alone is sufficient enough to be considered contempt, particularly when it involves the integrity and dignity of the House.

These sorts of issues have been raised in the past. One of note was from October 10, 1989. Speaker Fraser ruled on a matter regarding an advertisement put out by the government which made it appear that the GST was approved by Parliament before Parliament actually approved it. The Speaker quoted a member saying:

When this advertisement—says in effect there will be a new tax on January 1, 1991—the advertisement is intended to convey the idea that Parliament has acted on it because that is, I am sure, the ordinary understanding of Canadians about how a tax like this is finally adopted and comes into effect. That being the case, it is a clearly a contempt of Parliament because it amounts to a misrepresentation of the role of the House.

We can draw a parallel with Question No. 37. The government provided information directly linked to an Order Paper question. Canadians would expect that this information be tabled in the House. That would obviously be the proper course of action. The information was not presented in the House and that is an affront to the House.

The government can try and debate technicalities, but the result of providing that information outside the House offended the authority and dignity of the House because the act itself was politically motivated. It was not out of respect for the House of Commons or out of respect to me.

Let me get back to the GST case. While the Speaker in 1989 did not rule a *prima facie* question of privilege, he did say this:

—I want the House to understand very clearly that if your Speaker ever has to consider a situation like this again, the Chair will not be as generous.

● (1520)

I will provide the Speaker with another comment from former Speaker Parent on November 6, 1997 in which he stated:

—the Chair acknowledges that this is a matter of potential importance since it touches the role of members as legislators, a role which should not be trivialized. It is from this perspective that the actions of the Department of Finance are of some concern.

This dismissive view of the legislative process, repeated often enough, makes a mockery of our parliamentary conventions and practices.

I trust that today's decision at this early stage of the 36th Parliament will not be forgotten by the minister and his officials and that the departments and agencies will be guided by it.

When I asked my question in Parliament I expected an answer to be tabled in Parliament. By circumventing the expected course of action through a politically motivated, defiant move, the government made a mockery of me and a mockery of our parliamentary conventions.

This Prime Minister is continuing the previous prime minister's dismissive view of Parliament and he is revealing his ignorance of the government's proper role in relationship with members and Parliament.

For information of members of the House, the way this was released was that I got a phone call at home at 7 a.m. from the the government House leader's office telling me "The minister urgently has to talk to you within the next half hour. It is so urgent he has to talk to you. He is going to answer your question, Question No. 37, which was incorrectly answered".

Why do we not wait until Parliament sits and answer it next week and do what we normally do, which is that it is laid upon the table and we will pick it up. That is how it always operates. Instead, it had to be released that morning. They were throwing it up on the website.

Then I turned on my TV station and there we are. We had the Arar inquiry called. We added a fourth question to the Supreme Court. Well, surprise, Mr. Speaker, this is what happened.

This dismissive view is something the Speaker promised the clamp down on. Mr. Speaker, that is what we are expecting from you today.

In conclusion, the government is in contempt for providing information outside of the House that was directly related to a proceeding in Parliament.

Maingot's *Parliamentary Privilege in Canada* on page 71 states:

Therefore, the events necessarily incidental to petitions, questions, and notices of motions...are part of "proceedings of Parliament".

Privilege of Parliament is founded on necessity, and is those rights that are "absolutely necessary for the due execution of its powers." Necessity then should be a basis for any claim that an event was part of a "proceeding in Parliament," i.e., what is claimed to be a part of a "proceeding in Parliament" and thus protected should be necessarily incidental to a "proceeding in Parliament".

There was also the expectation from members that the answer would to be tabled in the House, and that, Mr. Speaker, should have been respected.

Finally, when it was discovered that incorrect information was provided to the House in February 2003 by the government, the government should have provided the correct information to the House at the next opportunity where it was intended in the first place. That would have been the only acceptable course of action.

As our current Speaker said on February 1, 2002:

The authorities are consistent about the need for clarity in our proceedings and about the need to ensure the integrity of the information provided by the government to the House. ...integrity of information is of paramount importance...

You clearly stated, Mr. Speaker, that it was the integrity of the information provided by the government to the House that was of concern. The integrity of the information involving Question No. 37 was inaccurate. The government should make the correction in this House first.

• (1525)

[Translation]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, the government House leader at the time made a commitment to the hon. member opposite to provide him with the necessary information, whether or not there was a prorogation.

Privilege

My obligation, in following up on this commitment made by my predecessor, was to send the answer to the hon. member who wanted it. I was under no obligation to send him anything else. I sent it to the House leaders of all parties as a simple courtesy, as I did for you as well, Mr. Speaker.

There was no breach of privilege at all. I think this argument has been going on a long time on a point I think is very clear. Question No. 37 had already been answered in the House under the former government.

[English]

SPEAKER'S RULING

The Speaker: The question of privilege raised by the hon. member for St. John's West is one that on its face would appear to have some basis in argument.

The hon. member for Edmonton Southwest has indicated his dissatisfaction with the fact that the answer was given as it was.

The parliamentary secretary to the government House leader and the government House leader have argued the contrary position.

It seems to me that in this case the sequence of events was that there was a question placed on the Order Paper and it was answered. So technically the matter was finished. There was some discussion and argument as to whether the answer was accurate so an undertaking was given by the former House leader that he would get additional information to try to make the answer more accurate than it was in response to some suggestions from the hon. member for Edmonton Southwest.

Parliament was prorogued and the information came to light at some time after the prorogation and before the new session began this week.

For reasons best known to the government House leader, the information was released last week. The hon. member for Edmonton Southwest and the hon. member for St. John's West are suggesting that amounted to contempt of Parliament because somehow the undertaking that had been given in the previous session made it a parliamentary procedure rather than simply information that might otherwise be in the public. It seems to me that the argument is not well-founded on that basis .

It seems to me that proceedings in Parliament are not necessarily questions that have been answered or undertakings that are given when the minister is no longer there or the minister has been replaced. The undertaking, it seems to me, ended with the session. Many things do end when sessions are prorogued in this place.

We have new rules relating to private members' business but all other bills, motions and so on that were on the Order Paper died. Questions that were on the Order Paper are gone. Members may wish to reinstate them or re-pose the questions and put them on the Order Paper today, but the ones that were on the Order Paper at the end of the last session are no longer on the Order Paper. Everyone will have noticed that the Order Paper is clean as a whistle in that respect. Therefore it is up to members to start their question over again.

Routine proceedings

In this case, before the session began an answer was made public. The hon. government House leader said that he sent it to all the House leaders as a courtesy.

As pointed out by the hon. member for Calgary Centre, however, that courtesy did not then help him or any of the other members who are not members of a political party in this House. It seems to me reasonable to expect that perhaps the answer might be tabled in the House since it was made available to certain members but not to others. It seems to me, in fairness, that if it is going to be treated as something of importance to the House and sent to House leaders, it ought to be made available to all hon. members, which was clearly not the case, and the obvious way to solve that problem is to table the document in the House.

However I do not see that there has been a contempt of the House in the actions in answering the question between the time of the prorogation of the previous session and the commencement of this session.

In the circumstances, I think we can move on to the next item which of course is tabling of documents.

ROUTINE PROCEEDINGS

•(1530)

[*Translation*]

HEALTH CANADA

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, a document entitled "Accountability at Health Canada".

* * *

ACTION PLAN FOR DEMOCRATIC REFORM

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, a document entitled: *Ethics, Responsibility, Accountability—An Action Plan for Democratic Reform*.

He said: Mr. Speaker, before I begin my maiden speech as minister, I want to express how very grateful I am to my constituents in Brossard—La Prairie and to the Prime Minister of Canada for their trust, which is extremely gratifying.

[*English*]

Over 2,300 years ago Aristototle said:

If liberty and equality as is sought by some are chiefly to be found in democracy, they will be best attained when all persons alike share in the government to the utmost.

That is precisely the objective we seek to attain, to ensure that all Canadians participate in our democratic process.

•(1535)

[*Translation*]

In modern terms, healthy democracy supposes a relationship of proximity—I was going to say of intimacy—between citizen and government. However, for the past 20 years, this proximity has faded both in Canada and other countries with a democratic tradition.

For example, voter turnout in Canada's federal elections continues to decline, going from 80% in 1963 to 61% in 2000. The public's message is clear: it is less and less concerned about political choice, and it feels that it makes no difference anyway.

Young people, in particular, regrettably feel as if they do not belong, as well as feeling occasional indifference and frequent cynicism. Voter turnout for those under the age of 25 was 25.4% in 2000.

So, would we not risk undermining the very foundation of democracy if, conscious of such indifference, we left it for others to deal with later and elsewhere. We have no right to do this.

Canadian democracy has a good track record. It is one of the most envied democracies in the world. There is no need to start from scratch, but rather a need to find a cure for the lack of confidence it suffers from. It is our duty to act, while realizing that we are embarking on a profound cultural reform that will take time, a lot of time, to bloom.

Some might say that our democracy is ailing because our voting system is inadequate; others might say that the way our Parliament is structured needs to be reviewed. However, if this lack of confidence also affects democracies with different voting systems and parliamentary structures than ours, then perhaps we need to be looking for a different solution.

Before changing our institutions, should we not determine whether they are being used to their full potential? Perhaps not. Young Canadians are those to whom the right to vote matters the least; perhaps this is because we are not on the same page.

In any event, despite numerous studies on this issue, it is going to take time to improve this democracy.

[*English*]

The action plan I am tabling today includes a number of measures that we will implement immediately. However, it remains the first step, an invitation to the collective, non-partisan effort to bring citizens back to their rightful place, at the very heart of the democratic process, because in the end that is exactly what the vitality of our democracy is all about; active, responsive and inclusive citizenship.

I am happy to note that a number of provincial governments have already taken steps to start this effort. Today, in fact, I am writing to my provincial counterparts so that we may share our respective experiences and insights regarding democratic renewal.

Our action plan rests on three pillars: ethics, responsibility and accountability. The appointment of an independent ethics commissioner reporting to the House of Commons is a clear demonstration of our commitment to strengthen the integrity of Parliament and government.

We have also taken steps to implement changes designed to enhance the powers and deepen the responsibilities of members of Parliament. This represents an unequivocal vote of confidence in our members of Parliament. Indeed, we will hold more free votes, provide more resources to parliamentary committees and involve Parliament in a review of nominations.

Moreover, we intend to seek the support of Parliament to create a national security committee of parliamentarians, to provide an annual report to Parliament on federal, provincial and territorial relations, as well as an annual report on democratic reform.

In short, members on all sides of the House will have the tools needed to hold the government to account and provide Canadians with good, responsible government.

[*Translation*]

This action plan is but the first step. We must be prepared to go further, much further, albeit carefully, step by step.

We have to reinvoke Canadians, especially young Canadians, to take part in this reform if we want them also to contribute to the new definition of democracy that will result.

We especially have to make use of wonderful technologies such as the online consultation tools that these young people use on a day to day basis.

[*English*]

Let us not forget the sentence from de Tocqueville, "In democracies, each new generation is a new people".

I know our youth want to partake in the political process. Just over three weeks ago I had the pleasure of meeting Taylor Gunn and Lindsay Mazzuco. Together with a small group of young people, they organized Student Vote 2003, an election simulation that introduced over 330,000 high school students to the election process during Ontario's provincial election. I want to congratulate them on their initiative. I am eager to hear about other initiatives taken by teachers, parents and community leaders to introduce our youth to the democratic process.

The Prime Minister has entrusted me with the heavy responsibility of undertaking democratic reform and the unprecedented cultural change that it represents. It is a responsibility for which I am very thankful. While I know that I will make mistakes along the way, I intend to move ahead with determination and modesty.

[*Translation*]

I am working on this with idealism for the long term, but with both feet firmly on the ground. This reform will only be meaningful if it results in a truly inclusive and fair participation of Canadians in their democratic life.

Routine proceedings

● (1540)

[*English*]

Mr. Loyola Hearn (St. John's West, CPC): Mr. Speaker, I am sure the House leader learned a valuable lesson today on democratic reform.

I, like the government House leader, am engaging in my speech as the House leader of the official opposition. With these words I too wish to express my deep gratitude to the people of my constituency, St. John's West, and to the leadership of the new Conservative Party for the confidence they have placed in me.

I also want to thank the government House leader for providing me with an advance copy of the government's action plan for democratic reform. Such gestures go a long way in building trust and cooperation among all members of this distinguished House. Unfortunately, that is about as gentle as I am going to be this afternoon because what we have seen is a document which, if analyzed carefully, does nothing but appease government backbenchers, especially those who could not be put in cabinet.

This action plan I received earlier today from the government is littered with platitudes on reforming Parliament. All of these on the surface appear to be fairly noble objectives; however, we have no guarantee as parliamentarians that this action plan will be put into practice prior to the next election. We do not know that the government is serious about dealing with the so-called democratic deficit, and the past actions of the Prime Minister certainly demonstrate otherwise.

It was only last week that the Prime Minister and his government punched Parliament right between the eyes. They talked all they wanted, however their actions proved them wrong. Question No. 37, which I addressed earlier, proved they have little regard for Parliament or parliamentarians. They released sensitive information that should have been released to the entire House of Commons and put on the parliamentary record, but instead they chose to do otherwise.

Mr. Speaker, as you are well aware, parliamentary debate does not just simply mean talking. It also means listening. One of the first things the new government could do to prove it is serious about democratic reform is to have the Prime Minister and members of his cabinet be present in the House during debates. If the Prime Minister and his fellow cabinet showed up for debates, it would give all members from all parties a reason to be present in the House. I challenge the new Prime Minister and his government to take me up on this suggestion.

It was former Conservative Prime Minister John Diefenbaker who once said, "Parliament is more than procedure; it is the custodian of the nation's freedom". That is as true today as it was in 1949.

We have real responsibilities as parliamentarians and we must strive collectively to fulfill our tasks to the best of our ability. As important as democratic reform is, I must state for the record that it does not benefit the lives of my constituents in St. John's West or those of any other Canadians. I would argue that the democratic action plan announced today by the government is nothing more than a shell game, a camouflage to make it appear that Parliament is doing the work of Canadians in the run-up to an election.

Routine proceedings

Canadians cannot be fooled. Democratic reform does not decrease the waiting time for hospital patients in my constituency or anywhere else. It does not help the state of the fishing industry. It does not lower the tax burden faced by Canadian families. It does not help farmers affected by BSE in western Canada or anywhere else in this country, not by one inch. It does not help the cash strapped military, nor does it help financially burdened post-secondary students. It does not help seniors or the most vulnerable in Canadian society, and I am referring to the homeless.

My point is that although the new government has been preaching democratic reform with great fanfare, the reality is that it is irrelevant to a great majority of Canadians. Democratic reform has everything to do with process and nothing to do with helping ordinary Canadians. In fact, I would argue that the only reason this is moving ahead at all is that the Prime Minister sold his caucus on the idea when he was running for the leadership of the Liberal Party in order to give his lonely Liberal backbenchers some power.

I am a realist. Canadians are realists and they understand better than most that today's announcements do not concern them at all.

• (1545)

However, let us suppose that democratic reform actually was the number one priority of Canadians. Would the Prime Minister follow through? Let us examine his past record.

As minister of finance, he used time allocation 13 times on finance legislation. As minister of finance, he continually opposed reforms to political financing. The Prime Minister voted against establishing an independent ethics commissioner and he voted against giving committees the right to pre-review major appointments. The Prime Minister voted against tabling all the departmental audit reports here in the House. He voted against establishing a parliamentary committee to oversee government spending. He voted against establishing an independent public commission to investigate abuses at HRDC. He voted against tabling the prime minister's code of ethics in the House of Commons. He voted against strengthening democracy through parliamentary and electoral reform. This from a man who wants us to believe he is serious about addressing the democratic deficit in Parliament.

We understand the motives of the Prime Minister and his government. Canadians understand him too. It is an old, tired government attempting to sell us more of the same. It is trying to have us believe it can roll the dice and change the world and the House of Commons in the process. That will only happen when the government is replaced by a new forward looking and energetic government which will be found in the Conservative Party of Canada.

I challenge you, Mr. Speaker, any of the members or the press to go through the document tabled today. When they look at words such as "consult" and they look at electing committees, the majority of whom are members from the Liberal Party, they will wonder where is the real democratic reform.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the government House leader pointed out that today marked his first speech in the House as leader, and I congratulate him.

A moment ago, our colleague told us it was his first speech as leader of the official opposition, and I congratulate him as well.

I cannot claim equal freshness, because I am the senior House leader in this Parliament. I shall attempt to use that experience wisely to point out a number of flaws that strike me at first glance, in the bill tabled by the government House leader.

Regarding the basic elements of the reform, we must salute the government's desire, which was also the desire of the previous government, to move forward on the appointment of an ethics counsellor responsible to the House of Commons.

The Liberal Party has had this goal in its platform since 1993. We support it and we have demanded this change many times ourselves.

However, it is clear to everyone that, for 10 years, the government has been hiding behind the more or less informed advice of an ethics counsellor reporting directly to the Prime Minister's office.

If the government really wants this ethics commissioner project, with the commissioner answerable to Parliament, to have all the scope it ought to have, we feel that the government must also commit to a review of the decisions reached by Howard Wilson. On several occasions, he has supported the government, if not saved its skin, although lacking the necessary status and independence.

An ethics counsellor is all very well and good, but there needs to be a review of the decisions made by the previous one, who in a way simply assumed that title without having the necessary independence.

The government ought also to ensure that a public investigation is carried out, in order to cast light on the whole sponsorship issue, if it wants to start off with a clean slate.

As for the committees, the government wants to improve their situation, increase their budgets and enhance their authority. The Bloc Québécois subscribes to these noble objectives, but the government still needs to realize that it is a matter of attitude.

When the Standing Committee on Human Resources Development made a unanimous recommendation to review the employment insurance program because it had seen all the suffering created across Canada by the government's cuts, the government brushed aside this unanimous recommendation.

What point would there be in increasing budgets, means, research capacity, resources and what have you for committees if the government's attitude is to reject a recommendation that does not suit it, reject it totally, regardless of the fact that it is unanimous, in other words even when government MPs are on side with members of the opposition?

The government wants to improve voting. It wants to create three categories, or lines, of votes. This strikes me at first glance as an attractive idea. There will be free votes, partially free votes, and others with no freedom whatsoever. So that may perhaps have some merit.

Routine proceedings

How, though, can such a reform have any value at all, as long as the government continues to persist with its negative attitude toward the House of Commons?

The best example of this is very recent. While the Prime Minister of Canada assumes ownership of a plan to enhance the role of members of Parliament, to reform our institutions and improve the system in general, the Minister of Foreign Affairs is telling us that there is no question of the government waiting on any studies, or a House debate and vote, on the missile defence shield because this is too important an issue to delay until the conclusions of such studies would be available.

• (1550)

What is the point of conducting studies and trying to empower Parliament? Everyone, the press, our fellow citizens, is told that we are going to improve things for members of Parliament, by increasing the accountability of these men and women who are elected to represent their fellow citizens, when in fact the government could care less and, at the first opportunity, tells us there is no point in expecting these things and that we must decide now.

My goodness, is this reform just so much grandstanding, or is it the result of a deep-rooted desire on the part of the government to improve the role of this House? If that is the case, the Prime Minister ought to immediately call his Minister of National Defence and Minister of Foreign Affairs to order. They are going in exactly the opposite direction to the fine intentions expressed in the document before us today.

Committees will be allowed to examine appointments. Great. That is all very well; nominations of Supreme Court justices—we will look at those. But if a committee asks to see Alfonso Gagliano—who is up to his ears in a scandal—the government stubbornly refuses. That is what the committees want. They want to have before them those they have asked to appear. They want to be able to question the responsible public servants; they want to be able to question ministers guilty of mismanagement.

If there is no will to change the culture of the Liberal government in depth, it will be a waste of time. I hope that the leader of the government will take note of these recommendations and send them on to the Prime Minister's office.

We will know that he has done so if the Prime Minister calls his two ministers to order—the Minister of Defence and the Minister of Foreign Affairs.

[*English*]

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, for the NDP, democracy is more about 33 million Canadians than just 301 MPs. There is too much concentration today on some parliamentary reform. Much of current parliamentary reform is fluff. It will not be substantive in terms of helping ordinary people in this country and members in the House. Democracy is more about what happens to the people outside of here than people right here on Parliament Hill.

I want to go over what I think the minister should be looking at in terms of what I call democratic reform. He called his package the action plan for democratic reform, but it is really about parliamentary

reform. In terms of reforming the House, I like the idea of fewer confidence votes, and I certainly applaud that.

I am concerned about the enhanced role of parliamentary secretaries on parliamentary committees. I want committees to be independent. A parliamentary secretary is going to those committees with an enhanced role, reporting back to the government, and this runs the risk of the PMO having yet more control of committees than it has today. That is something we will have to watch because the goal is going in the opposite direction to what members of Parliament want to have happen.

What I want to see are the following four points.

First, in terms of democratic reform, the minister should also start looking at electoral reform. The House of Commons does not reflect the way people vote. We should be looking at various changes in the voting system. I advocate a system of proportional representation such as the majority of countries in the world have implemented. This would reflect the great diversity of Canadians. We should strike an all party committee and start looking at that process. I remind the minister that there are now five provinces looking at voting reform in their particular jurisdictions. We should be leading the pack instead of being behind it.

Second, we should look at the idea of a fixed election day as exists now in British Columbia. This would put all parties on a level playing field.

Third, we should look at bringing back enumeration. We have had all kinds of problems with the enumeration process in terms of people being left off voting lists.

Finally, the idea of lowering the voting age to 16 should also be looked at.

Those four things with regard to electoral reform would give us a more democratic country in terms of greater participation in our process.

The second major area is parliamentary reform. I have already said that I believe there should be fewer confidence votes.

Our committees should be more powerful. More resources should be given to committees. Committees should have the power to elect their own chairs, and I am glad that was mentioned in the House leader's remarks. Committees should be more independent from the government. A committee should have the power to set its own timetable and to initiate legislation.

I do not see in this parliamentary reform anything about the abolition of the unelected Senate. I wonder where that is. There is now a senator sitting in the Conservative Party. The Alliance Party has a senator sitting in its caucus. Where do those members stand? They did not support the unelected Senate, the unaccountable Senate, the undemocratic Senate. Where is that in terms of this proposal on democratic reform? It is not there.

We should give committees the power to ratify and review important decisions including appointments to the bench.

We should have a fixed budget date to assist the provinces and municipalities to plan their fiscal programs.

Routine proceedings

The power to ratify international treaties should be taken away from cabinet and given to the Parliament of Canada, including things such as the star wars treaty that is coming up.

A parliamentary vote should be required before we send our troops into the theatre of war. This is not a requirement today.

A national referendum should be required for any major constitutional change that this country might contemplate.

I agree with the minister about a code of ethics for the House, but it should apply to members of the other place as well.

We must look at our civil society when we talk about democratic reform and the minister might contemplate this in the future.

I believe that we must strengthen our freedom of information legislation.

We must implement self-government for our first nations people to give them the opportunity to have equality with the rest of the country.

Anti-scab laws and whistleblower protection must be expanded to protect the rights of Canadian workers. We must protect the right of Canadian workers to organize and the right to strike. The right to organize should apply to all workers, including workers right here on Parliament Hill.

● (1555)

We also must have in this country a balanced and diverse exchange of information through the media, which means: limiting the concentration of ownership of the media and the convergence of the media; providing adequate funding for the CBC; maintaining foreign ownership restrictions; and strengthening the media's right to seek information and communicate it to the public. That is very important in terms of democratic reform.

I conclude by saying that we need economic democracy with reform of global institutions such as the World Trade Organization, the World Bank and the IMF. We have to get rid of Chapter 11 and the state investor clause of the NAFTA agreement. We must have stakeholder rights and participation in our pension plans. Finally, we have to strengthen corporate governance to require a greater amount of accountability by the boards of directors and the senior management of different corporations in the country.

That is an agenda for democratic reform. It is parliamentary reform. It is voting reform. These are reforms that affect our civil society and these are reforms that affect economic democracy in the country.

I urge the minister to get his mind off reforming just the House of Commons and to look at the other aspects of our democracy, to start talking about reforming them as well, and to show the courage to do something about the unelected Senate, the unelected house, that house of hacks, flacks and bagmen who have been friends of the prime ministers of our country. I see the parliamentary secretary blushing across the way. I do not think it is from sunburn. He is blushing because of the former crusade we used to go on about this particular issue.

Finally, I remind him once again, how about establishing a parliamentary committee to begin the process of voting reform with the end result of having a system of proportional representation in this country like the majority of democracies have? That is true democracy.

* * *

● (1600)

INTERPARLIAMENTARY DELEGATIONS

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House in both official languages the report of the Canada-Europe Parliamentary Association, OSCE, which represented Canada at the OSCE Parliamentary Assembly fall meetings held in Rome, Italy from October 9 to 11, 2003.

The Deputy Speaker: I see the hon. member for Winnipeg Centre rising on introduction of private members' bills. I would just like to make him aware that the bill that he has proposed is presently being given some reflection by the Speaker. It is my understanding it is because of financial implications. The Speaker will address that matter upon further consideration tomorrow when we get to private members' business.

* * *

PETITIONS**MARRIAGE**

Mr. Werner Schmidt (Kelowna, CPC): Mr. Speaker, it is indeed an honour to present about 1,000 signatures to a petition that asks Parliament to consider very carefully and, if necessary, to introduce legislation that will define marriage as the union of one man and one woman to the exclusion of all others.

CANADA LABOUR CODE

Mr. Janko Peric (Cambridge, Lib.): Mr. Speaker, pursuant to Standing Order 36 it is my privilege to present to the House a petition from over 200 constituents urging the passage of anti-strike-breaking legislation to protect the rights of workers.

The petitioners wish to draw to the attention of the House the fact that anti-strike-breaking legislation will balance the power relationship between management and employees and help to foster and maintain civilized negotiations during labour conflict.

Therefore the petitioners request that Parliament adopt legislation prohibiting employers under the Canada Labour Code from hiring replacement workers to perform the duties of employees who are on strike or locked out.

MARRIAGE

Mr. Myron Thompson (Wild Rose, CPC): Mr. Speaker, I have the honour and the privilege to table several thousand signatures on petitions calling upon the House to protect the sanctity of marriage as being that between one man and one woman to the exclusion of all others. I am certainly pleased to present this petition and I am supportive of it.

Routine proceedings

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, I have several petitions on preserving the definition of marriage with many signatures from my riding.

AGRICULTURE

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, I also have a petition that addresses the beef industry, asking Parliament to immediately constitute internationally credible protocols to reinforce international confidence in Canada's healthy beef products, thereby replacing damaging political posturing relating to borders with sensible, agreeable rules for all concerned.

CRIMINAL CODE

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, I also have a petition with many signatures regarding the date rape drug. Petitioners ask that the date rape drug be introduced as a weapon.

• (1605)

MARRIAGE

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I have the honour of presenting two petitions today. The first petition is signed by hundreds of residents of British Columbia, including those from my own constituency of Burnaby—Douglas, from communities on Vancouver Island, from Kelowna, British Columbia and elsewhere. The petitioners note that same sex couples form loving and committed relationships but are denied the equal ability to celebrate their relationships through marriage in a number of Canadian jurisdictions. They point out that the Canadian Charter of Rights and Freedoms guarantees equality to all Canadians and that denying same sex couples the equal right to marry reinforces attitudes of intolerance and discrimination.

They therefore call on Parliament to enact legislation that provides same sex couples with the equal right to marry. I know it is against the rules of the House for me to say that I fully support that call, so I will not do that.

[*Translation*]

NATIONAL DEFENCE

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, the second petition is signed by hundreds of people from Quebec and concerns the issue of star wars.

The petitioners are calling on the government not to participate in a star wars program and to strongly condemn George Bush's destabilizing plans.

They are also calling on Parliament to work with its partners for peace and the promotion of arms control and to peacefully convince the international community to bring an end to the production and sale of weapons of mass destruction and to say no to star wars.

[*English*]

The Deputy Speaker: Let me take the opportunity afforded me to thank the member for Burnaby—Douglas for reminding the House of its practices with regard to being either in favour or against a petition which we are called upon to present and, most of all, for respecting those procedures.

The member for Saskatoon—Wanuskewin.

Mr. Maurice Vellacott: Mr. Speaker, I will not make the comment in respect to that particular petition, as we have just been reminded that I cannot comment in the House, at least, that I oppose same sex marriage in that particular petition, but I do want—

The Deputy Speaker: Order. Albeit even the Chair, myself, from time to time could be and probably am guilty of trying to make light of what might be a more serious matter, certainly the Chair will not tolerate members, first of all, making comments about their own petitions and, second, certainly will not accept that members begin commenting on someone else's petition. I want to be clear on that.

Let us resume with the tabling of petitions.

CHILD PORNOGRAPHY

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, the petition that I have in hand is on the issue of child pornography. The petitioners draw attention to the fact that the creation and use of child pornography has been condemned by a clear majority of Canadians and that the courts have not applied the current child pornography law consistently. They call upon Parliament to protect our children by taking all the necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children be outlawed.

CANADIAN FORCES

Mr. John Cummins (Delta—South Richmond, CPC): Mr. Speaker, it is my pleasure to present a petition that calls on Parliament to fully reinstate the Canadian airborne regiment. The petitioners note that the regiment throughout its history exhibited exemplary skill and discipline and provided great service to Canada and that its disbandment was in fact political. They say that in the current situation in the world and with Canadian Forces involvement globally it would be wise to fully reinstate the Canadian airborne regiment.

MARRIAGE

Mr. John Cummins (Delta—South Richmond, CPC): Mr. Speaker, the second petition I have is one in which the signators call on Parliament to recognize the institution of marriage as a union of one man and one woman to the exclusion of all others.

* * *

• (1610)

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

[*Translation*]

The Deputy Speaker: I wish to inform the House that, because of the ministerial statement, government orders will be extended by 28 minutes.

*The Address**[English]*

Mr. Loyola Hearn: Mr. Speaker, I refer you to yesterday's *Hansard* of February 3, at page 22. The hon. House leader, following the comment by the member for Huron—Bruce, said:

...I am pleased to announce that tomorrow evening, at the conclusion of government orders, I would like there to be a take note debate on this issue [BSE] in response to the initiatives taken by my two colleagues and to questions that have been raised by other members of this House.

I think it is only right and fair that the House leader should have mentioned that the original request in writing came from our party on January 22, which is quite some time ago, when we requested, and I quote:

It is my strong recommendation that the House of Commons hold a special debate in Parliament on one of the first available evenings during the week of February 2 in relation to BSE.

Just for the record, I am not sure whether he omitted it intentionally, but he did allude to his two colleagues and I think it only right and fair that the record be set straight.

The Deputy Speaker: I would hope that the hon. member for St. John's West would understand when the Chair says that is not a point of order but is certainly a point of clarification. If there were a matter for the Chair to report on, it would certainly do so if necessary, and I hope that would be acceptable to the House.

SPEECH FROM THE THRONE

*[English]***RESUMPTION OF DEBATE ON ADDRESS IN REPLY**

The House resumed consideration of the motion for an address to Her Excellency the Governor General in reply to her speech at the opening of the session, of the amendment and of the amendment to the amendment.

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, I want to wish all my colleagues and my constituents of Nunavut a happy new year.

I am greatly heartened by the Speech from the Throne and the address by our Prime Minister in his reply to the throne speech. I am heartened because living in my riding of Nunavut, I see people who greatly need some assistance to participate in the richness of our country and the content of the speeches offer hope for us.

I am happy with the strong statement in the throne speech that:

We want a Canada with strong social foundations, where people are treated with dignity, where they are given a hand when needed, where no one is left behind. Where Canadians—families and communities—have the tools to find local solutions for local problems.

The direction our government is going provides opportunities for our northerners to improve their lives in the remote communities of Nunavut.

Our Prime Minister has a vision of “Enabling citizens to take charge of their lives, making them free by removing barriers and fostering opportunity”.

This has deep meaning for me. I feel northerners, especially Inuit, have a tremendous amount of knowledge, talent and vision to share

with the rest of the country. A point of view unique to the people who have endured the hardest climate and living conditions and yet persevered.

We must continue to persevere but we also need to have the right tools to do this in the modern context.

Inuit were moved to settlements from a nomadic way of life mainly in the late fifties and early sixties. This is in my lifetime. Enticed to leave their nomadic lives by offers of houses to live in, Inuit left the life of their ancestors to live in the communities and be close to medical care. Inuit children were put in schools and told they had to learn a new language and a new way of life to survive.

Government administrators were given full authority over the lives of the people. The Hudson's Bay Company controlled most of the finances of the people. The RCMP and the medical staff controlled the rest. We had no control over our own lives and future for many years, and some would say they still do not.

It is only in my lifetime that Inuit could vote. The Inuit of Nunavut celebrated the 10th anniversary of our land claims agreement last year. However, despite that, the land claims agreement is yet to be fully implemented and the federal government is being asked to hold up its part of the deal.

I look forward to being able to celebrate the full implementation of the Nunavut land claim. As the government fulfills its vision of a “new agenda; a new way of working...a renewal, built on partnership, opportunity, achievement—and the real engagement of Canadians”.

Our Prime Minister wants “a Canada where we have closed the gap in life chances for aboriginal people”.

The fact is that Inuit have a life expectancy 10 years shorter than southern Canadians. There were 37 suicides in Nunavut in 2003.

Housing shortages have created crises in all of the 25 communities of Nunavut. Often three generations share a small house. This overcrowding creates far reaching problems: the rapid spread of respiratory disease, mental health problems, and social problems right down to one of our youth with nowhere to do their homework which in turn leads to dropping out of school.

As stated in the Speech from the Throne:

Aboriginal Canadians have not fully shared in our nation's good fortune. While some progress has been made, the conditions in far too many Aboriginal communities can only be described as shameful. This offends our values. It is in our collective interest to turn the corner. And we must start now.

The Address

We hope that the throne speech means the federal government will assist the territorial government in meeting this fundamental and basic need for a home. Access to good quality health care is crucial to the well-being of the people of Nunavut. If the people are not healthy, they cannot participate fully in the democracy of our country. If they have to worry constantly about feeding and clothing their children, they will not get educated, start their own businesses and improve their skills.

I am happy that last Friday the government did follow-through and gave \$2 billion to the territories and provinces to help address health care costs. It has committed to meet again in the summer. Health care is another area where Nunavut is not even on the same playing field as our fellow Canadians.

As the Prime Minister stated in his reply to the throne speech, "Health care is the nation's first priority. Quality care; timely care".

• (1615)

In Nunavut, approximately 85¢ of every health care dollar goes to transportation costs as Nunavummiut must come south to access what most Canadians take for granted. This is the current reality of health care available to all Nunavummiut. This much change and improve. Innovations such as tele-health have helped, but much more needs to be done.

The Speech from the Throne states:

Our goal is to see Aboriginal children get a better start in life as a foundation for greater process in acquiring the education and work-force skills needed to succeed.

Our goal is to see real economic opportunities for Aboriginal individuals and communities...education and skills development, because this is a prerequisite to individual opportunity and full participation.

The fact that the government has committed to work with the territories, provinces and aboriginal partners in a renewed aboriginal human resources development strategy is very good news.

I am very heartened by the fact that on December 12, 2003, one of the first acts by the new Prime Minister was to create and take chair of the new cabinet committee on aboriginal affairs. This clearly demonstrates that the Prime Minister is dedicated to improving the lives of the first peoples of Canada and committed to establishing a new era of cooperation and participation. On behalf of my constituents I applaud this move.

Cash strapped municipalities welcome the new deal outlined in the throne speech. They too are encouraged that they are being asked to be in a partnership to improve the lives of their residents and for their voices to be heard nationally in the newly created secretariat. The 100% GST rebate for municipalities refunding every penny of the tax spent and providing municipal services and community infrastructure is most welcome.

The population of Nunavut is the youngest and fastest growing population of Canada. I am happy that the early childhood development initiatives give caring people at the community level an opportunity to work directly with the children and parents. Child care is one of our most important investments.

The youth of Nunavut are our future and our land is a fundamental part of Inuit culture. The \$3.5 billion commitment over the next 10 years for cleaning contaminated sites will ensure that the land will no longer be harmful to the residents. As the Prime Minister has said,

"What could be a better investment? An investment in our children, in our future, in our health".

The government's commitment to our Kyoto goals make me look forward to the time when Inuit mothers will not have to worry that their breast milk contains contaminants, when Inuit will no longer have to worry about our traditional diet being laced with PCBs, and when climate change no longer makes travelling on the sea ice hazardous.

Cleanup of the contaminated sites will also provide an opportunity for northerners to expand their knowledge and play a crucial role in making our land a better, cleaner place to live in.

We need to train our young people to take jobs in the north. We need them to pursue post-secondary education and take advantage of the opportunities to take different career paths. We need more financial investments in skills training. These are the types of initiatives that are needed to enable Inuit and northerners to take charge of their lives and remove barriers.

Yesterday, the Prime Minister said that "we must ensure that the north has greater control of its destiny". This is a fundamental necessity. There is great excitement in Nunavut regarding our wealth of natural resources. The permits issued have greatly increased from last year to this year. I look forward to the government addressing, in a realistic way, the subject of devolution sooner than later for Nunavut.

I was blessed last December by the birth of a beautiful and healthy granddaughter. This momentous event has made me reflect upon what I hope and wish for my home of Nunavut. The future of Nunavut looks brighter every day. I know the government will ensure that we share equally in the opportunities offered to all Canadians and we can all be confident in our future. Let us build bridges between the two worlds.

• (1620)

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, first, I want to congratulate my colleague on the birth of her beautiful granddaughter and wish her all the best.

I listened with care to the comments of the member for Nunavut, particularly in the context of my own visit, as she knows, last April, to Iqaluit. I had the opportunity to meet with a number of residents of Nunavut, including the health minister, Ed Picco. He underscored the serious problems in the area of health care, particularly the issue of funding for transportation, which was a huge concern for the people of Nunavut, and many other concerns as well. He raised the issue of the deeply offensive and insulting consent forms that aboriginal peoples were being asked to sign for health care.

The Address

I was pleased to bring that issue before the Standing Committee on Health, and to move a motion after having arranged for witnesses from first nations communities. The health committee unanimously called on the government to abandon that policy. Finally, under that kind of pressure and the pressure of my colleagues, like the members from Churchill, Regina and Winnipeg Centre, our aboriginal affairs critic, that offensive policy was dropped, and long overdue.

I want to ask a specific question of my friend, the member for Nunavut. She spoke about young people and the young population in Nunavut, and I believe it is the youngest population in Canada. Yet not a word in the throne speech, no significant action at all on child care, no significant action at all on some key recommendations of the Romanow commission like home care and pharmacare.

I want to ask her, as a representative of the people of Nunavut, how does she feel about this silence on child care, on home care and on pharmacare? Surely, the people of Nunavut deserve better.

Ms. Nancy Karetak-Lindell: Mr. Speaker, I feel that the very creation of the new committee that the Prime Minister is chairing himself will give us those opportunities to work on those very issues.

I was assured that the other topics that he talked about, like the non-insured health benefit consent forms, the work is going well. We, the Inuit, are being represented by our national Inuit organization on that very issue. We have many partnerships now and we hope to create more.

I feel that the progress being made on our land claims agreement negotiations is another good step forward for us.

We are slowly but surely taking control over some of the very ways of improving lives for the people of Nunavut. I am encouraged by the different initiatives that were put forth by the throne speech.

• (1625)

The Deputy Speaker: As only a few minutes remain, I will divide that time evenly between the question and the answer.

The hon. member for Churchill.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, in case my colleague from Nunavut is not aware, the government announced today that it will no longer require the consent forms. The efforts of a lot of people have ensured that the injustice that was taking place with first nations people has been put to an end.

First nations people in my riding were absolutely worried that they would not be able to get health care. It is a tough enough situation in northern communities to get it at the best of times. They were put through two years of anguish while the government said that they did not have a right to privacy, not the same right that other Canadians have.

I wanted to make a point of mentioning that. Thanks to a lot of hard work from members of Parliament, the government backtracked on that great injustice.

The Deputy Speaker: The hon. member for Nunavut, if she wishes, may add a comment. No.

Resuming debate. The hon. member for Burnaby—Douglas.

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I am pleased to rise and participate in this debate and to particularly

focus on what I think is one of the most glaring omissions in the Speech from the Throne. That is any serious response to the landmark recommendations of the commission which was so ably chaired by Roy Romanow and which reported well over a year ago to the government, based on consultations across Canada, with a series of very specific and concrete recommendations to strengthen and improve the health care system in Canada.

New Democrats are absolutely appalled that in the entire litany of promises by the government in the Speech from the Throne there was not a single reference, not a word, about the important recommendations of the Roy Romanow commission. Effectively the government is showing complete contempt for the recommendations that were made and certainly Canadians are going to pass a very harsh judgment on the government when they have the opportunity to do that in the very near future.

Many of those recommendations would make a significant difference in strengthening and improving our health care system. Not the least of course is the issue of funding, the so-called Romanow gap that my colleague for Winnipeg North Centre has spoken on so eloquently, both as health critic and now as finance critic for our party. It is a gap between the promise the government has made with respect to increased funding and the desperate need provinces and territories across the land have to fund health care to the extent that it should be funded and to the extent that it used be funded.

New Democrats, Jack Layton, our national leader, our caucus, our party, are calling on the government to meet that target of 25% which would mean an additional \$3.5 billion a year. The government says that it is really cash strapped and that has trouble finding the money. This is the same government, the same Prime Minister, that just found almost \$4.5 billion for corporate tax cuts, tax cuts not to small businesses but cuts in taxes to some of the biggest and most profitable corporations in the country. If he can find that kind of money, billions of dollars, for corporate tax cuts surely to goodness he can find money to meet the recommendations of the Roy Romanow commission with respect to funding for health care.

There are a range of issues that have not been dealt with by the government such as pharmacare, which was promised long ago, home care, access to diagnostic services particularly things like the MRI and CAT scans and the international drug agency. These are some of the areas in which significant work remains to be done.

The Address

My colleague from Windsor West has been working very hard on the industry committee as well trying to get the government to respond to the concerns about access to affordable drugs, barriers to generic drugs, abuses by big pharmaceutical companies in areas such as so-called evergreening and deliberate delays and court actions that prevent Canadians have access to affordable drugs on a timely basis. There was nothing at all about this in the throne speech.

We know waiting lists are getting longer. We know the emergency rooms are overcrowded. We know as well what the real agenda is for too many people. The reality is that with these difficulties Canadians are experiencing and access to health care in too many jurisdictions, big corporations are waiting and hovering in the wings. They are saying that if the public sector cannot adequately fund health care, they will come in and look after it for us. They say that they will set up what they would call a separate tier or system, a parallel system of health care, and that would be the destruction of medicare in the country.

As New Democrats who were part of a party through the leadership and vision of Tommy Douglas and others to build and create medicare, we will stand and defend it against this kind of corporate attack that would ultimately destroy it.

Roy Romanow was very clear during the course of the hearings of his commission. He said that if someone could come up with evidence the private sector could do a better job, then bring that evidence forward. It was not possible and it did not happen. We know it is the public sector, not just publicly funded health care but publicly delivered health care as well, that is so essential to strengthening medicare in the country.

• (1630)

What is such a disappointment to many of us is that the throne speech refers to a commitment to publicly funded health care, but it is silent on the essential component of publicly delivered health care. Certainly Michael Kirby and Don Mazankowski agree with publicly funded health care because the privatizers want a place at the public trough. They want the public dollars going to pay for private health care. That again would be the death of our public medicare system.

The government talks more and more about the importance of commercialization in the health care system, whether it is commercialization in the research area or in other areas. Again that would mean instead of public health being at the forefront, corporate profits would be driving health care.

One of the gravest examples of this is the current efforts by the federal Liberal government to gut the Food and Drugs Act instead of strengthening that it. To ensure that there is regulation in the public interest, what the federal government is doing effectively is saying that it is going to move to a new system of risk management. It has explicitly said that there is too much focus on safety and not enough focus on risk management.

Recently a public letter was sent by the Canadian Health Coalition. It was an open letter to the Prime Minister expressing deep concern about the Liberal government's proposal to replace Canada's Food and Drugs Act with a new health protection legislative scheme. This would involve abandoning the precautionary principle. It would involve as well putting industry self-

regulation for profit, so-called smart regulation, ahead of protecting public health.

On the one hand we have the Minister of State for Public Health, a woman for whom I have great respect, who is talking about how we have to strengthen public health in this country. On the other hand we have the Minister of Health embarking on a course that would effectively lead to corporations calling the shots on drug regulation. Twenty-one outstanding Canadians, including people such as Shirley Douglas, the spokesperson for the Canadian Health Coalition, Margaret Atwood, David Suzuki, Jane Jacobs, Patricia Baird, Ken Georgetti, David Healy and many others, have called on the Minister of Health to take six key steps, which I will briefly summarize.

The first is to adopt the precautionary principle as the governing principle for an assessment of risk. The second is to stop this health protection legislative renewal and uphold the duty of care in the current Food and Drugs Act. The third is to restore the burden of proof on industry to demonstrate the safety of their product or technology before regulatory approval is granted. The fourth is to allow full public access to the information upon which federal regulators base approval of a product or technology because the public has a right to that information. The fifth is to strictly enforce the ban on direct-to-consumer advertising of prescription drugs. The sixth, a very important step, is to terminate all partnerships and promotional activities so regulatory agencies regulate only in the public interest and not in the interests of the regulated. Those are very important recommendations. Instead we have the government and the Prime Minister moving more and more.

Recently, for example, the member for Esquimalt—Juan de Fuca, who used to be a member of the Canadian Alliance, crossed the floor. He went over and joined the Liberals. He was very excited about joining the Liberals because he said:

The exciting thing on health care that [Prime Minister] has said is that he hasn't trumped up and said he's going to be wedded to the Canada Health Act.

That is unbelievable. He is thrilled that the Prime Minister is not wedded to the Canada Health Act. No wonder the Canadian Alliance was not exactly devastated when he left its caucus if that is his attitude.

The Prime Minister has just hired one of the top lobbyists, Bruce Young, who used to lobby for the False Creek Surgical Centre, as one of his key election advisers as well. We see that Paul Martin is very much on the road to supporting private health in this—

• (1635)

The Deputy Speaker: I know the hon. member for Burnaby—Douglas, who is such an experienced parliamentarian, probably made a little slip because he is certainly very cognizant and always most respectful of the rules.

Mr. Svend Robinson: I do withdraw that reference, Mr. Speaker. In my enthusiasm I got a bit carried away.

The Address

In closing, because as I said I will be splitting my time with my colleague from Churchill, I want to remind members of the House of a very dangerous development in health care. Just recently the American pharmaceutical drug industry allocated \$1 million for a major campaign to try to change the Canadian health care system and move it into a more profit driven, corporate driven system. We see the Liberal government, aided, abetted and pushed by the Belinda Stronachs, moving in that direction, and we, as New Democrats, are going to fight that and fight for public health care in Canada.

Mr. Vic Toews (Provencher, CPC): Mr. Speaker, I listened with interest to my colleague's comments and concerns about health care. I share many of those concerns. It is certainly one of the most important issues that my constituents bring forward to me; the long waiting lists and concerns about accessibility to health care.

We are not simply talking about isolated rural areas. We are talking about communities 20 and 30 miles outside of the large centre of Winnipeg. People talk about the lack of dialysis machines. They talk about having to go to the city where they wait and wait.

Perhaps the member could clarify one of the comments he made. I know he is opposed to any private delivery of health care. How does he feel about the fact that many of our doctors now are private corporations or private individuals who do work for profit under our public health care system? My own view is the only thing a citizen of Canada or a resident of Canada should need is the public health card that pays for those health services, whether the doctor is a government employee in an emergency ward or a private doctor. Does he have concerns about private doctors?

Mr. Svend Robinson: Mr. Speaker, the member is well aware that one of the tenets of the medicare system is the fee for service payment principle, and that of course was one of the recommendations of Emmett Hall.

I absolutely agree with the hon. member. One of the things we have to look at is whether that is the most effective way to deliver health care services. More and more physicians are talking about the possibility of working in community health centres with a health care team, with nurses and other members of the health care team, on a salary basis as opposed to setting up a corporation, as my friend has spoken of, and billing through fee for service.

He is right. There are other alternatives that we have to look to in terms of the method of payment for health care services, and certainly that is one of them.

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. Speaker, I am certainly concerned about the member's comments about Mr. Romanow and his report. I come from that province. During the Romanow regime, 53 hospitals were closed in that province.

In my particular riding today, in the city of Prince Albert, we have lost 16 doctors who we cannot replace. A third party has been monitoring our health care system and giving a report card. The average waiting period in Saskatchewan for surgery is now 29 months. Imagine taking a car to a service station and being told to bring it back in 29 months for the engine to be fixed or repaired. For MRIs, 22 months are the highest waits for what should be automatic, like an X-ray machine, especially if one has cancer. Most

Saskatchewan people are going to Minot, Calgary and Edmonton, Alberta to get their MRIs.

Does the hon. member for Burnaby—Douglas think governments should be prohibiting people from gaining MRIs from Minot, Edmonton and Calgary private clinics for the betterment of their health—

The Deputy Speaker: The hon. member for Burnaby—Douglas.

• (1640)

Mr. Svend Robinson: Mr. Speaker, the hon. member has spoken of history. I believe he is a Saskatchewan member of Parliament. I know that he would want to share the full history with the members of the House and remind them of the absolutely disastrous legacy of Grant Devine, the Conservative premier of Saskatchewan, who unbelievably now is saying that he wants to present himself as a candidate, and I forget which party it was, maybe the hon. member could help me on that one, for the Conservative Party. He wants to be a member of Parliament for the Conservative Party after his record of running Saskatchewan into the ground with massive deficits in health care, one of the most corrupt and dishonest governments the country has ever seen.

If the hon. member is asking for unanimous consent for time to be able to talk a bit more about the history of that corrupt Grant Devine government, I would be delighted to agree to that.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, in case my colleague from Prince Albert does not get a chance to mention more about Grant Devine, I will. I am originally from Saskatchewan as well and as I travelled from Manitoba into Saskatchewan during the Grant Devine years, I literally watched a province die. In small rural community towns like Melfort, Kinistino, Tisdale, businesses were closing left, right and centre. There was a sell-off of the highways department. Saskatchewan had the worst roads in the country under the Devine era. There was debt after debt. It was a corrupt government absolutely.

I often said I did not know what the NDP would do when it got back into power because it had a mess to clean up and by God, it has cleaned it up. The NDP does its darndest to balance the budget and does its darndest to provide services to its citizens, a good many of whom are my relatives. I will vouch for the fact that it is not easy, but I understand where the NDP is coming from because it had to clean up a huge mess in Saskatchewan.

Obviously Grant Devine stirs up passion in us because it was such a corrupt government in Saskatchewan. It was one of those shameful moments. We all have our shameful moments at different points that we have to relate to, and the one I have is knowing that Saskatchewan actually had such a corrupt government after having had such great governments in the past under Romanow, Douglas and Blakeney. They were wonderful governments and then Saskatchewan was stuck with someone like Grant Devine. I only hope if he is deciding to run in an upcoming election, that citizens in that area consider the type of member of Parliament they have had before as compared to Grant Devine.

The Address

I am pleased to have the opportunity to speak to the Speech from the Throne today. A number of comments have been made already about the omissions from the throne speech and the concerns we have as a result of those omissions. We cannot help but wonder what the agenda is when there is no mention of certain facets within the throne speech.

This may be the first time there has been absolutely no mention of seniors in the throne speech, the people who built our country, the people who suffer the greatest with the cuts to medicare. Seniors have suffered some of the greatest trials with cuts to the medicare system. There was no mention of what we are going to do to improve the lives of seniors, to improve their incomes by increasing their pensions and the OAS. There was nothing like that. My colleague from the Bloc will be happy because there was no comment about retroactivity on the GIS payments. There was nothing there.

The forgotten people of Canada were the seniors, the people who built our country. There was no mention of them.

There was also no mention of home care or pharmacare services for seniors. If we have to start somewhere, why not start with seniors by making sure we provide them with those services? The people who have built our country are now in their vulnerable years and what are we doing? There was not a mention, but there was certainly mention of corporations and tax cuts and making sure we stick to those tax cuts. That was in there for sure.

It was interesting to note that there was no mention of Romanow. Of course if it had mentioned the Romanow report, it would have had to mention home care and pharmacare and additional supports within the health care field, such as the 25% federal government responsibility within health care so it can be brought up to some semblance of what it was at some point. Even Monique Bégin, the former Liberal health minister, strongly supported an increase in funding. I recall her saying at one time that it should be at least 50%. Romanow was not even saying that; he was saying we should start at 25% and work up.

If we are not going to continue paying for a universal health care system in Canada, what are we saying? Are we saying to heck with the people around us, that they pay for their own health care?

Are we going back to the way it used to be when the doctor checked the health of the cow before he saw the patient because he would be paid with the cow? That was the reality of health care in Canada. If someone could not afford to pay, the doctor might get the cow or something else. That was the reality.

• (1645)

Is that what Canada is? Is that the progressive step the Liberal government wants to take? I sincerely hope not.

I listened to the right hon. Prime Minister yesterday. In his comments about the throne speech, he talked about travelling the country for a year listening to Canadians. Quite frankly, he did not have to travel the country for a year to listen to Canadians to find out what to do on health care. The Romanow commission did that very thoroughly and came up with an excellent report that got no support from the Liberal government.

The Prime Minister should have been honest. He travelled the country and was listening to Liberal leadership backers. That was it. Let us at least be honest with Canadians. If he did not listen to seniors who were totally left out of the throne speech, then he did not listen to Canadians. Seniors have been very clear on what they need in order to have fruitful lives in their senior years. They were extremely disappointed that there was absolutely no mention of the seniors in Canada in the throne speech.

Again, to comment on what is mentioned in relation to aboriginal Canadians, I would suggest quite readily that everyone, including the aboriginal people of Canada, get a copy of the other throne speeches from the Internet. I want people to compare what has been said about aboriginal Canadians in this throne speech to the ones that go back 10, 15 or 20 years. People would be hard pressed to find much difference.

We are going to promise to make things better economically. We are going to promise to improve the education of kids on reserves. We are going to promise to improve the infrastructure, the water and sewers. We are going to promise to improve the housing. We are going to get everyone out of poverty. All of that was there 10 years ago and the government has done nothing to address those issues. Nothing.

It is not okay just to put the words in the throne speech. It is not okay just to say we are going to have this wonderful program and put this much money in when what we do on the other side is say, "If you cannot give us this much money as well, we are not going to give you any". We all know that the communities have a hard time funding a lot of their programs because they only have so much money to work with.

Another area which is greatly disappointing in the throne speech is education, lifelong learning. One of the staff in my office was extremely disappointed because she is recently out of university. She was talking to me about the student loans and what it is like. Her comment was, "Yes, lifelong learning and a life sentence of paying the debt from that learning". This is nothing, suggesting that we can put more money into loans, suggesting that we are going to make it easier for lower income families to access the loans and to put money into RRSPs. When I heard the Prime Minister say that the low income people can put more money into RRSPs, what it reminded me of, and he is not going to like this I am sure because I am going to compare him to Marie Antoinette who said that if they don't have food, let them eat cake.

It is just not acceptable to say "You low income people living on \$25,000 or \$30,000 a year who are paying for your rent, your hydro, your food and everything else, you are just falling short by not being able to put money into an RESP for your child". When they cannot afford to live day by day, it is not acceptable.

The Address

What would be acceptable? I am not suggesting that we give students something for nothing, even though I think that would be ideal. We would benefit as a country if they could get an education and everyone who had aspirations to be a doctor or a teacher would not have to worry about being able to pay the money back for 10, 15 or 20 years. It would be great if we could do that. We would not have some of the shortages that we have because there would be more opportunities.

We should at least have low to no interest loans for students. Do not hold them to bankruptcy rules for the rest of their lives, and it seems to be that way sometimes. Give them a real opportunity. Give them the supports because it is not acceptable the way we are doing it now.

• (1650)

Quite frankly, here in Ottawa the Canadian Federation of Students spoke loud and clear. The students are doing that throughout the country. This is not good enough. I hope they come out loud and clear in the upcoming election and tell the government that this is not good enough, that it has to come through for Canadians. It cannot just give big corporations tax cuts, and I am saying big corporations because those tax breaks are not acceptable when others have to pay their way. If the government can do that, then surely it can invest in the future of Canada, because the future is there.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, one of the things I think we would all agree on in the House of Commons is that we all want to debate issues and priorities and in which direction we want to take the country. Every party has a different perspective and independents have different perspectives and that is healthy.

One of the things that I have seen is just terrible in terms of democracy, and we were supposed to have some reform today but it was vacant again. It is the mere fact that we do not, as parliamentarians, have any type of genuine accounting in terms of the resources that are available to Parliament to make decisions in the country.

I am talking about the fact that the government continues to play the game of saying it has no money one week and the next week it has lots of money, then it has no money again and then it is going to find some by looking through the books. How many years after 10 years in government do the Liberals have to look through the books and find more billions of dollars, all in a manner of moments? That is not right. What we should be doing is understanding our finances, understanding the ability and time when the money is coming in and debating intelligently on how we want to spend it. That is fair.

I was very disappointed that the throne speech had a number of different promises, suggestions and platitudes but it did not address the principal fact that we have a problem right now. The Prime Minister was \$40 billion off in his financial projections. That is not democratic. That is a huge deficit there. It does not matter if it is actually stealing money from workers and using it later on for other situations. The reality is we as parliamentarians need to make educated decisions about those resources.

How does the hon. member feel about the fact that we did not get that reform or commitment in the Speech from the Throne and what does that do for the Prime Minister's democratic reform platform?

Mrs. Bev Desjarlais: Mr. Speaker, I do not think there is any question that the Prime Minister's words of democratic reform and making Parliament more transparent were just words. He had an opportunity to make some real change and that did not happen.

The member mentioned being out a couple of billion dollars. When I was a summer student I worked at the parks for the Saskatchewan government, a very good government at that time if I recall correctly. We would cash out at the end of the day. I was working in a park store. If we were under a certain amount of money, there was real concern. A few cents were acceptable. If we were over that amount of money, there was real concern as well because we had ripped off the people coming to the store. We had taken more money than we should have. That was a matter of a few dollars. What we see with the government is a plus or minus of \$4 billion. At what point is it acceptable? It is not okay. If the Liberals cannot budget better than plus or minus \$4 billion, they should get out.

• (1655)

[*Translation*]

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, my colleague called my attention specifically to an issue that interests me a great deal and that I defend with vigour.

I would like to hear my colleague on another issue, namely democratic reform, but since I have only two minutes, I will try to be brief.

With respect to democratic reform, does the Prime Minister, who prides himself on wanting to reform Parliament, not have an excellent opportunity—talking about seniors and the guaranteed income supplement for instance—to listen to MPs who unanimously expressed at parliamentary committees the wish that those who were robbed when they did not get the guaranteed income supplement be reimbursed? I would like to hear my hon. colleague on this.

[*English*]

Mrs. Bev Desjarlais: Absolutely, Mr. Speaker, and if all Canadians were informed that the government has ripped off seniors for so many dollars and is saying that they cannot have it because they did not let the government know within so many years when it really owes it to them, they would be extremely disappointed.

We will continue to get the message out there that the government has total disregard for seniors. The government has shown this by not mentioning them in the throne speech and it continues to show this by refusing to pay retroactively on the GIS.

[*Translation*]

Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Human Resources and Skills Development (Social Economy), Lib.): Mr. Speaker, as I have not had the opportunity to rise in the House for quite some time, I first want to wish a happy new year to all my constituents in my riding of Ahuntsic, who gave me the privilege and honour of representing them here in the House.

Second, I want to thank the Prime Minister for entrusting me with new responsibilities in the House, and about which I am very passionate.

I want to focus today on what the throne speech said about the social economy, which the Prime Minister has made me responsible for.

[*English*]

I want to begin by quoting the World Health Organization. It states:

Societies that enable all their citizens to play a full and useful role in the social, economic, and cultural life of the society will be healthier than those whose people face insecurity, exclusion, and deprivation.

People will ask me, when my title is read out: What is the social economy? It is a relatively new term but one that has been used over the centuries in different terminology. Cooperatives is one example that is used in the rest of the country. In Quebec we talk about l'économie sociale.

I also want to make reference to what actually is the terminology used by the department to which I also have the honour of being parliamentary secretary. The way social economy is defined in terms of the department is that it is made up of foundations, cooperatives, mutual societies and associations that engage in economic activities with social goals. Through their activities and actions, they support their members, citizens at large and the community.

The concept is based on values of sustainable development, equal opportunity, the inclusion of disadvantaged people and civil society.

The social economy is rooted in entrepreneurship and independent community action. However, its main focus, which is what I really like about this file, is the fact that it empowers citizens to effect change and to effect change at the community level but in partnership with both the private sector, the public sector and a whole range of other partners at the local level.

As I said, the concept itself dates back to the early reflections of the 18th century and even the 19th century where we had the workers' movement, for instance trade unions, in various parts of the world. In the western world the social economy became more in vogue after the 1990s when we saw that the markets began to have a different dynamism than they did before. Market solutions to social problems is a relatively new concept. However, as I said, the form that it took before, the cooperatives, has been around for quite a while, especially in the 1970s.

On page 12 of the throne speech, for those who are interested, the government laid out how it views the social economy. It states:

• (1700)

[*Translation*]

And the Government will help communities to help themselves.

One of the best ways to do this is to get behind the remarkable people who are applying entrepreneurial skills, not for profit, but rather to enhance the social and environmental conditions in our communities right across Canada.

In the Prime Minister's speech, on page 31 of the *Debates of the House of Commons*, he stated the following: "Enhancing quality of life in our cities is about wanting to help each other. It is about a willingness to work together to build great places to live".

The Address

The Prime Minister continued as follows:

Today this willingness is everywhere in Canada. We see it in the efforts of a million Canadians working in the voluntary sector. And they have our support.

We see it in the efforts of the people who are applying entrepreneurial creativity—not for profit, but rather to pursue social and environmental goals.

That is what we call the social economy—and while it may be a less familiar part of our economy, we must not underestimate its importance.

He said further:

The people who are dedicated to these efforts understand the power of the social economy. The people themselves represent a powerful social resource, and it is high time that the federal government recognizes this.

I think that is why he assigned such an interesting and exciting mandate to me. That is why we must put in place at the federal level tools these groups can use in their activities.

I also want to mention a group that has been actively involved in this area in recent years. I am talking about the Chantier de l'économie sociale du Québec. Following the Speech from the Throne and the Prime Minister's remarks, the Chantier issued a press release, stating:

The Speech from the Throne and the Prime Minister's remarks constitute unequivocal recognition of how important the social economy is to the social fabric and the economic vitality of our communities. The Canadian government is thus recognizing the pluralistic character of our economy, which is based not only on market and government activities, but also on the contribution of a collective entrepreneurship dedicated to the well-being of its members and our communities.

Such government recognition is meaningful, as it requires government to commit the tools and effort necessary for the development of social economy enterprises, as confirmed in the Speech from the Throne and the Prime Minister's reply this morning in the House. These commitments should translate into an efficient response tailored to the specific needs of social economy enterprises, particularly in terms of capital and openness to various entrepreneurial support programs.

That is exactly the point I would like to address now, because what is important is to recognize organizations that have been active for a long time in the social economy.

First, I will focus on some in the riding of Ahuntsic, which I represent. I would also like to pay tribute to them. One example is the Corbeille Bordeaux-Cartierville.

Corbeille Bordeaux-Cartierville—"corbeille" refers to a basket—is a restaurant, a caterer and a frozen food delivery service. It is a business that reintegrates into the work force workers who need training.

There is also a furniture restoration workshop in Ahuntsic-Cartierville, known as AMRAC. It, too, has the goal of reintegrating workers. They restore and sell used furniture. It is amazing what they produce. AMRAC's furniture is very popular in the riding of Ahuntsic.

Another example is the Association récréotouristique Ahuntsic-Cartierville. The Bistro des Moulins, on Visitation Island, is another group promoting the social economy. All of these organizations are supported by the Corporation de développement économique communautaire of Ahuntsic-Cartierville. They provide some funding.

The Address

One of the most important groups in Quebec—somewhat outside the boundaries of the riding of Ahuntsic—is the Chantier de l'économie sociale. This organization supports development and counsels businesses and business networks in a way that complements existing networks. For a number of years, it has been one of the essential partners in the economic activity sector in Quebec.

• (1705)

Another is the Réseau d'entrepreneurs en économie sociale, which is a network of social economy organizations. Its goals are to provide promotional and other services to assist growth and development, while fostering recognition of an image based on the quality of the products and businesses involved.

Many of these businesses hire people with disabilities, women and immigrant women.

[English]

I will finish by saying that in both the Speech from the Throne and the Prime Minister's speech there were certain recommendations that came out through the consultations that I did as parliamentary secretary and through the consultations I had with the Prime Minister when he was the finance minister and when he was running for the leadership. Some of those recommendations ended up in both the Speech from the Throne and in the Prime Minister's speech.

We will be looking at all the funding programs on the federal level to ensure that they have better access to funding and core funding of social economy organizations. We will also look at regional development programs and make sure they also are accessible to the social economy partnership.

The last comment I want to make before I finish has to do with the Canadian CED Network which is building a fund to mobilize and plan communities. I thank the Prime Minister again for making this one of the priorities in his speech and in the throne speech.

Mr. Myron Thompson (Wild Rose, CPC): Mr. Speaker, I must say that I listened very carefully to the throne speech and it was like I was living in 1993 again, just over and over.

I looked at a statement in here on page 9, talking about the reserves:

...the conditions in far too many Aboriginal communities can only be described as shameful.

That was written in 1993, 1997, 2000 and now 2004. I guess we are not doing a very good job of addressing these dismal conditions that exist on the reserves. We got a reprint. We got a rerun.

I remember hearing it loudly in 1993 that we had one million children, the future of our country, living in poverty, what a disgraceful situation that was, and that we would join with the United Nations and eliminate that by the year 2000. Well, it is 2004. We do not have one million children in poverty anymore. According to Statistics Canada, we have 1.5 million. What progress, what wonderful progress.

We are supposed to get excited over a document that continually repeats and repeats itself, year after year. We are supposed to stay awake and listen to it, and in the meantime we have problems across the whole country. Farmers are going under but there was no mention of that.

Hon. Eleni Bakopanos: Mr. Speaker, in answer to a what I thought was perhaps not a question, I want to draw the hon. member's attention to the fact that in the social economy file there is a group that is working on the prairies with aboriginal groups. It is called the Kitsaki Management Limited Partnership, and it in fact deals with La Ronge First Nation Band Council which created it. In partnership, it has established businesses that generate economic and social benefits for band members. That is why the social economy is one that allows the aboriginal people or other disadvantaged groups in our society to build some sort of business.

According to what I have in front of me, Kitsaki has between 20% and 100% ownership interest in businesses ranging from bulk hauling, mining support operations, hospitality, wild rice, financial services, catering and janitorial services, beef jerky and a sawmill. This is one example and it is one of the largest companies in Saskatchewan, as a matter of fact. Therefore, if the hon. member wants to look at what the social economy can offer the aboriginal people, these are very good examples.

• (1710)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I congratulate the hon. member for her speech and for her service as a Speaker of the House prior to her new position.

I come from the background of the social economy. I worked for the Association for Persons with Physical Disabilities and for the CNIB as a board member. I also worked at the multicultural council, mostly in the capacity of assisting people with employment and youth counselling as well as career work.

We have been basically thrust into a position where a lot of our not for profit organizations in the supposed social economy are on the brink. There is one specific I would like to ask the hon. member about. Why can the government afford tax cuts for corporations and the wealthiest in the country but not provide at least a write-off or notification for voluntary service, which is eligible in other countries including the United States?

Hon. Eleni Bakopanos: Mr. Speaker, I think if the hon. member takes the time to look at the Speech from the Throne he will see on page 12 the voluntary sector initiative that began last year. It has to be expanded. I will agree with the hon. member in that I think we have to do more in terms of helping the social economy organizations. That is one of the reasons that the Prime Minister in fact gave me that responsibility: to come up with suggestions.

If the hon. member has suggestions and recommendations to make, I have been meeting with the stakeholders, and yes, they have let me know that these are some of the problems they face. And yes, it is my responsibility in some ways to make sure that the government responds to those needs. I want to tell the hon. member that I also worked for Centraide, on the executive board, in fact, and some of these issues have come up over the 25 years I have contributed to the voluntary sector.

Hon. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, first of all, I have never spoken in the House from this angle. I am usually at the other end. This is a new experience. I will try to get used to it.

The Address

A lot of the discussion in this place and during the past couple of years has been around this issue of a democratic deficit. It has struck me that there is a democratic deficit, perhaps, in the nation and that maybe one of the things we need to do when we look at it here, if we really want to enhance the role of members of Parliament, is that we should have a situation where the opposition does not simply criticize and the government simply defend.

Maybe we should analyze the issues as they are before us. Perhaps some of us on this side of the House, if we want to have an enhanced role as a member of Parliament, as a backbencher, should be asking some of the tough questions, and maybe the opposition should listen to them.

I read the Speech from the Throne and of course I could stand here and say that I think the commitment to the environment is wonderful and I think the commitment to children is terrific, and it is important, it is all very Liberal and it is what we all believe in, et cetera, but I want to talk about things that I did not see there that I am a bit concerned about.

There is only one spot in the entire document where I saw the words "affordable housing". We talk about a new deal for cities. It is fine if we are going to give more money to cities and municipalities and fund it directly. Can we then be assured, number one, that the provincial governments or the territorial governments are not going to simply claw back the same amount of money from their contributions? Can we be assured of that? I do not care where the money comes from: GST or gas tax, it does not matter. Can we be assured that it is going to go to the services the municipalities are claiming they cannot afford to provide for their communities? We cannot be, not unless we have some agreements in place.

I would argue that one of the things I would have loved to have seen in the throne speech is a commitment to use Canada Mortgage and Housing Corporation, a crown corporation, as a true housing company to deliver programs directly to communities and municipalities, and frankly, in the way they used to. I would argue that we have a crown corporation with some of the finest staff in Canada, and with a tremendous board, politically appointed but very much tuned in. These people could work with our municipal partners. They could work with provincial governments where appropriate, but they could also then work with private for profit and non-profit corporations, communities, groups or whatever to deliver affordable housing.

I do not see that in the throne speech. What I see is a blanket statement that says we are going to cut a new deal for cities. Let us get real. The cities want to keep their taxes low and I do not blame them. My wife is a municipal politician and I was one myself. No one wants to increase their taxes. If I can get the federal government to increase their taxes and give me the money, then that sounds like a pretty good deal. It is called lack of accountability and lack of transparency.

I just give a message. If this is the new role for backbench MPs in the government, my message to the government is, "Do not give the ship away. Do not just say to municipalities that we are going to give them all this money without making sure that we have an agreement with provincial and territorial partners who are going to participate equally and who are going to ensure that we in fact do address the

shortfall". Never mind the democratic deficit. Let us talk about the affordable housing deficit, because it is real.

I was in Saint John, New Brunswick, where I saw some of the problems. Saint John has a vacancy rate somewhere in the neighbourhood of 6%. If we take away the homes that we would not allow our dogs to live in, that vacancy rate goes down to 1.5%. Who is doing anything about that?

We announced a contribution of \$1 billion total, two tranches of money, \$680 million plus \$320 million, to be matched by the provinces to build affordable housing. We have not seen it happen in Saint John yet and it is a terrible, unacceptable situation.

•(1715)

We talk about the number of children living in poverty, but do people know that in the greater Toronto area there are 5,000 kids living in shelters? This is in Canada. This is unacceptable.

My message is for those under all governments, and if people want to be partisan, be partisan, but the provincial Tories did not do anything about it either. I am not talking about partisanship here. I am talking about how we should all work together on both sides of the House to solve some of these problems. The first place to start is for us as a government is to admit that there is a problem, that there is a deficit.

What does a kid say when he goes to school and walks into a schoolyard? The first thing somebody says to him is, "Hi, what's your name?" What is the second question? It is, "Where do you live?" We know what the answer is for those 5,000 kids: "I live in a shelter".

In the city of Calgary, 50% of the people who live in shelters have jobs. They actually go to work every day. They walk out the door. They send their kids to school and they go work at a minimum wage job. They meet them back at the shelter that night and, God willing, have something to eat and a place to sleep. What does that child say in the schoolyard? "I live in a shelter. I live at the Y".

This is unacceptable. I want to say to my government that it is time we admitted there is a problem. We cannot fix it overnight. The problem did not occur overnight. It is from decades and decades of neglect by all governments, municipal, provincial and federal. All parties involved in the process have stood by and neglected this situation. Now we find, in a country with as much wealth as Canada, that we have 1.8 million Canadians living in core need, which means they are paying 50% and 60% of their gross pay for shelter. This means that at the end of the month there is not enough money left to buy food so they go to a food bank. This is unacceptable.

As a member of Parliament, I am willing to accept my share of the responsibility. I think everybody should. Instead of just standing up and saying, "you bad government, you must fix this", why do we not collaboratively come up with a way to fix it together?

The Address

If we want to do something about the democratic deficit that allows backbench MPs in the government to stand up and do something other than just sing the praises of throne speeches, that is fine with me, because I have seen the problems on the ground. I was the minister responsible for eight months and I cried some nights when I saw the depth of the despair that Canadians are living in. It is absolutely unacceptable.

There is another deficit that I want to talk to members and the Canadian people about. We have a serious problem that has occurred in this country since 9/11. That is where the real deficit is. There is racial and religious profiling going on in our communities. It is going on in our police departments. It is going on in the RCMP. It is going on in CSIS. It is going on in government. Anybody who looks like me would not understand it, because it does not happen to me, but it happens to dark-skinned people in this country. Whether they are Muslim, Hindu or Sikh, it does not matter. It happens.

I can tell members first-hand the story of Mohamed Attiah, who worked as an engineer—and still does, thank God—for AECL at Chalk River. Ten days after 9/11, CSIS and the RCMP walked into his office, interviewed him for a couple of hours and left with no charges, allegations or anything. He went to lunch, but when he came back from lunch his security pass had been cancelled, his door locks had been changed and his employment had been terminated. Why? Supposedly some kind of connection to al-Qaeda. I investigated this with the solicitor general and we found that Mr. Attiah was totally profiled and targeted for no reason other than the fact he was a Muslim. He has been in the country 30 years and is a Canadian citizen.

It is absolutely unacceptable. It is happening in Canada right under the noses of parliamentarians. I call on every member in the House to stand and say we are not going to allow it to continue, that we are going to fight that deficit. That, Mr. Speaker, is the true democratic deficit in this country.

● (1720)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I congratulate the member for a very passionate speech. On this side of the House I appreciated some of the passion he contributed. On the other side they needed a cup of coffee to get through it.

Nonetheless, I want to at least note that the issues about cities, municipalities and all those things, on which we have had a lot of discussion in the House of Commons, will not be solved by simply providing something back which should not have been taken in the first place.

I am concerned with the fact that we have so many municipalities in Ontario that are literally looking at double digit tax increases coming up in the fiscal year. I want to ask one quick question related to that and a second one related to the second part of his speech.

First, what types of things should they lock the money in? If the government's intention is to lock this money in municipalities and make them do certain things then what should those things be?

The second and most important question has to do with the racial and ethnic profiling that is happening. I live on the border in Windsor, Ontario. We have watched the United States government fingerprint and photograph our citizens. Doctors, lawyers, profes-

sionals and working class people who have employment in the United States have actually been pulled over, fingerprinted and photographed and the government has not spoken up about it yet. When will the government do that for our citizens?

Hon. Steve Mahoney: Mr. Speaker, I heard the Prime Minister say that the United States has to respect our passport. I think so do we.

Mississauga is a bit of a border community too. It is not very far away. There are two borders actually. I have constituents who phone me all the time. A constituent called me yesterday to say that he was pulled over and questioned for three hours. This is a man who has been in Canada for 30 years with his family and is a Canadian citizen. There was no reason to detain him for that length of time. He felt degraded, cheated and improperly dealt with.

Yes, we have to send a strong message. The government must stand up for Canadian citizens going into the United States. However I will tell members that it also happens to Canadian citizens coming back into Canada. It is a two-way street. The Americans should absolutely respect a Canadian citizen but Canadian people who work at the borders have to respect that as well.

As far as the other issue on the municipalities, the municipalities, in my opinion, give us the best services of any level of government. We see it and we know what they do. It is the garbage, the police, the fire, the parks and recreation, the roads and the snowplow. We all know what we get. It is not like the senior levels of government where all the money goes in a black hole and we cannot figure out where the money went or what it is going to. Let them do what they do best and serve their constituents.

● (1725)

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, I listened with great interest to the member and his comments on partisan politics. I could not agree more.

I would like to know what the member thinks of the promise that was given by the Liberals when they went into Saskatchewan and the western provinces and said that they would address western alienation but that the population had to send a Liberal MP to Ottawa and then they would get something. What does the member think about that? What is so good about it?

Hon. Steve Mahoney: Mr. Speaker, people will politic no matter what. We are not going to change that, particularly in election times. People will make the suggestion that sending a government member is better for the constituency. I would not try to be naive enough to suggest we can change that.

However there are things that have been neglected that I think need to be looked at in Saskatchewan. In northern Saskatchewan the Metis housing situation is unacceptable and deplorable. I think the government can indeed do something about that by working with the province of Saskatchewan.

The Address

When there is an opposition member who holds a seat, that person should not be excluded from having input into the solution. If that member is responsible, and we tone down the partisan rhetoric on the issue, then I believe we will find ministers willing to sit down at the table with opposition members and find ways to solve them.

Again, not to be naive, we are never going to take out of the system the cut and thrust of debate, nor should we. We have different views as the Liberal Party than the Canadian Alliance or the Conservative Party might have, and different views than the New Democrats might have. That is what we have policy functions for. That is why we put together red books, government programs and speeches from the throne.

However the point is that once we get into the job, we should do what we do in committee and do what we do when we travel together: work together. It can happen.

Mrs. Elsie Wayne (Saint John, CPC): Mr. Speaker, I was pleased to hear the hon. member for the NDP speak about seniors. That was one of my main topics today because seniors were totally left out of the throne speech. Of the 23 pages in the throne speech, only about 10 words referred to seniors, and I cannot accept that.

Statistics Canada has reported that between 1991 and 2001 the number of Canadians aged 65 or older increased by 12%. Moreover, it reported that this trend will increase more rapidly as of 2011, when the oldest baby boomers reach the age of 65. It also reported that between 1991 and 2001, the number of Canadians over 80 years of age increased by 41%. If these trends continue, experts now predict that by the year 2011 there will be over 1.3 million Canadians over the age of 80. I cannot believe that the throne speech did not even refer to them or talk about them.

The effect of this coming of age will be so significant that the United Nations has described it using the term "age quake".

Canada's Association for the Fifty-Plus, or CARP, has said that the impact on society will rival that of the industrial revolution. That is what it is talking about with our seniors. Yet seniors' issues warrant only 10 words in the whole speech.

The changing demands of an aging population will dramatically affect how government will need to address the economic, social and health care needs of Canadians.

Yes, to the hon. member who just spoke. I was the mayor of Saint John for four terms so I know what the member was speaking about.

Hon. Jim Peterson: A darn good mayor.

Mrs. Elsie Wayne: I thank my colleague for that comment.

We had CMHC and we were building homes for seniors and others but the government took away all the money and cut out CMHC. As the hon. member said, there is a need for us to look after all our seniors.

This coming of age will force significant changes in how government operates in a wide range of areas from, as he has stated, affordable housing to transportation and from tax policy to national security.

And yet, despite these powerful warnings, the Government of Canada has done horribly little to prepare itself. The Speech from the Throne failed to make seniors and seniors' issues a priority. That was a grave mistake.

For the past two years I have repeatedly called on both the current Prime Minister and his predecessor to name a cabinet minister specifically responsible for seniors. After all, do we not have a Secretary of State for Youth? Can we not agree that our seniors are facing challenges unlike those facing any other age group?

I admit that I was greatly disappointed when the new Prime Minister ignored the advice and failed to name a seniors minister. I was disappointed but not surprised. Every day we waste is a day less that we have to prepare.

We are now faced with a huge challenge that must be addressed within a progressively shortening timeline. If we do not overhaul the institutions of government, they will be overwhelmed.

Let me make clear that the coming of age is not a bad thing. I know all about it. I am of the coming of age. It goes without saying that we should celebrate the fact that more Canadians are living longer and healthier lives. We should be proud that our senior citizens are among the most active in the world and that they continue to make a significant contribution to our country in a broad range of areas. I have often said that when speaking about our senior citizens we should put more emphasis on the word "citizen" and less on the word "senior".

Two months ago the Prime Minister offered some vague comments about no commitments, about eliminating mandatory retirement ages. The time has come for us to recognize that mandatory retirement is discrimination, plain and simple.

● (1730)

Countless Canadians remain both physically and mentally capable of doing the same job at age 70 that they did at age 30. We live in a free country that respects free markets yet, in some cases, we order our citizens to retire, and that is wrong. I believe that retirement should be left to the individual choice in as many cases as possible. The only criterion that should matter is the employee's ability, not the employee's age.

In order to fully appreciate our new reality we must understand its root causes. Canadians are living, as I stated, longer, healthier lives because we have become a much healthier society. Not only have we made great strides in the fields of medical science, we now place greater emphasis on preventative medicines. Moreover, we have improved our lifestyles with better nutrition and more exercise.

Back when I was mayor of Saint John, I was a proud proponent of the participation program. In fact, I was invited up here to Ottawa with that participation program when I was mayor. To this day I remain a strong supporter of the Senior Friendship Games. Both played a vital and unequalled role in the promotion of physical fitness.

In the spirit of these great programs we should have a national senior fitness program that actively encourages seniors to take up some form of physical activity.

The Address

My view has been greatly inspired by the findings of the Active Living Coalition for Older Adults and Smart Risk. These two groups have drawn a clear and unmistakable link between exercise, healthy living and injury prevention.

While we must increase our focus on the positive aspects of aging, we cannot ignore its unfortunate effects. As last year's SARS outbreak clearly demonstrated, our aging bodies can become more vulnerable to threats to our health.

Because the health concerns of someone aged 50 and older are different from those aged 50 or younger, we must ensure that our health care system reflects our changing times. This means that our health care system and institutions must put greater emphasis on long term care, home care and gerontology. It means looking at a national strategy to help reduce the cost of prescription drugs. It means looking at tax credits for families who care for an aging or sick relative in their homes. It means taking the steps necessary to ensure that seniors are able to remain independent and free to go about their lives without concerns about health and safety.

This concept is not new. After all, that was the original purpose of the veterans independence program; to ensure that our veterans could remain in their homes for as long as their health allowed.

When it comes to the VIP, I cannot believe it was not addressed in the Speech from the Throne. Here we have the widows of veterans who passed away from 1990 to today and they will get the VIP, but all those widows of veterans who passed away prior to 1990 are not getting a penny. I have stacks of letters from veterans' widows from all across the nation. They want to stay in their homes but they have been denied the VIP. It has created two classes of veterans' widows, and that must be addressed immediately.

In the fall, however, the government made the decision to cover widows, as I stated, eligible from 1990 onward.

In the past few months I have been contacted by many of these veterans' widows who are praying and begging that each and every member of Parliament on both sides of the House will make them equal. Although they spent the majority of their married adult lives caring for their families while their husbands were overseas fighting for you and me, Mr. Speaker, so we could stand here tonight in this safe place of Canada, they will not receive the benefits of the VIP.

I was really shocked that the Speech from the Throne did not refer to the VIP and to making widows equal under the program.

● (1735)

We had hoped that the government would treat veterans and their families equally. In its first three terms the government had to be forced into helping our merchant navy veterans. Whether it was a hunger strike on the steps of Parliament or a class action lawsuit in the Supreme Court, our nation's heroes were forced to fight against the government they had fought for. From merchant navy vets to those whose pensions were mismanaged by government officials, the government's record on veterans affairs is sorely lacking and it saddens me to report that this tradition continues.

Last Friday a class action lawsuit was filed on behalf of veterans used in chemical weapons testing during the second world war. These soldiers were taken from their units, brought to secret camps

and gassed by the Canadian government; not some other government, but our government. The purpose was scientific research. We did to our own soldiers what the Geneva convention prohibits us from doing to enemy soldiers in time of war.

Sworn to secrecy, these brave patriots have lived with the scars of that time for more than 60 years. They deserve immediate compensation. They deserve better and I am not alone in this assessment. The Canadian Forces ombudsman has recently passed to the minister a favourable report outlining in great detail the case for compensation. I know that all members join with me in anxiously awaiting the government's response on this critical file. How we treat our veterans today is a clear sign of how we will treat our armed forces in the future.

Some years ago I participated in a NATO meeting in St. Petersburg, Russia, where Lord Robertson from London, England, sent a message to all of us. He stated in a video, to all of us who were in St. Petersburg, Russia, from Canada, that he wanted us to put some money into our military where we used to be at the top with all of the others. He said we were at the lowest end of the scale and we must do something.

I listened to the speech yesterday and heard how seniors were left out. Instead of announcing a bold new program like the seniors independence program advocated by the Royal Canadian Legion, the throne speech offered false hope and bad faith.

Instead of upholding the charter and striking down mandatory retirement, the speech offered empty promises. Instead of offering a new direction for health care, the speech kept it on life support.

The government is seeking to continue its agenda of neglect. The government is preparing to extend its life by four more years. The government is trying to get Canadians to offer them a fourth chance. I am sorry, it is three strikes and it is out if it does not start doing something for seniors, the military, and the vets. It must do it now.

● (1740)

Mr. Vic Toews (Provencher, CPC): Mr. Speaker, I want to commend the member for Saint John. With her usual skill and forthright manner, she has communicated what many in the Conservative ranks have stated for a long time. It is not just the veterans who have been insulted by this particular Liberal government but in fact their widows.

I do not understand why it is that Liberal members can come to the House day after day and simply neglect the widows who have raised their families, who have stood beside their spouses in the interests of Canada. What does the member suggest? What is her solution in this particular case?

Mrs. Elsie Wayne: Mr. Speaker, I thank my hon. colleague for his question.

Members in the House, particularly those on the government side, must realize that these widows must be treated equally and it must be done right away because every other day we are losing another one.

Extra beds must be put in veterans hospitals because we are getting calls everyday. I mean it. Hundreds and hundreds of veterans do not have anyone to look after them. They fought for each and every one of us and we owe it to them to make them number one. That should be done right away.

[*Translation*]

The Acting Speaker (Mr. Bélair): It being 5:43 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment to the amendment now before the House.

The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Bélair): Call in the members.

• (1815)

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

(*Division No. 1*)

YEAS

Members

Bachand (Saint-Jean)	Bergeron
Bigras	Clark
Comartin	Crête
Desjarlais	Duceppe
Gagnon (Québec)	Gagnon (Champlain)
Gaudet	Gauthier
Godin	Guay
Guimond	Laframboise
Lalonde	Lill
Loubier	Marceau
Martin (Winnipeg Centre)	Masse
Ménard	Nystrom
Paquette	Perron
Picard (Drummond)	Plamondon
Proctor	Rocheleau
Roy	Sauvageau
St-Hilaire	Stoffer
Tremblay	Wasylcia-Leis— 36

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NAYS

Members

Ablonczy	Adams
Alcock	Allard
Anderson (Victoria)	Anderson (Cypress Hills—Grasslands)
Assadourian	Augustine
Bagnell	Bakopanos
Barnes (London West)	Barnes (Gander—Grand Falls)
Barrette	Beaumier
Bélair	Bélangier
Bellemare	Bennett
Bertrand	Bevilacqua
Binet	Blondin-Andrew
Bonin	Bonwick
Borotsik	Boudria
Bradshaw	Breitkreuz
Brisson	Brown
Bryden	Bulte
Burton	Byrne
Caccia	Calder
Caplan	Carroll
Casey	Casson
Castonguay	Catterall
Coderre	Collenette
Comuzzi	Cotler
Cullen	Cummins
Cuzner	DeVillers
Dion	Discepola
Doyle	Dromisky
Drouin	Duncan
Duplain	Easter
Efford	Eggleton
Elley	Epp
Eyking	Farah
Fitzpatrick	Fontana
Frulla	Fry
Galloway	Godfrey
Goodale	Graham
Grey	Guamieri
Hanger	Harvard
Harvey	Hearn
Herron	Hill (MacLeod)
Hill (Prince George—Peace River)	Hinton
Hubbard	Jackson
Jaffer	Jennings
Jobin	Johnston
Jordan	Karetak-Lindell
Karygiannis	Keddy (South Shore)
Keys	Kilger (Stormont—Dundas—Charlottenburgh)
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Laliberte
Lancôt	Lastewka
LeBlanc	Lee
Leung	Lincoln
Longfield	Lunn (Saanich—Gulf Islands)
Lunney (Nanaimo—Alberni)	MacAulay
MacKay (Pictou—Antigonish—Guysborough)	Macklin
Mahoney	Malhi
Manley	Marcil
Marleau	Martin (LaSalle—Émard)
Matthews	McCallum
McCormick	McGuire
McKay (Scarborough East)	McLellan
McNally	McTeague
Merrifield	Mills (Red Deer)
Mills (Toronto—Danforth)	Minna
Mitchell	Moore
Murphy	Myers
Nault	Neville
O'Brien (London—Fanshawe)	O'Reilly
Owen	Pacetti
Pagtakhan	Paradis
Patry	Penson
Peric	Peschisolido
Peterson	Pettigrew
Phinney	Pickard (Chatham—Kent Essex)
Pillitteri	Pratt
Price	Proulx
Provenzano	Rajotte
Redman	Reed (Halton)
Regan	Ritz
Robillard	Saada

Private Members' Business

Savoy	Schellenberger
Scherrer	Schmidt
Scott	Serré
Sgro	Shepherd
Simard	Skelton
Solberg	Sorenson
Speller	St-Jacques
St-Julien	St. Denis
Steckle	Stewart
Strahl	Telegdi
Thibault (West Nova)	Thibeault (Saint-Lambert)
Thompson (Wild Rose)	Thompson (New Brunswick Southwest)
Tirabassi	Toews
Tonks	Torsney
Ur	Valeri
Vanclief	Vellacott
Volpe	Wappel
Wayne	Wilfert
Williams	Wood
Yelich— 199	

PAIRED

Members

Asselin	Bourgeois
Cardin	Charbonneau
Dalphond-Guiral	Desrochers
Finlay	Folco
Fournier	Gagnon (Lac-Saint-Jean—Saguenay)
Girard-Bujold	Ianno
Maloney	Parrish
Szabo	Whelan— 16

The Speaker: I declare the amendment to the amendment negated.

[English]

It being 6:16 p.m., the House will now proceed to the consideration of private member's business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

FISHERIES

Mr. Loyola Hearn (St. John's West, CPC) moved:

Motion M-136

That, in the opinion of this House, the government should take immediate action to extend custodial management over the Nose and Tail of the Grand Banks and of the Flemish Cap.

He said: Mr. Speaker, let me thank the member for Pictou—Antigonish—Guysborough for seconding this motion.

As many members will recall, during the last session we debated this motion. Like many others, it died on the Order Paper but it has been brought back in its entirety. Instead of being in the second hour of debate, we are starting all over again and we will have one hour of debate now and the second hour sometime in the near future.

It is also a bit ironic tonight that we are talking about preserving our fishery when around us, I understand in the gallery, there are many people who have been affected by the BSE problem right across the country. Many of us think it is a western problem but it is a Canadian problem. The destruction of our fishery is not an Atlantic Canadian problem, it is a Canadian problem, period. People on the west coast, in the north and near the Great Lakes realize what is happening to our fishery.

Tonight I will zero in on the nose and tail of the Grand Banks and the Flemish Cap. The fish that once were so abundant in that area had such a great effect on the economy of this great country of ours. In a nutshell, for those who are not aware of the area and the problem concerned, I will quickly explain as well and as plainly as I can the situation in which Canadians find themselves in relation to a renewable resource which, like our farming industry, has been totally and utterly neglected by the government.

When Canada joined Newfoundland in 1949, it found that we had abundant resources. In fact at the time we had the greatest groundfish resource in the world, the northern cod. For centuries people from Canada, from Europe and of course from Newfoundland and Labrador fished that resource. They fished it carefully, knowing what happens when a natural resource is destroyed. Things changed and when Canada came together with us, it called the shots, but it was also supposed to accept the responsibilities. It did not and we have seen the fishery destroyed.

Perhaps a more ironic point is during these years we had a three mile limit I believe, which eventually extended to 12 miles and then finally to 200 miles. Even when we had no limit, foreign boats were fishing inside our waters. In the early days the fishing was with hooks and lines on the Grand Banks. The city of St. John's all around the waterfront was filled with what we used to call the tall ships. The Portuguese and the Spaniards, who fished according to the historic agreements, the international agreements we had with them, would land in St. John's and take on supplies. They would come in out of storms. They appreciated how well they were treated that they, speaking of the Portuguese, presented St. John's with a huge statue which they carried through the streets. It still is there in the Basilica of St. John the Baptist in St. John's. Thousands of fishermen lined up to walk in the procession to show appreciation for the way they were treated by Newfoundlanders.

Things changed. The 200 mile limit that was finally established did not protect our resource. Fish swim. Canada is not unique in the world but perhaps in our case we have the most lucrative grounds that extend beyond any 200 mile limit.

● (1820)

The continental shelf off the Atlantic coast of Newfoundland and Labrador extends beyond 200 miles. When the 200 mile limit was put in, there were a couple of major sections, basically like points, extending outside that limit. They are referred to as the nose and the tail of the Grand Banks, because really they are extensions of the Grand Banks of Newfoundland.

Those points are in international waters.

We are supposed to have an organization called the North Atlantic Fisheries Organization, or NAFO. This organization allocates quotas to other fishing countries, the 19 countries that have historic rights or treaty rights with our country. Nobody pays any attention to it, unfortunately. Quotas are allocated based upon the scientific information as it relates to the size of the stock. Many of the countries just go out there, and there is an objection they can raise saying, "We do not agree with the quotas set and we are going to catch whatever we want". This is what has been happening.

Many of these nations are referred to as rogue nations and they fly flags of convenience on their ships. We in this House are well aware of that. We know all about flags of convenience. I am not sure who owns all the boats; we might check into that too. However, these countries just blatantly rape the stocks off our coast.

We have for years, particularly over the last couple of years, requested that Canada take some control over this fishing resource. And let me thank sincerely the Standing Committee on Fisheries and Oceans, the chair and the members, from all parties, some of whom are here tonight, who have unanimously supported the request for Canada to take some control over this fishing resource.

One might ask what this all means. One might say that we had a few fish, that they are not as plentiful as they were, but we are making a lot of money on crab and shrimp. The fishery has changed somewhat, and because our ground fishery has practically been destroyed, the emphasis is now on crab and shrimp, lucrative species. Right now concerns are already being flagged about that resource, again because of the way it is being managed, particularly by government.

However, I am going to list for members some startling statistics. As far as we know, the first evidence mentioning the concern that our stocks were diminishing goes back to around 1968. The famous fishery scientist Sir Wilfred Templeman mentioned at that time that he had concerns about the state of our stocks. Since 1497, when John Cabot first came over and rediscovered the Atlantic coast, Newfoundland, for almost 500 years people had been fishing, yet the stocks had remained consistent. Around the 1960s people began to see that we were starting to overfish. And of course that was nothing compared to what is happening today.

Concerns were raised in 1968. In 1973, our stocks were starting to show some decline. If we had taken the scientific advice at that time, if we had learned from those who were starting to point out that there was a problem, if governments had taken the stand they should have taken and shown the intestinal fortitude government should show to protect a Canadian renewable resource, we would still have those stocks. If they had not been traded off so we could sell our wheat and our cars and encourage foreign countries to invest here, we would still have those stocks. It was, "Come here and set up a car factory and we will give you fish off Newfoundland". That was a constant deal.

If only we had protected that stock. I am just going to let the House know, in today's figures, what would have happened if we had protected that stock. The return from our ground fishery today is practically nil. Most of our income from this industry, which is somewhere near \$1 billion, give or take, is from shrimp and crab, two species which then no one even wanted to touch. Nobody wanted to hear about them.

● (1825)

However, if we had kept the 1973 stocks as they were, today to the people of Canada they would be worth approximately \$3,327,500,000, over \$3.3 billion in today's dollars, if we had just been able to preserve the amount of fish we had back in 1973. There are about 25,000 people who would have been directly and indirectly affected by the loss of that amount of product. So on top of what we have today, on top of a billion dollar industry in crab and shrimp, and

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on top of the number of people working in the industry, we could add to that 25,000 jobs, and these would be much better paying jobs than the eight, ten or twelve weeks that we see quite often today. Many of these were year round jobs; 52 weeks of the year with two and three shifts going at major plants. We would have added to our economy, on top of today's billion dollars, \$3.3 billion.

Imagine what that would do to the economy of Newfoundland and Labrador. Imagine what that would do to the economy of Canada.

People say that we have oil and we do not want fish. Oil, like minerals, disappears. Once we take them out of the ground, that is it. They are non-renewable. To make things worse, when we started to develop Hibernia, for instance, there was an agreement that it would be spread over so many years at a certain rate of development. On a number of occasions now, the government has agreed to or has let the companies accelerate that development. Who is the big loser? The province, because we are the ones who would benefit somewhat from it.

We get very little from those resources. They are clawed back again by the federal government. That is why today Newfoundland, with the richest resources in the country, and with the smallest population, is what we call a have not province. I say to people, "Please look at what Newfoundland has". I know that as more and more people travel there, they are starting to ask why we are called a have not province. They say we have so much: the minerals, the oil, the fishery and the forestry. And there is tourism galore. It is the best place in the country to go if one wants to enjoy oneself.

But for every dollar we take in through revenues and royalties, the federal government claws back anywhere from 75¢ to 90¢. It is like a person on social welfare going out and making a hundred bucks. Everyone says to get back in the workforce because it is great stuff and then they take the hundred dollars off his cheque. The person then asks what is the sense; it is just as well to stay home and do nothing.

We need a complete and utter change in our philosophy in how we deal with our provinces and in how we deal with resource development.

Tonight in the House we are debating two issues: fish and, of course, agriculture. They are two resources that are renewable, two resources that if protected by government, a government that understands and listens, a government that makes the right laws and rules, they are resources that will be just as good 100 years from now as they are today. I use the example, which goes back only 30 years, of the difference it would have made if we had protected that resource.

We are looking at how we balance budgets and we usually cut. We look to the worker and we reduce the workforce. It just makes us less productive. It puts fewer dollars into the economy. Let us look at how we can best benefit from our resources. Let us look at our raw resources. Let us look at the maximum potential and let us get there.

Private Members' Business

●(1830)

This is an issue we could talk on for months, but there are others here who are well aware of the issue. Colleagues in this House have familiarized themselves with this issue. I look forward to their comments.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I enjoyed the hon. member's remarks. In fact, as chair of the standing committee at the time the hearings were held, I can vouch for what the hon. member says.

The fact is that fishermen and Newfoundlanders and Labradorians in general certainly feel that allowing the foreign fleets on the nose and tail of the Grand Banks and the Flemish Cap is a case in which the nation as a whole, Canada as a whole, is letting them down and allowing the fisheries resource to be abused.

My question to the hon. member is about this. The arguments that we as a committee got back from the Government of Canada for it not adopting the report as we wished were along the lines that it should be left up to NAFO or that it legally cannot be done in the international arena to go with custodial management. I wonder what the hon. member's views on that point might be. What would he say to refute that argument?

Mr. Loyola Hearn: Mr. Speaker, let me recognize the job that the hon. member who just spoke did as chair of the committee. As he said, he was chair of the committee for probably a year and a half when this issue was first introduced. He, along with the other members of the committee, solidly supported the motion that Canada take custodial management over the nose and tail of the Grand Banks.

He wants to know what I think of the argument. It is too bad I cannot ask a question back to him. I would ask him what he really thinks of NAFO. Because I know, and I have heard him say it on a number of occasions. It is very similar to what is said by the unions, the fishermen, the Government of Newfoundland and Labrador, and the special all party committee, by everybody except the Minister of Fisheries and some of the key members of government. For whatever reason, they are protecting the Department of Foreign Affairs and International Trade, probably, which told us quite plainly, "Please do not rock the boat".

If the government does not show some leadership in relation to protecting our resource, how do we expect Norway or Finland or Iceland or Denmark or anybody else to do it? Many of these countries have concerns about their own resources.

I believe the time is right, even within NAFO, to get people together to agree upon a protective mechanism. But somebody has to be in charge. It is adjacent to our shores. The agency that should be in charge here is the Government of Canada. If it is properly presented, I think we would get international support.

They do not have the guts to do it.

●(1835)

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, first of all, I thank my hon. colleague from Newfoundland and Labrador for his presentation today. As part of the fisheries committee, I was very proud to, on behalf of our

party, support the recommendation of the custodial management of the nose and tail of the Grand Banks.

For those who might be listening, the actual name of the Grand Banks is the Grand Banks of Newfoundland. They are adjacent to Newfoundland and Labrador, but the mistake made in 1977 when we created the 200 mile limit was that we forgot to extend it to the Flemish Cap and to the nose and tail. If that had been included, we probably would not be having this discussion today.

The member is absolutely correct. If only the government had any sense of duty or loyalty to the people of Newfoundland and Labrador. We pay 50% of the cost of NAFO right now. I would like him to estimate exactly how he and the people of Newfoundland and Labrador, in terms of government, would see custodial management happen if we did indeed take over.

Mr. Loyola Hearn: Mr. Speaker, again, it all happened in 1949, as I said. When we came into Canada, we brought the Grand Banks. Then it was just the Province of Newfoundland, not the Province of Newfoundland and Labrador, and the fishing banks off the coast were referred to as the Grand Banks of Newfoundland, meaning ours, the Grand Banks O-F, of, Newfoundland.

The Grand Banks of Newfoundland. Canada has always looked upon them as just the Grand Banks O-F-F, off, Newfoundland. There is a difference. They say O-F-F, with the extra F, so that they are off Newfoundland. We say O-F, with the F off. They are our banks, the Grand Banks of Newfoundland.

Canada has to take responsibility—now that we are part of this great country—within NAFO. As for the other countries, as I mentioned, that make up NAFO, many of them are very responsible countries. Consequently, if we were to make the proper approach and show some leadership—and in fact the inquiries have shown there has been very little connection between the minister and NAFO—I think the cooperation would be there to let us manage, on their behalf, the stocks of our coast.

The Acting Speaker (Mr. Bélair): A friendly reminder colleagues to be careful with the use of the word "off".

Hon. Shawn Murphy (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.): Mr. Speaker, as the Parliamentary Secretary to the Minister of Fisheries and Oceans and member for Parliament for Hillsborough, Prince Edward Island, I would like to take this opportunity to say a few words in this important debate.

First, I would like to begin by thanking the hon. member for St. John's West for his ongoing interest in this matter. He certainly put a lot of time, effort and energy into this matter over the last number of years. It is important not only to his native province, but to Canada as a whole. As a fellow Atlantic Canadian, I certainly share his frustration.

I would also like to thank the Standing Committee on Fisheries and Oceans for its report on this issue. The Government of Canada welcomed the work of the committee and gave serious consideration to the report and the recommendations made in the report.

Indeed, the Government of Canada fully recognizes that foreign overfishing of straddling stocks on the nose and tail of the Grand Banks and the Flemish Cap is a very serious problem. Such blatant non-compliance with NAFO regulations has a direct impact on our coastal communities in Newfoundland, on the province of Newfoundland and Labrador and Canada as a whole, and by extension everyone who makes their living from the sea.

I share a lot of the facts, submissions and statements made by the hon. member for St. John's West. I associate myself with those remarks.

The minister takes this issue very seriously and is acting promptly. He has made a commitment to enhance our NAFO program. Shortly after his appointment, he visited the province of Newfoundland and Labrador. In actual fact he took a flight over the nose and tail of the Grand Banks and saw first hand where the overfishing was taking place.

When in Newfoundland, he asked his officials for a proposal to deal with the overfishing problem. This proposal will include an increase in our at-sea presence in the NAFO regulatory area, a strategy to engage our allies within NAFO, work on organizational reform and the implementation of the United Nations fisheries agreement. A comprehensive strategy is now under consideration by the departmental officials.

The Government of Canada takes this issue very seriously. Just last month the Prime Minister discussed the whole issue of overfishing in international waters at the World Economic Forum.

However, the motion before the House today says that the Government of Canada should take immediate action to extend the custodial management over the nose and tail of the Grand Banks and the Flemish Cap. To take immediate action is to turn our backs on the international community and the attendant societal, economic, political and perhaps even military ramifications that would occur.

The government is committed to working with our international partners to come to a satisfactory solution, but let me assure my colleagues that if these efforts fail, the government will then consider all its options.

It is for those reasons the government will not be supporting this motion today.

Canada needs the opportunity to effect change within the North Atlantic Fisheries Organization. We need to be an active participant in the management decisions about the fish stocks on which thousands of Canadians rely, and cooperating with our international partners yields results. The progress we made at the last NAFO meeting in September proves that we can make a difference by working with our international partners.

Clearly, we have to improve the situation. The government is vigorously making the case to our NAFO partners and there is an urgent need for vessels to follow NAFO's rules and for government to take action when these rules are violated.

We are making some progress in continuing to convince parties of the need for major reforms.

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● (1840)

Canada's goal is to work with its partners throughout the industry and throughout the world to make improvements. This cooperative approach is the best one if we want to make lasting improvements.

There have been some recent developments. In November of last year Canada signed the United Nations Convention on the Law of the Sea, but more important on December 19 of last year the European Union and its 15 member states signed the United Nations agreement on the straddling fish stocks and highly migratory fish stocks. That is a very significant development that gives Canada all the attendant tools of this agreement which deals with conservation, enforcement, sustainability and cooperation. That agreement took effect on December 18 of last year, only six weeks ago. That is another tool at this country's disposal to deal with the issue on a unilateral basis. I am pleased that Canada is not alone in wanting these improvements.

In many meetings, nations like Iceland and Norway have expressed similar dissatisfaction with what is going on. They have also expressed a willingness to move forward on real, lasting change for the way our fish stocks are managed on the high seas. They recognize, as Canada does, our responsibilities: a responsibility to ensure that the rules of the fishery are being followed; a responsibility to ensure that those who do not follow the rules are punished; and a responsibility to make sustainable development a number one priority for the future.

I am confident that by working with our partners around the world, we can translate our shared commitment to the future of our fisheries into a reality. Using a diplomatic, multilateral approach is the first approach, but I want to make it clear that it is not the only approach. That is why I cannot support the hon. member's motion.

● (1845)

The Acting Speaker (Mr. Bélair): There will be no questions or comments. Only the mover is allowed questions or comments.

Mr. Peter MacKay: Mr. Speaker, I rise on a point of order. Given the importance of the matter and given the fact that we have the parliamentary secretary here, perhaps we could ask for unanimous consent that he be allowed to take five minutes of questions and comments.

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

Some hon. members: Agreed.

Some hon. members: No.

[*Translation*]

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, I would have liked for my colleagues, including my colleague for St. John's West, to be able to ask the parliamentary secretary some questions.

I am shocked by what we just heard. This problem has existed since Newfoundland joined Confederation in 1949. My colleagues opposite are well aware of this, as is my colleague who chaired the Standing Committee on Fisheries and Oceans. I want to call the parliamentary secretary to order. The Standing Committee on Fisheries and Oceans did not present the government with one report; it presented two.

Private Members' Business

A first report was presented on November 8, 2002, and a second one was presented more recently in March 2003. This latest report did, in fact, reiterate the standing committee's recommendations regarding the custodial management of the nose and tail of the Grand Banks and the Flemish Cap off the coast of Newfoundland.

The resource was abundant in 1949, when Newfoundland joined Confederation. Unfortunately for the people of Newfoundland, resource management and protection was handed over to an irresponsible government, the federal government.

This is still the case today. We are told that diplomacy will be employed and that efforts will be made to resolve the problem through NAFO, an organization that has never assumed its responsibilities and that has never operated as it should.

Everyone knows quite well that this approach will never result in a resolution. NAFO member states had one goal: to appropriate our resource, conserve it and use it for their own purposes. This has continued since 1949, and the federal government has never reacted once in a way that would have allowed conservation of our resource.

There is more. Perhaps my colleague from St. John's West did not mention it earlier. In 1992, there was a moratorium on cod. Consequently, in the early 1990s, everyone knew already that the resource was seriously threatened. The moratorium of the early 1990s was a disaster, as much for Newfoundland as for the Gaspé, one of many regions hard hit by this famous moratorium.

When we talk about the nose and tail of the Grand Banks and the Flemish Cap off the coast of Newfoundland, we are talking about overlapping resources in a basin that extends to the Gulf of St. Lawrence.

If the resource off the coast of Newfoundland is depleted, there is no doubt the resource in the Gulf of St. Lawrence and around the other Atlantic provinces will be seriously affected. In my opinion, this is the worst environmental disaster of the past century in Canada and Quebec.

A very plentiful resource has been depleted because of the irresponsible actions, and lack of vision, of a government. This government simply failed to take its responsibilities. That is what it was asked to do.

As the hon. member for St. John's West indicated earlier, the original three mile limit was extended to 12 miles and then to 200 miles, while still not protecting our resource.

Today, as the parliamentary secretary reminded us, we have, of course, the United Nations Fisheries Agreement, which the 15 members countries of the European Economic community have agreed to sign, finally giving it effect. That has taken a good many years.

The agreement being in effect is still no guarantee—and I call the attention of the hon. parliamentary secretary to this point—that his government will take its responsibilities. Here is the perfect case in point.

Another 600 or so jobs are slated to be cut at Fisheries and Oceans Canada. Naturally, one could tell me that is only a rumour, but where there is smoke, as they say.

To protect our resource, the department should not be facing these kinds of cut. On the contrary, it should be provided with the extra resources needed to conduct efficient monitoring so that we could see what is going on inside the 200 mile limit as well as outside. The United Nations Fisheries Agreement provides for the protection of what is called straddling stocks both inside and outside this 200 mile limit.

The government's response is that we cannot afford to protect the resource, but air resources could be increased. The minister said, "We may increase air surveillance".

• (1850)

Will the Coast Guard have the means to respond when the time comes? The answer is no because the Coast Guard has been completely underfunded since 1993. Its equipment is starting to become obsolete. Money was invested in the Coast Guard after September 11, but only for security, not to protect the resource.

We experienced a moratorium in 1993 and we just went through another one with the cod fishery. They had 10 years to try to solve the problem and now we are no further ahead than we were 10 years ago.

I am supposed to believe that the federal government is going to assume its responsibilities and protect the resource. The federal government is finally going to make good on what it owes the people of the Maritimes and eastern Quebec. Indeed, that is its responsibility and it is precisely because of its lack of responsibility that people have been so hard hit in Newfoundland, the Gaspé Peninsula and the Maritimes.

They can try to sugar-coat things or give nice speeches, like the one the parliamentary secretary just delivered, but I do not, nor will I ever, believe a word of what they are saying.

As my colleague said, this affects all Canadians. In fact, the fisheries are managed just as badly on the west coast as on the east coast. There are just as many problems on the west coast as on the east coast when it comes to managing the fisheries.

The Department of Fisheries and Oceans is about the worst system there could be for managing and protecting the resource. From one ocean to another, the members of the Standing Committee on Fisheries and Oceans keep hearing that the Department of Fisheries and Oceans does not listen to the fishers, the plant workers, or the people who process the resource. The government does not want input because it wants to manage the resource its own way and it is managing it very badly.

I want to reiterate my support for the hon. member for St. John's-West and his championing of this issue. As a member of the Standing Committee on Fisheries and Oceans, I remain convinced that the recommendations contained in both reports, in 1982 and 2003, were correct and that they should have been implemented by the government, contrary to its reaction, especially when the first report was issued. The government automatically rejected that report and did not even take the time to read it. Therefore we were unable to take action on the international stage because, in a way, we shot ourselves in the foot.

Private Members' Business

In the Standing Committee on Fisheries and Oceans we were extremely disappointed, and with good reason. All members of this committee reiterated the report's recommendations in 2003. These are the recommendations we want to see implemented and put into practice.

The Speech from the Throne talks about the democratic deficit in the context of the House of Commons. I think the government had two fine opportunities to partially rectify the democratic deficit by accepting the unanimous recommendations of all members of the Standing Committee on Fisheries and Oceans. And if it had done so, at least part of the solution could have been put into effect and the resource might be better managed today.

Two years later, we see that this government has done absolutely nothing. I do not believe that in two more years, if the same government is still in power, something will be done.

I reiterate my support for the hon. member for St. John's West, and salute him as well.

•(1855)

[English]

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, my thanks to the member for St. John's West and all members of the Standing Committee on Fisheries and Oceans for this recommendation.

Those of us who went to Newfoundland and Labrador on repeated occasions heard this from the fishermen and from the previous Liberal government in Newfoundland and Labrador. The Conservative and NDP opposition parties in Newfoundland and Labrador were unanimous that this is what we should be doing.

I want to nudge the parliamentary secretary who I know is a descent person. The problem parliamentary secretaries have, when they represent the department, is that they bring bureaucratic notes with them and they read them.

I would like to see the parliamentary secretary go to St. John's West, to the riding of the member who moved the motion, and hear what he says when he is there. The reality is that he said the government would not support the motion. Does that mean that the Minister of Natural Resources, who is from Newfoundland and Labrador, will not be supporting the motion?

The Minister of Natural Resources, when he was a regular member of Parliament on our committee, fully supported and in fact actively argued vehemently for the motion and for the recommendation to happen. Now that he is in cabinet, will he be here for the vote? Will a free vote be allowed or will he skip out?

This is something we will watching carefully because in 1998 we presented the east coast report by the fisheries committee. We moved consensus of that report in the House. Nine Liberals signed that report. When we had a vote on that report in the House, those nine Liberals voted against their report. It is hypocrisy every single time.

I remind the parliamentary secretary that we do not have much time left. Every single scientific status report of those stocks show them dwindling. They are in a precarious position.

It took the government over 23 years to sign the law of the sea. Why would any of us on this side of the House have any confidence at all that the government cares about Newfoundland and Labradorians, the fishing industry itself or the stock itself?

He said the Government of Canada does not want to turn its back on the international community but has absolutely no problem turning its back on Newfoundland and Labradorians. We will come back and haunt the government on that in the next election. The election can be called sooner. We'll be ready and waiting.

There are a couple of other concerns. The merger of the Coast Guard and DFO in 1995 has been an unmitigated disaster. We have 1,600 people working for the Department of Fisheries and Oceans at 200 Kent Street and nobody is fishing for cod or lobster in the Rideau Canal.

Those 1,600 people may be fine people, but I can assure you, Mr. Speaker, the centralization of that office needs to be torn down, broken down and those people should be put where the resource is. That would give confidence back to the industry. Maybe, instead of having decisions come from Ottawa to the water, we for once could have decisions on the fishery come from the water and go to Ottawa, which is exactly how it should be.

There is another agreement called UNFA. It should be torn apart and thrown away. The international community laughs at Canada. It comes here to rape and pillage our stocks. We used to have observers on board the ships. Try to get an unedited observer report from one of those international expeditions. It is literally impossible.

When Mr. Baker was the chair of the committee, we got one but it was so blacked out and edited, it meant absolutely nothing to us. After the agreement, they had to get more observers on board. Now they are saying, get rid of the observers and put a black box on these international vessels. All a black box will do, if we have anybody monitoring it, is tell us where the boat is. It does not tell us what is in the boat, how much fish it is raping and pillaging from the ocean.

May I remind the House that the *OLGA* was caught a few years ago for oil pollution. When it came into St. John's, Newfoundland and Labrador, it had 49 metric tonnes of moratorium cod in its hold. What happened? We could not do anything about it. We had to let the ship go because international rules stated that the flag state had to be the one that metes out any punishment to the captain and crew.

•(1900)

When we were in Iceland, we found the *Olga*. A Russian ship was in Iceland. We have no idea what happened to the fish. It was a fluke that we caught the *Olga*.

However, how many fishing vessels are out there now cheating the system. We all know Mr. Tobin. When he was here, he had the little net saying that the turbot are hanging by their fingernails. It was a great presentation. It was very well done.

However, the Liberal government still does not get it. This is a unanimous recommendation by the Standing Committee on Fisheries and Oceans. There were nine Liberals on that committee. They all agreed with the opposition that this is what we should do.

Private Members' Business

I do not have confidence that the government will even think about this. It will just ignore it. The government's answer to solutions in the fishery is delay every single time. It is absolutely incredible.

In terms of observance and enforcement, the morale of our Coast Guard, the great men and women of the Coast Guard, is completely broken right now. What do we hear from the department? It says that 600 positions will be eliminated within that department.

The government is basically saying to forget fisheries patrols, forget observers, and to forget about it. It is going to rely on the good graces of the Spaniards, the Portuguese and everyone else to come in and rape and pillage the stocks. It will continue to talk and hopefully it will have a glass of wine and a nice chat, but nothing will get done.

I can assure the House that if the discussion was in Ontario, if the situation was reversed, we would have action from the government. Unfortunately, Newfoundland and Labrador only has seven representatives. Many friends in the parliamentary system across the country support the men and women of Newfoundland and Labrador on this important recommendation.

Basically, we will actually be saving the international community a lot of money. We are not saying to the foreign vessels to go away, get lost and never be seen again. We are saying that they can come in. They can fish their historical quota. All it means is that Canadians are going to observe what they have on board those vessels. We are going to ensure that what they catch is exactly what they are allowed to have. That is it.

We already pay 50% of NAFO's costs and it is not working. Foreign fishing vessels are taking advantage of us because we do not have patrols and we have a government that is extremely weak when it comes to enforcements or discussions of this nature.

We as a committee are constantly frustrated by government delays. Again, the government does not want to turn its back on the international community, but it is willing to turn its back on fishermen and their families. That is a sin.

We are recommending custodial management. Let us take control of those stocks. Let us say to the international community that it can still fish, but we are going to check what it has. That is all. If we do that, I assure the House that those stocks will come back and they will rebound.

The beneficiaries of that will not just be Newfoundland and Labrador. It will be the international community. If it keeps going the way it is going, years from now this discussion will be muted because there will be no fish left.

Years ago, a former Liberal leader, Pierre Trudeau, was asked a question about fisheries and his answer was "The problem with fish is that they swim". Yes, they do. The reality is we need to have enforcement out on the water. We believe that Canadians are the ones to do that. If we were to do that, we could assure the people of Newfoundland and Labrador that their initial resource, their offshore resource, belongs to the people of Newfoundland and Labrador and for that matter to all Canadians.

On behalf of our party, I again thank the hon. member for St. John's West and his party for bringing this motion forward. We in the

federal NDP and our provincial colleagues across the country completely support the motion.

• (1905)

Mr. Bill Matthews (Burin—St. George's, Lib.): Mr. Speaker, let me begin by thanking the member for St. John's West for once again bringing this issue before the House for debate. I want to thank members who have contributed this evening to this very important discussion.

I want to say to my friend from the NDP from the outset that I do not want to blame the foreigners for all of the problems with our fishing resources. They are certainly a very important factor but there are other factors as well that have led to the demise of many of our fish stocks.

I wonder if members would consider a vote in the House some day to turn over to NAFO the management of the exploding seal herds off our coast. It has done such a dismal job of managing the resources in the NAFO regulated areas that if it took over the management of the seal herd, we would not have about 10 million seals off our shores eating tonnes and tonnes of fish resources.

I want it on the record that I will support this motion. I have been a consistent supporter of Canada taking action to extend custodial management over the nose and tail of the Grand Banks and the Flemish Cap for very good reason. I listened to hon. members such as the parliamentary secretary, but they should go along the south coast of Newfoundland and Labrador and visit communities such as Port aux Basques, Rose Blanche, Burnt Island, Isle aux Morts, Burgeo, Ramea. All the way along the coast people once worked for 12 months a year in a very productive and prosperous fishing industry. A significant outmigration has taken place and today the age of the people left in those communities is not very comforting. Those communities were founded on the fishery. People spent their lives working in the fishery.

The member for St. John's West rightfully said when Canada joined Newfoundland, and if it had really happened that way, things may have been different today. The Government of Canada was given the management of our fisheries resource when we joined Confederation and successive federal governments have failed in their management responsibilities. I would like to say to the hon. member for St. John's West, it was a former member of St. John's West, the former minister of fisheries, John Crosbie, who in 1992 announced a shutdown, a moratorium on our northern cod fishery.

Successive federal governments have failed on this issue. Having said that, it is incumbent on the government of the day to deal with this issue. People living in those communities who want to continue to make a living there have run out of patience. Canada has a great record in the world for diplomacy and peacekeeping, but the people in those communities are tired of diplomacy and have lost patience on this issue.

There is only one thing that will cause a positive change in the NAFO regulatory areas. That would be a Canadian management regime where Canada would set the total allowable catch, where Canada would have observers on the vessels and we would enforce any violations in those zones.

Private Members' Business

There is a misconception that the Standing Committee on Fisheries and Oceans has recommended that we kick the foreigners out of the territory. That is not what we are recommending. We are recommending that Canada manage the resource in those areas or that those countries which have traditionally fished the areas for centuries be allowed to fish their traditional share of whatever the total allowable catch would be.

Nothing else will work. The Northwest Atlantic Fisheries Organization has been in existence for 25 years. For the last 10 years or so there have been some serious flaws in the NAFO management. We attend the NAFO meetings annually and talk diplomacy. We ask them to be good boys and girls. They tell us they will be but in another year's time we find that nothing has improved. What is happening in the meantime is that those once prolific fish resources, as the member for St. John's West has said, the greatest protein resource in the world, are being decimated.

● (1910)

It is 2004 and with the environmental concerns, concerns, the concerns about the ecosystem and other issues that we hear about in this place on a daily basis, imagine that as Canadians and as a government we are content to sit here and watch this go on and on. This is a great resource, a world resource. It is a protein resource not just for Newfoundland and Labrador and Atlantic Canada, not just for Canada but for this great world where there is a shortage of protein.

I listened to the parliamentary secretary say on behalf of the Department of Fisheries and Oceans that we have to be diplomatic, that we have to show more patience and maybe it will work. I do not think that the people in the communities I represent have the time to be patient any more. They are tired of being diplomatic. They want someone to take charge of the issue and it is time we took charge of the issue.

I said that the foreigners are not all the problem. I mentioned the seal herd, the eight to ten million seals that consume something like a tonne of fish a year per seal. With all due respect to my friend from the NDP, if only he would show the same concern about dealing with the seal population as he showed about dealing with the foreigners. We can deal with the foreigners and we can deal with the seals and we can deal with some other conservation issues because it is going to take a combination of all those to bring back that resource. It is not going to happen by kicking the foreigners off the banks. We need more than that.

We need to deal with the seal issue, I say to members of the New Democratic Party, whom I have accused at times of caring more about seals than they care about the people of Newfoundland and Labrador. I do not say that lightly. I hear the talk about a coming election and how they are going to go on the campaign trail. Well, I invite all members of the NDP to come down to Newfoundland and Labrador and tell the people that they care more about seals than they care about the people who are going hungry in those communities.

Let us call a spade a spade. If we are serious about addressing the issue, we must deal with NAFO, we must deal with the foreigners, we must deal with the seals. As well, there are things that we must clean up in our own back yard. It is not only foreigners who have caused the problem. We have to take some of the responsibility ourselves.

If we are really serious about dealing with this issue, let us be mature. Let us be sincere about it. Let us hear the NDP tomorrow get up and say that they are prepared to deal with an exploding seal population where every seal eats a tonne of fish a year. Let us hear that if they want to deal with the issues in Newfoundland and Labrador, or do they just want to pay lip service to it?

I want to provide my colleague from Newfoundland with some time so I will conclude by saying that I have continuously supported this issue. Custodial management, in my view, is the way to go. I call upon the Minister of Fisheries and Oceans, the Minister of Foreign Affairs and the Prime Minister of the country to come to the table in a very serious manner so that we deal with it and we do have a custodial management regime on the nose and tail and the Flemish Cap.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Speaker, we certainly are setting the tone here for the third session of the 37th Parliament, because there is a great debate occurring in the House. I want to thank and applaud the hon. member for St. John's West, for on the third day of the third session of the 37th Parliament we are debating an issue which is of vital importance to Atlantic Canada. He has used his time and energy to craft this motion. This debate suits the House very well. It is setting the tone.

I want to say to the hon. member and to all members of the House that we certainly have a big issue but we also have a big opportunity and it is up to us to seize this opportunity. We have a growing basis of support not only from colleagues within the House but internationally as well. As my colleague from Burin—St. George's pointed out, there is a growing understanding that we have a responsibility not only as those who are patriots of a nation, but those who are stewards of a resource internationally to protect and to conserve.

That is not occurring on the Grand Banks. It is not occurring on the nose and tail. It is up to us as international stewards to take ownership, to use the law of the sea, to use whatever instrument is available to us. I will be supporting this motion when it comes time for a vote.

● (1915)

The Deputy Speaker: The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the Order Paper.

Pursuant to order made Tuesday, February 3, the House shall now resolve itself into committee of the whole to consider Government Business No. 1. I do now leave the chair for the House to go into committee of the whole.

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OFFICIAL REPORT
(HANSARD)

Wednesday, February 4, 2004
(Part B)

—

Speaker: The Honourable Peter Milliken

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Wednesday, February 4, 2004

GOVERNMENT ORDERS

[English]

BOVINE SPONGIFORM ENCEPHALOPATHY

(House in committee of the whole on Government Business No. 1, Mr. Kilger in the chair)

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.) moved:

That this committee take note of bovine spongiform encephalopathy.

The Chair: This is the first occasion after the most recent break that we have had to work in committee of the whole. I remind everyone that while it is less formal, I am the Chairman, not the Speaker. Members are free to sit wherever they choose to. Members will be given an opportunity to speak for a maximum of 10 minutes, with a period of 10 minutes for questions. Members may speak more than once.

To lead off this very important debate, I now turn to the hon. Minister of Agriculture and Agri-Food.

Hon. Bob Speller (Minister of Agriculture and Agri-Food, Lib.): Mr. Chair, I want to thank all hon. members in the House tonight for coming out for this very important debate. I particularly want to thank the member for Lambton—Kent—Middlesex and the member for Huron—Bruce who suggested this, as well as members from all parties who had asked that we have this debate.

This is an issue that the hon. member may not understand, but it is an issue that crosses party lines and it is an issue that is of concern to all Canadians. The Government of Canada, as I have said before and I will continue to say, takes this issue very seriously because it is one that I believe all Canadians, whether a farmer or not, believe is of utmost importance to the country.

I want to once again thank the Prime Minister for the work he has done on this in terms of his work with both President Bush and President Fox and for his encouragement and support for the work that ministers have had on this side in terms of trying to get the borders open.

The BSE situation has repercussions right across the country, not only for farmers and farm families or just beef or dairy. In fact representatives of the Dairy Farmers of Canada are in town this week. They represent the dairy producers across this country who have been impacted by this very much. I want to recognize the work that the leadership of the Dairy Farmers of Canada, the Canadian Cattlemen's Association, the Canadian Federation of Agriculture and

all farm groups have done on this. They have taken this issue very seriously and I believe have given us here in the House the support that we need to help move this issue forward.

I want to report on BSE and what the Government of Canada has done since our first case of BSE on May 21, 2003. As everyone knows, the situation became much worse when a second case of BSE came about in Washington State. It was after I became Minister of Agriculture on December 12 and it was a time, I can say to all hon. members, that has taught me the importance of the House and working together with members of Parliament to work toward solutions to issues.

This is an issue on which the Government of Canada has moved swiftly. With the support of the Prime Minister, other ministers and caucuses in the House, we have been able to send messages to our international partners about how safe not only the beef is, but how safe all food is in Canada.

We had a situation in Canada where the consumption of beef rose because Canadians understood that Canada's regulatory system was a system they could trust and they knew the beef they ate was safe. That did not come about just because one day consumers thought it would be nice to think that. It came about because of the hard work that had taken place behind the scenes by groups such as the Canadian Food Inspection Agency and people within government who had worked with commodity groups and farmers across the country to come up with ways in which we could convince consumers.

We would not have been successful in getting our beef into other countries around the world had consumption in Canada not risen. It was the rising consumption in Canada that gave other governments the ability to recognize that Canadian beef was safe, and they therefore opened their borders to Canadian beef.

● (1920)

Once we had dealt with the issue in Ottawa, I had the opportunity to sit down with farm groups across the country and talk to them about what more they felt the Government of Canada could do in this situation. They told me, first and foremost, that we needed to get out and market Canadian beef around the world. That is exactly what we did.

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I managed to take a couple of my colleagues, the member for Tobique—Mactaquac and the member for Medicine Hat, with me to Korea, Japan and Washington. We met with government officials, the ministers of agriculture in all these countries and the ministers of trade in some countries. We talked about what we had done in Canada.

We talked about how we had listened to an international peer review panel that reported on Canada. The panel had given a glowing report on the actions that Canada had taken since its case of BSE. It had made recommendations on which the Government of Canada was moving. These recommendations could give not only Canadians the confidence about eating beef, they also could give the consumers in those countries the confidence that the beef they were eating was probably some of the safest beef in the world to eat.

We managed to convince the Japanese to look at issues other than just the way they handled BSE. Their minister talked about measures that we could take in Canada, not exactly the same measures but similar or equivalent to get our beef into Japan. That was a good step forward and one on which we have followed up.

What I have done since that time is send an inspector, a veterinarian from the Canadian Food Inspection Agency, to Tokyo, Japan to be on the ground. The inspector will work with the Japanese and countries in Asia, to show them what we are doing in Canada and talk to them about what the scientists at OIE, or the international body that regulates this, have said about what Canada has done. The inspector will also try get them to understand the importance of following the science and following what is coming out of the OIE.

We also got an agreement to work with them toward recognizing that the situation such as in Europe was a totally different than the situation in Canada. A group like the OIE could recognize that there is a difference between the risk factors in Europe and the risk factors in Canada. We only had one cow, which happened to be over six-and-a-half-years of age, which happened to get this disease prior to the time when we brought in the feed ban. I explained to people in Japan and Korea that we had a firewall and that firewall was taking the SRMs out of the food system.

We then moved on to Washington and talked with our Mexican and American counterparts. We got an agreement that we would have officials work toward normalizing trade in beef in North America. We also got an agreement from them to work in the OIE and to work together to try to change and get it to recognize we had a different situation in the North American case than that of the case in Europe. Finally, we got an agreement with them to work together in terms of getting North American beef into export markets around the world.

We have followed up on that. We have had meetings again with our American counterparts and we are trying to work through these problems. As many members may know, the international peer review panel in the United States reported and made recommendations to the Americans which were not unlike ours.

In the report of the panel one thing it has said to the Americans is they need to take a leadership role when it comes to trade in this area. They need to show that by opening up their borders to Canada they are following the science and recognizing that the risk in

Canada is no different than the risk in the United States. The risk is so minimal that Canadians can continue, and Americans can also continue, to have the confidence in the beef they eat.

● (1925)

The Chair: If I can just take note we have a period of 10 of questions or comments. Therefore I would ask members to not take up more than a minute and a half or two minutes, so we can allow the minister to respond and give each party at least one question.

[*Translation*]

Mr. Louis Plamondon: Mr. Chairman, I rise on a point of order.

We have the opportunity to have a minister with us today. This being such an important issue—as the party in power has acknowledged—could we have unanimous consent to be able to question the minister for 30 minutes rather than 10? Given the minister's availability, I think we would have unanimous consent from all parties on this.

The Chair: The member for Bas-Richelieu—Nicolet—Bécancour has sought unanimous consent to have 30 minutes for questions to the minister rather than 10 minutes.

Do we have unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

● (1930)

[*English*]

Let us use up the first 10 minutes and then we will go from there. The hon. member for Prince George—Peace River.

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Chair, that is indeed unfortunate that on the first night of a take note debate on an issue of this importance, despite their new Prime Minister's claim that he wants to address the so-called democratic deficit, to use his term, that we cannot have longer to quiz the Minister of Agriculture on this critical issue.

Recognizing the fact that we want to share the limited time with others, I want to begin to make just a couple of quick points. One is that the minister started out his remarks by suggesting that it was the Liberal member for Huron—Bruce who prompted this. I would beg to differ. It was the House leader of the opposition, the Conservative Party of Canada, who actually took the time to write a letter to the Speaker to request an emergency debate, and actually go through the process and the correct procedure. Therefore, I want that on the record at the outset.

The problem we have is that the minister in the limited time of 10 minutes basically gave farmers across Canada and farm families who are suffering now a rundown of what has happened over the last two months. They know what has happened. They want to know what the government will do, not what has happened in the past.

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He recognized that consumption of beef has risen and yet farmers have not seen an increase in price to them, even though the price has stayed up in the supermarkets.

What is his government actually going to do down the road, today, starting tonight, to correct this problem?

Hon. Bob Speller: Mr. Speaker, I am glad to see that the opposition party is moving away from the non-partisanship of this debate. It was not me who said no. I would be more than happy to stay here and answer any of the members' questions.

If the hon. member wants to go through the right process and talk to the right people, which is the people in the House, to discuss how we might want to do this, I would be more than pleased. I have hon. members who want to stand up and debate this. They want to make a point. If we run out of time at the end, because I have given it to the hon. member, then they cannot do that.

Therefore, I would hope that hon. members would recognize that there are ways of doing that and that they would go through the right process to do it.

If we want to talk about the democratic deficit, we can talk about where we are moving on this. I would be more than happy to talk to the hon. members as to what we are doing on this. What I will tell the hon. members is what I have told all Canadians. What we plan to do and what we will continue to do is push foreign governments to open the borders. That is what Canadian farmers have told me that we need to do. We will continue to do that.

The Chair: I would like to offer a comment. No doubt a large number of Canadians are very interested in this subject matter, are very concerned and are being greatly affected.

Sometimes we ask ourselves how Canadians view our proceedings. I dare say that I think we could all imagine what the answer might be if we were to take a snapshot of the early moments of this most significant debate at this time in our country.

I leave it to you, members.

[*Translation*]

The hon. member for Peace River on a point of order.

• (1935)

[*English*]

Mr. Charlie Penson: Mr. Chair, considering the remarks that you just made, I wonder if we could ask the minister to reconsider the request to extend this question period so that we could have a little bit of time. Do you know that some of the members here have only had a chance to speak for five minutes? I think this is a subject that deserves a lot more debate than that. We have people going broke left, right and centre in Canada over this issue.

I would ask that we put the question again to the Liberals, the other side that denied this, and ask if we could extend the question period for the minister to 30 minutes.

The Chair: On behalf of the member for Peace River, is there unanimous consent to extend the question time to the minister to 30 minutes?

Some hon. members: Agreed.

The Chair: I erred in not recognizing first the lead spokesperson for the official opposition. The hon. member for Battlefords—Lloydminster.

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Chair, I believe that if you seek it you would find unanimous consent to allow members wishing to split their time slot during this evening's take note debate to do so.

The Chair: Is it agreed?

Some hon. members: Agreed.

Mr. Gerry Ritz: Mr. Chair, it is great to finally get this out here in the open and to have the minister here. I thank him for his contribution so far.

This goes beyond the beef sector and so on. All livestock sectors are facing this. There is a lot of collateral damage. There are a lot of other industries out there that hinge around livestock. Neither the BSE compensation program or whatever came anywhere near those industries. Is the minister considering anything along those lines, I mean all of the other livestock industries that were affected, the sheep, buffalo and the elk, including the truckers, everyone that pivots around that livestock industry, is there any sort of compensation program that you are considering for those folks?

The Chair: We are prolonging the original question time. Was the member for Battlefords—Lloydminster asking a question to the minister?

Mr. Gerry Ritz: Yes, Mr. Chair.

The Chair: I will allow the minister to respond. After that I will go to the member for Bas-Richelieu—Nicolet—Bécancour on a question.

Hon. Bob Speller: Mr. Chair, I would like to tell the hon. member and all hon. members that we do recognize that this has had a negative impact not only on farmers and farm families, but on communities and a number of businesses within these communities.

What we have done is we have moved forward to try to open up the borders. Will there be compensation for everyone who has been impacted by this? No, I do not think so.

What I have asked my officials to do is to look specifically at how this is impacting other sectors. I have asked them to see what it is that we could be doing to help out in these other sectors. Do we have a plan for a specific package for them? No, we do not.

As members know, this is something that is not only federal, but also provincial. It is something that we are trying to work together at both the federal and the provincial level to respond to some of the problems that this is creating.

What the industry has told me, first and foremost, is that we have to sell and market Canadian beef, and that is where we are putting our priorities. We also have to recognize that farmers are being impacted. We are trying to make sure that the dollars that should be going to them flow to them and get out to them as soon as possible.

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In fact, as we speak now cheques being cut in a number of different areas. We are trying to get those dollars out to people to help them through this troubling time.

[*Translation*]

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Chair, following up somewhat on my colleague's first question, he said that our expectation of the minister this evening was to get some concrete solutions from him, for instance to be able to tell the dairy farmers that have come here to Ottawa that the government has \$10 million or \$20 million to invest. Between January 1 and today there has been no support program in place.

All we have had this evening is a ministerial travelogue. He went to Japan, and to Korea. He has announced that broader testing would be in place within five years.

There is nothing concrete for farmers and producers, nothing concrete. This is a major disappointment, for the farmers at least, and particularly those I have the most contact with in central Quebec. I would also like point out that, historically, no minister of agriculture, and most particularly not the last one, has ever acknowledged the differences among Canada's various regions.

Take the aid packages for example. If I compare the situation in Quebec and in western Canada, that is great if western Canada is happy with part of the program. In Quebec, however, dairy farmers are culling 25% of their herds. Under this compensation program, they will be getting a mere 16%. This means they will not be getting any compensation for 35% of their livestock.

By comparison, in western Canada, only 9% of herds are culled. Therefore, they will be receiving 90% in compensation. This goes to show that there are regional disparities.

Providing \$1 a day in compensation fails to recognize the fact that, in certain parts of Canada, the livestock does not live inside the barn, but outside. The cost is less than when one has to sell cull because there is no room for them inside the barn come the fall. There are differences like that.

With respect to health regulations, the president of the UPA, Laurent Pellerin, said that had we had special regulations for the regions of Canada, only one region would be affected by the mad cow crisis right now. But this difference between the regions and Quebec in particular was never acknowledged.

Is the new minister prepared to announce today that he plans to sit down with provincial representatives to examine these differences to ensure that the fact that 47% of cull cows are in Quebec, for instance, is not overlooked? Not every region is the same. In other regions, other factors will be considered.

These differences must be taken into account, instead of having national standards which made me say, one evening, that mad cow disease was being made into a symbol of Canadian unity.

● (1940)

[*English*]

Hon. Bob Speller: Mr. Chair, I would tend to differ with what the hon. member was saying. The Government of Canada has responded with programs for Canadian farmers and farm families that have been affected.

As he knows, \$520 million was put into the BSE program. We also had the culled cow program, which was another \$120 million. As members know, dollars have been flowing through the \$600 million of the transition money that will help out. Obviously farmers are closing out their NISAs, those who have them, and there are dollars there that are flowing into it. There are also dollars, as hon. members would know, that people are able to get through the CAISP. These are dollars that are helping out the situation and these are dollars that are useful.

As I have said, if those dollars are not enough, if in fact this drags on and there is a greater problem, then I will go back to the Government of Canada and say that more needs to be done. However, until we get to that point, until we see how these dollars work through, until we can get a firm date in terms of opening the border, these will be the dollars that will be available to farmers.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Chair, I thank the minister for being here tonight, especially because of the serious problem we have in the country.

I was talking with a group of dairy farmers and feedlot operators. After listening to this debate tonight in Parliament, what do I say to a farmer like David Whelton who has been a farmer for a long time and is now losing his shirt?

I am sure that David Whelton and his friends and colleagues in the farming industry will understand and agree that what the minister is doing in trying to open the border is a great thing. However, what they want to know is what do they do in the short term when they do not fit in the program and will be closing down probably in the weeks coming up. What do we say to those farmers and their families?

What do we say to those farmers who used to get \$1,600 for one cow and today get \$300 or \$500 a cow even though steaks still sell at the super value for the same price? Farmers want to know what is happening to the money from the government? They want to know why it is only the packing industry that is getting it and not the farmers when the farmers are the ones losing their shirts? I would like the minister to answer that.

The farmers want to know what they are going to do in the short term? That is the question they want the minister to answer tonight.

● (1945)

Hon. Bob Speller: Mr. Chair, there is no question, and I am sure all hon. members would agree, that many farmers and farm families are suffering because of this and the fact that the programs the Government of Canada and the different provinces provide will not impact every single farmer across the country. There is no question that farmers, such as the one the member talked about, are at risk. Banks are there and they are calling on them.

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Next week I will be meeting with some of the banks to talk to them. I will be meeting with groups, such as the Farm Credit Corporation, and other groups that are there holding them. I will try to give them assurances that the Government of Canada is doing everything that it can to open up the border and to speed this along quickly, and to give them the assurance that these farmers should be able to carry on.

I cannot tell the House tonight that I can do something to save every farmer in the country but I can say that the Government of Canada recognizes the problem and it will do whatever it can to help deal with the impact this is having on farmers and farm families.

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Chair, I think part of the key to this situation is the OIE. In 1997 we came in with legislation that basically a cow cannot eat a cow. In 1998 we came in with the tagging system, which is the tracing and tracking system that we have across the country. In 2003 we came in with legislation saying that there could not be any more neural matter put into rendering.

We have changed a lot of the process of how we do things within the beef industry here. What is the chance of us going to the OIE to change the rules there? I believe that is the issue of getting the border opened quickly.

Hon. Bob Speller: Mr. Chair, I want to tell the hon. member that we have moved along with both the United States and Mexico in order to get changes at the OIE, to have it recognize that here in Canada and in the United States we have a different situation from what was the case for instance in Europe, and that we should not be treated that way.

We have approached OIE and we will be meeting with it shortly where we will work with other like-minded countries to try to get the OIE to change its rules to reflect the fact that a minimal situation, such as the one in Canada and United States, should be treated differently from other countries, such as the situation that happened in Europe.

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Chair, the minister keeps saying over and over that this is science based. We have a lot of livestock besides the beef and dairy animals.

I would like to know if he spoke to the government of the United States and the other governments in the countries to which he travelled about the importing of these other animals into the United States and about when the border will be opening to the other animals.

Hon. Bob Speller: Mr. Chair, we believe, as I have said before, that the science shows that these animals are of no risk. We have let that be known to these other countries, particularly to the United States and Mexico. We have officials working with them to try to work through this. This goes to a number of different areas. It is not just for beef or live cattle.

I agree that there are a number of different animals that should not be impacted by this but are picked up by the general border closing. We are trying to work through it with science-based arguments and based on what we found at the OIE to make sure these countries recognize this. We take very seriously the impact this is having on these other commodities also.

● (1950)

[*Translation*]

Mr. Marcel Gagnon (Champlain, BQ): Mr. Chair, I find this debate interesting but somewhat discouraging. I put myself in the place of the farmer who is struggling with a painful financial situation and who hears that we are travelling and that we will improve the situation in the future.

But what are we going to do now? There are people who are at the end of their rope, who may not get through the winter, and who cannot afford to lose money the way they are losing it now. The question is this: while we are, understandably, working to improve the medium- and long-term outcome, what can we put on the table right now? What will we give to the farmers so they can get through the winter, so they are able to wait until things get better, while we are working on improving the situation?

A farmer came up to me and said, "Listen, they are giving us \$1 a day to feed our animals, but since we need more and more feed, and since we cannot sell the cattle but have to give them away, that dollar is not worth anything". Rising costs wipe out that dollar and more.

And therefore, I ask this of the minister. In this emergency, on behalf of the farmers who are at the end of their rope, what can we do? Is the minister prepared to lobby to get some money put on the table in order to help the farmers, who are not in any way responsible for the current crisis?

[*English*]

Hon. Bob Speller: Mr. Chair, I will repeat what I said before. In fact, we have brought out programs to help farmers: \$520 million in the BSE program and \$120 million in a cull cow program. We also have farmers receiving money through the \$600 million transition funding that the Government of Canada brought out, recognizing that we needed to transition between the old programs and the new APF. We also have farmers who are able to draw on the CAISP money. I have asked my officials to make sure that money now available can actually get out to farmers as quickly as possible, because we do recognize that it is tough for a lot of farmers in this country.

As all hon. members know, the beef industry is down, as things are even for farmers who have other commodities. The pork industry is down. I was out east the other day and the potato industry is having some of its lowest prices. These are difficult times for Canadian farmers. I want to give them my assurance that the Government of Canada recognizes this and that we are prepared to work with them, with the farm leadership, to try to respond in a way that recognizes the troubles they are going through.

The Chair: As we go into the final 10 minutes, with the ongoing cooperation of members we will get in as many as possible.

I will begin with the hon. member for Delta—South Richmond.

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Mr. John Cummins (Delta—South Richmond, CPC): Mr. Chair, this is an important issue and not only for the agricultural industry. It also has implications elsewhere, including the fishing industry. Surimi is a fish product that is used to make artificial crab and shrimp. It is manufactured using beef plasma. Foreign buyers are not interested in buying Canadian surimi at this time. In Ucluelet on the west coast of Vancouver Island, the fish plant is shut down because they are unable to export, throwing 140 people out of work. I wonder if the minister is aware of this problem and of the extent of this problem. What does he intend to do about it?

Hon. Bob Speller: Mr. Chair, I thank the hon. member for bringing this problem to my attention. I think it is also important for hon. members to recognize that there are other products like that and that companies are being impacted. I will tell the hon. member that we will continue to support Canadian industries that are being impacted, and we will continue to work, through science, to make sure the other countries recognize that in fact these products should not pose any risk to their health.

I want to say to the hon. member across the way who keeps asking “how?” that the best way we could do this would be to get scientists to explain to them—

An hon. member: How?

Hon. Bob Speller: I will be interested in learning later how the hon. member expects us to just tell them and in fact demand that they open the border.

We have people from the Canadian Food Inspection Agency and people in our embassies and high commissions around the world who are working day and night in other countries, talking to them about the science and helping them make the decision to open up the border. This is a serious issue. It is one that is taken seriously by a number of departments in this government that are working very hard to get that border open.

I certainly look forward to what the hon. member has to say about how he expects to be able to open up the border.

● (1955)

Mr. Dick Proctor (Palliser, NDP): Mr. Chair, I have two very brief, non-inflammatory questions. Back in October when he was running for the Liberal leadership, the Prime Minister met with the Canadian Beef Export Federation. According to the *Red Deer Express*, Mr. Thorlakson, the chair of the export federation, said:

I thought he showed a real concern for the issues. He made a commitment that he was strongly supportive of some type of program for cull cattle.

So my first question is, has he given the new minister of agriculture any direction on implementing a program for cull cattle?

My other question comes from the Moose Jaw meat plant. People who work at that plant were less than impressed upon learning that Canadian soldiers serving in Afghanistan were consuming American beef until the quarantine went into effect. They want to know why, at a time when 34 countries had closed the door to Canadian beef and it was difficult to move that beef, no extra effort was made to get beef for the Canadian military from this country as opposed to the United States.

Hon. Bob Speller: Mr. Chair, as the hon. member said, the Prime Minister gave a commitment, and as he knows, we do have a cull cow program. We have \$120 million put into it. I have asked my officials to look at it to see whether or not it is in fact working. If we need to make changes to get it working, then we will make those changes.

In terms of the whole question of American beef going to Canadians overseas, as I believe the hon. member knows—and this is an important point—these contracts are put out on a North American basis. For instance, the Americans eat ice cream from Canada.

They were the lowest bidder on this contract, so the beef went to a United States supplier. These things are put out on contracts because of NAFTA; we are able to contract into the American forces in a number of different areas. The fact that it came from the United States was a surprise to a lot of Canadians, but this is something we need to recognize. This is a North American industry. It should not be a surprise that how it is eventually sold down the line is in a North American manner also.

Mr. Andy Savoy (Tobique—Mactaquac, Lib.): Mr. Chair, my riding is in the situation that the minister alluded to. I had the honour of having him tour my riding last week. In my riding, we have a diversified farm situation. We have potatoes, grain, dairy and cattle. As many members in the House know, these industries are all in crisis now. They are all having very difficult times. There is a huge surplus in potatoes, so the price is down. The price is down for grain. Obviously we have the BSE situation with our beef.

I thank the minister for touring the riding. I make note to the House that my riding is a varied situation, and beef is certainly in crisis, but the entire agriculture sector in our region is in crisis.

I think something should be pointed out, though, in terms of the response that Canadians have had to BSE. Canadians have rallied behind our farmers. I think it is a real testament to us as Canadians. Not only do we know that Canadian beef is safe, but we knew then that there was a time of crisis and consumption went through the roof in response to that crisis. That is a real testament to Canadians.

Farmers have noted that under the CAISP program, a potential solution for the suffering and the pain, the negative margins will help. I know that the federal government is in negotiations with various provinces. How are those negotiations going? Could the minister report to the House on those negotiations?

● (2000)

Hon. Bob Speller: Mr. Chair, before I give my answer I hope that this half hour did not take time away from a Liberal member. I hope that was agreed on beforehand.

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What I would like to do in terms of answering this question is recognize the fact that prior to the signing on of Saskatchewan, we had Ontario, Saskatchewan and Prince Edward Island agree to an amendment to the agreement, which talked about negative margins, negative margins which I think will help a number of industries.

It is an agreement that we are now talking to other provinces about. We hope that all the provinces will sign on to this. I think it will help farmers in this situation.

The Chair: Obviously I am not going to be able to accommodate everyone. I am quite willing to try something, though.

Mr. Minister, if you will cooperate, I will give each member one minute.

You can take notes and summarize after.

I will start with the member for Provencher, for one minute.

Mr. Vic Toews (Provencher, CPC): Mr. Chair, I am concerned about the announcement by the Minister of Agriculture and Agri-food that Canada would not ban the feeding of cattle blood to cattle despite the fact that the U.S. department of agriculture has done that. I am worried as to whether that refusal to ban the feeding of blood will not in fact isolate Canada on the BSE issue and make it impossible for us to reopen our boundaries and borders to that international trade.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Mr. Chair, we have no plan so far to deal with the cull cows. We have no new slaughter facilities. We have no feed regulations dealing with rendered feed. We have no investigation of the packers. And our borders are still closed.

The question I want to ask of the minister is this. On the new compensation plan, the packers are now lowering their prices by 10¢ to 20¢ per pound and the farmers are coming in and losing that money. I want to know what the minister is doing to ensure that the money is going to end up in the producer's hands, not in the packer's as it did in the last program.

Mr. Myron Thompson (Wild Rose, CPC): Mr. Chair, the Alberta producers have been unable to access any funds because of no agreement between the feds and the provincial governments, so I am really wondering when Canadian and Alberta farmers can expect any access to these federal funds. Secondly, is there any possibility that these forms that are required to be filled in could be condensed in such a nature that the average guy can handle them rather quickly without having to hire accountants or a lawyer to help fill them in? I have seen some of the forms that the government has asked these people to fill in and it is ridiculous.

Mr. Rick Casson (Lethbridge, CPC): Mr. Chair, I will make it very quick. I have two specific questions. One, will the minister include BSE in the definition of natural disaster so that the return on the reference margins will be higher? I think that would be a great move by the government. Also, the other issue is the recognition of the U.S. herd and the health of that herd. Producers heard last week down at the NCBA conference in Phoenix, Arizona that if this government does not allow year round importation of U.S. feeder cattle into Canada, the NCBA will drag its feet and hold up the opening of the border.

Mr. Gary Schellenberger (Perth—Middlesex, CPC): Mr. Chair, we have already touched on the Canadian beef to Kabul. I look at it from a business point of view. If we are talking science, how do we expect the Americans to take our science when we do not take their science? Rib-eye steaks, inside round, outside round, and those kinds of things are being quarantined. I just hope that there has been a directive given to all the Canadians vacationing in Florida and Arizona, et cetera, not to eat American beef, no T-bone steaks or prime rib, and no burgers. In Canada, do we know the age of the beef we eat?

[*Translation*]

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Chair, over the past 10 years Canada has tested 7,200 animals. The minister announced that 8,000 animals would be tested in 2004 and that we are heading towards testing 30,000 animals in the next five years.

Considering that the Europeans, for example, tested 19 million animals in 2003, and that all the animals in England, France and Japan are tested, does he not think that testing 8,000 animals is rather minimal when it comes to restoring the confidence of Canadian beef importers?

I have a second supplementary. He did not specify earlier when I talked about monitoring and a separate inspection system for each region of Canada, but what exactly made him refuse?

• (2005)

[*English*]

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Chair, I want to thank members on both sides of the House for asking and arranging for this debate. It is a serious situation. It is not just beef, it is livestock. Most of us realize that. It is not just the producers, but it is also communities plus families.

I have taken on the packers before and probably will again, but my question to the minister is this. He will meet with the banks and the finance companies for farm credit. I also suggest and ask him to meet with all the partners in the industry, such as the packers, the international companies, the fertilizer companies, the fuel companies, and the rail companies. I think all these people need—

The Chair: Order, please. The hon. member for Crowfoot.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Chair, Canadians are wondering what the Department of Agriculture and Agri-Food will look like under this minister's watch?

Some programs have come out already. The federal cull cow program is not working in this country. More specifically, has the minister considered the depopulation of some of these older cows? Has the minister considered how much better it may be to compensate now rather than incur a major expenditure later? What is the minister's plan as far as testing every animal or testing more animals after 30 months? What is the Department of Agriculture—

The Chair: Order, please. I think we have enough questions. I will take one final question from the government side.

The hon. member for Malpeque.

Government Orders

Hon. Wayne Easter (Malpeque, Lib.): Mr. Chair, the fact of the matter is that we do not have BSE. The major market that we need opened to us is the U.S. market. If it were based on science, we would be in that market.

The fact of the matter is that the Americans are playing politics with the issue and one of the worst is Senator Tom Daschle. He stated just three days ago:

The Canadian-born cow found last month in Washington State and a cow found in Canada last May are reason enough to deny all beef from that country.

He meant Canada.

I would encourage the Government of Canada to prepare a list of areas where there is even an inkling that there is a product coming across our border that we can retaliate with. The only thing the Americans understand is hardball and the government must play it.

Hon. Bob Speller: Mr. Chair, first of all on the blood, I have never made any statement that we would be refusing to do that. What I have said is that I need to sit down and consult with the industry.

The Americans have moved on this. We have done other issues differently than them. Our two countries are different in our responses, but in essence, we are doing effectively the same thing. We are assuring our consumers that the beef they eat is safe. We may very well move on blood, but I want to be able first to consult our interests involved.

I am not going to jump higher overnight because of the Americans, and I do not think that is the approach Canadians would want me to take. What they would want me to do is to consult with Canadians first and then sit down and work with Americans on the larger issues.

One issue which is left is the issue of SRMs in feed, and I have had an opportunity to talk with Tommy Thompson, the secretary of health in the United States, about how we might work together and coordinate our efforts in that area.

There were a number of questions with regard to compensation and transition money. I recognize that in a lot of cases there are a lot of forms to fill out. I have asked my officials to look at those to ensure that they are done as easily as possible and that we work very hard in terms of getting out these dollars as quickly as possible to the farmers who need them.

I think that is what is important, that we get dollars out on the ground because farmers certainly need those dollars now.

Let us look at the whole question of testing. Different countries do different things in different ways. Essentially what they are trying to do is regain their consumer confidence to keep those consumers on side. Japan had to do things differently. Europe had to do things differently because it had a different situation. We cannot compare the situation it had with the situation we have had here in North America. We have had two cases. The risk is different and what the international organization has said is that depending upon where the risk level is, we may need to do certain things differently.

The OIE has recognized this. It has recognized that what we are doing in Canada is what we should be doing. It made recommenda-

tions to the Government of Canada on which we are following through, and that is what is most important.

What I believe is important, and hon. members would certainly agree, is that this is an issue which should not be taken on a partisan basis and I thank those hon. members across the way who have done that. This is a serious issue to many Canadian farmers and farm families. I want to give those families the assurance tonight that the House of Commons can sit down and debate this issue in a way that looks toward solutions and not toward political gains.

• (2010)

The Chair: If I remember correctly, are all members of the new Conservative Party going to split their times to five minute interventions and five minute questions?

An hon. member: Five and five.

The Chair: Five and five.

The hon. member for Battlefords—Lloydminster.

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, I will be splitting my time with the hon. member for Medicine Hat.

The minister has given us a lot of food for thought tonight and a lot of things that we did not already know. Of course, the biggest problem we have in the whole livestock industry, and its companion industries, is cash flow. It is a cash flow business like any other. It is the third largest contributor to the GDP and the federal government has a history of backstopping that third largest contributor with .5% in its federal spending. That is supposed to keep this industry alive and vibrant. Unfortunately, it is not doing that because we have never been proactive on any of these types of files.

In 1995, after the GATT round, there was talk at the table that we should be proactive in formulating minimum risk of breakouts of diseases and so on. Canada did not stay at the table. We walked away. We became part of the vigilante groups with other countries around the world. If somebody had a breakout, we became part of the group that hung them out to dry for seven years. So part of what we are facing is that background that we formulated ourselves, and it is unfortunate.

We have a situation here and there is no simple solution. There never is. We need a government that will have a vision, a plan, and actually talk to industry, talk to the farm groups, and listen to them. They all came before our committee over the past year when we were talking about the new APF program. They came with some very specific program changes. I sat in on some of those committee meetings. I listened to the bureaucrats say what was going to be in it. Then I listened to the farm groups come in and tell the bureaucrats what was wrong with their thinking. The bureaucrats came back to the table and said that is how it was going to be and that they were not going to change.

The minister has said he will go back to the table on the APF. He is going to strike another committee. We will waste some more time. All he has to do is sift through the former agriculture minister's fan mail and he will find out what went wrong. He does not have to strike another committee. He should just read those letters. It is all in there. We do not need that.

Government Orders

The problem with CAISP is that it is poorly designed, the same as the other programs, and we are playing catch-up again. It is a cash flow business and there is no cash flow.

The CFIP moneys that he brags about that the government is getting out there are 60% of 2002 money. That is two years old already. That is not cash flow. That is starving an industry to death. The government is clawing back anybody who did get their money last spring to that 60% level because it says it is going to run out of funds. And yet the minister says, on the other hand, that he will go back to the well. Well then, do it and take a big bucket because it is going to take one.

He is also talking about the new CAIS program. It is going to be wonderful. Cash flow is going to be revealed. People can take an advance on it. No, they cannot. The forms are out there on the web but most people cannot figure it out. It is still stuck with the accountants and the lawyers. Nobody is getting a cheque. Nobody.

I want to mention the \$600 million in transition money. If people did not have an NISA account, they applied at the end of December. It is still stuck in transit somewhere.

No wonder the banks and farm credit are getting antsy. No wonder the headlines say bankruptcies soar. The government is starving farmers to death with no cash flow. It says it is part of the help; it is part of the problem.

The programs that the government is designing are not farm gate friendly, never are, never will be, because they do not understand what makes the farm gate work. The government throws money at a problem, or says it does. It gets the spin in the cities, with the consumers, but it does not get to the farmers. Members should ask any of these folks sitting here tonight if cash is flowing to them like the minister is talking about.

To qualify for the APF and the CAISP part of it one must have \$26,000-\$28,000 on average on deposit, cash. If one were to have that kind of cash flow, one probably would not come begging to the minister; one would ignore him.

The government must get serious about what it can do for farmers. We must talk about tax deferrals. We have written letters to the finance minister. He will not even reply. That has to be done. We have drought compounding the BSE problem, and he will not even reply. He will not make that little slip of the pen. That is ridiculous. He is supposed to be looking after western Canada.

All these federal programs are a false hope. They are not getting out there to backstop an industry that has never come to the government with hat in hand. It is forced to do that now because it has been starved into submission. That is not a good way to run a country. We must see some direction from the government.

● (2015)

Mr. Peter Adams (Peterborough, Lib.): Mr. Chair, I want to thank my colleagues from Huron—Bruce and Lambton—Kent—Middlesex for their work in starting this. I would like to say to them and to all the members who are on the standing committee that I hope this exercise will be continued in the standing committee and that there will be a national inquiry into these matters.

I also would like to say that one of the purposes of these hearings and of anything that is conducted in the standing committee is to educate people outside the farm community on the nature of the industry. My colleague started to mention that. It is a huge, diverse, high powered, high quality industry.

I represent about a thousand farm families. Many people out there think we are just talking about beef cattle. About half the farmers I represent are in beef cattle. Another 150 farm families are in dairy. We have dairy farmers here and this is extended to the milk industry. People watching this should know that. It has flowed into that industry now. A year or so ago that was not the case. I also represent substantial sheep farmers, goat farmers, and one buffalo farm of 300 or 400 head.

I think Canadians should know this. We are talking about a very diverse industry. Also when they hear members talk, people think we are just talking about meat. We are not. We are talking about livestock. We are talking about semen and embryos.

Having said that, I ask my colleague, is he going to work with us on dealing with the United States? What does he think of the international team's report on the U.S. industry? What should we be doing about it?

Mr. Gerry Ritz: Mr. Chair, that is a little hypocritical since the international report that we got seven months ago still has not been acted on. Brian Evans, the head of CFIA, wrote an article about a month ago saying, "Here are the five points that were recommended. We are studying them. We are working on them".

Part of the problem is that according to my records we have sat in the House of Commons for 47 days since the first BSE outbreak, whereas the rest of the time we have been on a three month hiatus while the Liberals got their leadership and their party together. That is a direct insult to farmers. Why is the committee not re-struck? Now we are going to go into an early election and we still will not address the problem. We are going to ignore an industry to death as well as cash starve it.

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Chair, I would like to ask my hon. colleague if he has heard about any of his farm families writing and saying that the federal government is telling them it does not know if there is enough money to pay out their CFIP payments.

Government Orders

• (2020)

Mr. Gerry Ritz: Mr. Chair, I did mention that in my speech. The folks who are calling me are just absolutely destroyed. We are talking about the 2002 CFIP payment. There is not a 2003 CFIP payment because we were blackmailed into the APF, and that is not working. So we have 2002 money that is two years old and now farmers are being told they are only going to get 60% of it. Those who got more than 60% received letters, and I have seen them, saying it is going to be clawed back. The minister says he is going to meet next week with the banks and Farm Credit. Maybe he should sit down with his own bureaucrats and make them more farm friendly.

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Chair, I was interested in my colleague's comments about the CAISP program because I have heard a lot of complaints from the beef producers, ranchers and farmers in my riding of Prince George—Peace River about this program and how it is impossible to access. It does not work. As a past farmer myself, I saw time and time again that programs were designed by bureaucrats for bureaucrats. They work great in Ottawa but they do not work at the farm gate.

I wonder if my colleague would like to elaborate a bit further in the time remaining about the need for a workable program that actually delivers some assistance to these struggling farm families that are losing their farms.

Mr. Gerry Ritz: Mr. Chair, I attended a farm rally in Yorkton a short time ago. They had a bureaucrat there who was in charge of the agricultural renewal portion of the APF for Saskatchewan. He had a \$40 million budget. He would bring some of his fellow consultants out to the farm, which is an \$8,000 hit to the taxpayer. It cost the farmer \$100. They would teach the farmer how to be more efficient on the farm. The second program they offered was a \$10,000 value and cost the farmer \$200. They would come out to the farm and see what kind of skills the farmer had that could be marketed off the farm. That is the agricultural renewal policy under this Liberal government.

The last thing any farmer needs is more consultants and more bureaucrats. God save us all.

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Chair, it is a pleasure to rise and enter into this debate. I want to start on a positive note. I do appreciate the minister being here and I do appreciate having been asked to go along with the minister on the recent trip to Korea, Japan and Washington. I do want to set the record straight. I did phone the minister and ask if I could be invited along. At that point there was no western member of Parliament on the trip and it is a pretty big issue that affects the west.

Despite that fact, I did appreciate the chance to go along and appreciated the hospitality that he showed me and that his assistant Andrew Sloan and some of the others showed me.

Having said all that and notwithstanding some of the things the minister said about successes, one of the things that concerns me is that when I pick up the throne speech I see a lot of mentions of SARS and a mention of avian flu, but the issue that is crushing agriculture in Canada today does not even get a mention.

I have to say off the top that it concerns me, because one of the things I look for in an agriculture minister—because it is not a high profile portfolio, I do not think, with the government—is how

aggressive and how effective the agriculture minister is going to be at pushing his issues with the other cabinet ministers.

One of the ways I measure that is by the amount of ink the issue of agriculture, and in this case BSE, gets in the throne speech. It did not get a mention. That sends a pretty poor message as far as I am concerned. I just do not understand why an issue that is crippling the country does not get a mention from a Prime Minister who wants to do things differently. The last prime minister was himself a disaster on BSE. He did not do a thing. I would like to see this Prime Minister start off a little bit better.

I got a call about this today from a constituent of mine, a well known rancher/cowboy, if we want to call him that, in my part of the world. He was beside himself. He said, “I know there was no mention of it in the throne speech and I am very concerned about that”, but he told me that he and his sons, who run 700 cattle, are going to be done by April 1. They are finished.

Something has to happen. Cattlemen never come with their hands out. They do not do it, as a matter of pride. They refuse. But they must have some help and there is nothing in the throne speech. There is a mention. Here is what the throne speech says: “and to ensure that farmers are not left to bear alone the consequences of circumstances beyond their control”. It says that the government has to provide those safeguards.

But there are no safeguards. There is no money left. The money that is coming now, a little bit for cull animals, is not even close to what is necessary to sustain people over the next couple of months.

I do not know if the House understands how successful the cattle industry has become in Canada. It started out initially as an industry that was there basically to sustain people on the farm. It grew up slowly, but in the last generation it has become a big and powerful industry, an industry that has become, I would argue, the single strongest leg of agriculture in Canada. It has sustained the farming industry in Canada. A lot of people diversified and took advantage of that. Now the final leg has been sawed out and the government has not reacted quickly enough.

I appreciate the minister going to Japan, Korea and Washington. We have to do that when we have problems with our trading partners; that is one part of it. But if that is not working then we have to have the other part: the safety net. We cannot have a committee. There is no time. The financial services sector is closing in. Guys are finding out from their banks that their banks are not going to hold them. I have talked to so many guys. I go to hockey and sit down and talk with guys I have known for years who are basically selling their herds because they cannot sustain things any longer.

Government Orders

I am saying to the minister that we cannot wait. There has to be some help immediately. The minister has to push his way around at the cabinet table and get some money for the industry. If he can get us over this hump, ranchers are not going to be there with their hands out in years to come. They just want to get over this hump. That is the only help they are asking for.

• (2025)

Mr. Myron Thompson (Wild Rose, CPC): Mr. Chair, I know that the member is very familiar with the past few years. I am thinking of the drought that the Alberta area has gone through and about how farmers reached out to farmers when the hay west movement started. Then there were big fires in British Columbia. In Wild Rose we did not have any hay to speak of for a couple of years. Then all of a sudden we had a fairly good crop and we helped out the farmers in British Columbia by starting hay movements further west. They really do a good job of helping each other out.

For the first time in years, we have a decent hay crop. We have a lot of feed in a lot of places to feed cattle, but farmers are feeding cattle that they cannot move. They do not know what to do with them. They are feeding them good hay that they have always wanted to have and finally got, but what is it being used for? Mostly to feed cattle that they cannot sell.

There was talk about people wanting to sell herds. I have people in my riding wanting to do the same thing, but they do not have anyone to buy these herds. What they are doing day after day is taking good feed and feeding cattle that are not going to go anywhere.

An hon. member: That are worthless.

Mr. Myron Thompson: That are absolutely worthless.

They are telling me their solution is that there has to be a cash injection, and not tomorrow and not next week: it should have been yesterday. They have gone overboard helping each other out.

If this government would take one step forward in helping these people as much as these people have helped themselves and each other, what an improvement and a great change that would be. How quick we are to respond to Bombardier and how slow we are to respond to the most important industry in the world.

Mr. Monte Solberg: Mr. Chair, I want to thank my friend. I know how important this issue is to him. I know he talks to people on the farm and the ranch every day.

To underline the point on feed, not everyone has a lot of feed. There is a fellow I talk to a lot, a rancher just north of where I live. He is out of feed. He told me he can feed animals as long as his bank account holds out, but he is almost done too. That is what we are running into. The feed is starting to disappear. Animals that farmers did not have before they have this year, so there is more feed they have to come up with. It is getting real tough.

I appreciate the point that my friend made, which is that farmers do help farmers. When we had that problem with hay, my friend the member for Pictou—Antigonish—Guysborough phoned me and asked, “Can we deliver hay?” We had a lot of hay then and I said, “The guys north of us could use it, but we are good right now”. I appreciated that.

That is something that farmers do, but this time we are going to have to ask for help from the government and say, “Will you step up and give us some help right now?” Year after year we send our tax dollars faithfully in to the government and now we are asking for a little of it back to sustain an industry that is going to provide a lot of revenue and a lot jobs for people for many years to come if we can get over that hump.

• (2030)

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Mr. Chair, I appreciate having the opportunity to be part of this tonight. There are a lot of problems out there in rural areas. We know about that. There are some sheep producers at home that are in desperate straits. They have been in worse shape than the beef industry over the last eight months because they have not received any help at all.

Farmers actually are in tough shape. Our wheat prices have dropped right off to nothing. People are trying to get by on \$1.85 or \$1.95 wheat that is being marketed very inefficiently and poorly by the Canadian Wheat Board.

I want to ask the member a question. It seems consistent. The government does not have an understanding of rural issues and the problems that exist there. I am wondering if he can give us a few of the reasons why he thinks the government finds it so hard to deal with rural issues and to address those problems.

Mr. Monte Solberg: Mr. Chair, I know my friend is located in the middle of cattle country and all of his neighbours are involved in this. I think he has been involved in the past so he knows about this from personal experience.

He touches on a very big issue. My friend knows, of course, that we heard the throne speech yesterday. One of the issues the Prime Minister always talks about is western alienation. He says he knows it is real, but do we know what? If he knows it is real he sure does not know what to do about it. Here is what to do about it. I could go into all the things that I have talked about before, such as Senate reform and all those kinds of things, but actions speak louder than words.

What do we do when there is a crisis in western Canada? We act. We do not form a committee. We do not talk about some program that is in place that is not working. That will not do it. In fact, do we know what that will do? That will make people even angrier. The government has to begin to act, not have more studies, not have more acknowledgement, not have a listening tour.

Come and act. Give us the money.

[*Translation*]

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Chair, I have the pleasure to take part in this sad debate. From the minister's answers, we get the impression that there is nothing much concrete that will gain the minister's sympathy and get him to do something sooner, and more particularly something more concrete, for farmers.

Let us bear in mind that the dates during the first crisis, May 20, August 8 and October 31, brought some extremely hard times for some farmers, financially.

Government Orders

Of course, confirmation of the second case of mad cow disease on January 9 had even more dramatic consequences. In fact, the assistance programs, initially due to terminate in August, were extended with the help of the provinces to December 31. After that, however, there were no programs in place any more.

Yet there was no justification for continuing the embargo, at least not for animals under the age of 30 months. We assume, however, that the meeting of the new Prime Minister with President Bush did not yield much in the way of results. With what he claims are improved relations with the President, perhaps he could take advantage of that improvement to explain how illogical it is to close the borders to animals under the age of 30 months.

As my colleague has just said, it is also curious that in the Speech from the Throne there is not a single word, let alone a paragraph, about mad cow disease, as if it did not represent a problem for the present government under the new Prime Minister.

Yet its consequences are dramatic. The first one was the sharp drop in prices. Dairy farmers, for instance, who were getting \$1,000 for cull cattle are now getting the pitiful amount of \$100.

This means that if a cow gets injured in the fall, if the vet is called in and wants \$120, some of that for drugs to treat her, and the farmer is planning to sell her a month later, he would get only \$75 or \$80. So it is better to slaughter her.

These are extremely dramatic consequences, because that cow represented a source of income. These cull cattle, about 25% of the herd, represent some 10% of the dairy farmer's income and generally that is 75% of the household income. So this is an extremely drastic situation.

On top of this, producers have had to cope with higher costs. Not only lower income, but higher costs. Just to mention one, the renderers, who used to buy dead or sick cattle from farmers, now charge for taking them.

There is a 100% difference in the cost, just in terms of getting rid of the dead cows.

Consequently, each time producers are hit by a crisis, their numbers decrease. This situation is also serious.

Alain Laroche, who is the president of the Syndicat des producteurs de bovins du Centre du Québec, said:

The cattle industry, which generates 20% of the jobs in central Quebec, is on the verge of a catastrophe. The situation is a cause for concern for the next generation. It will be impossible for young people to buy a farm, even a family farm. Young people will go down with their farm... People must be told that we can no longer make ends meet.

From 1996 to 2001, the number of farms in Quebec dropped by 10.8%. This is quite serious, and the mad cow crisis will only accentuate the problem, meaning even fewer farms.

Nevertheless, the government said that there were assistance programs. Yes, there were, but they were all too brief. Take, for example, the assistance program for cull cattle.

This poses a problem. When, in November 2003, Ottawa announced the implementation of a specific program for cull cattle, it was a joint federal-provincial initiative, with the costs shared 60-

40. This program was not well received by producers. Why? Because the \$169 that producers get is far from the \$300 they were demanding and farther still from the \$500 they lose per head. Furthermore, producers are being compensated for up to 16% of their herd, although they cull 25% per year. This has an even greater impact on producers in Quebec than in the west. Some 47% of all milk is produced in Quebec. Based on 25% of the herd, this means that no compensation is received for 35% of all cattle.

● (2035)

Income in the west is guaranteed at 90% because only 9% of the livestock is renewed.

The same is true about the dollar per head, as I mentioned earlier. Depending on the region in Canada, depending on whether the cows are inside or outside the barn, this makes a big difference to the producers. The dollar is poorly distributed.

There should be a regional evaluation and at the very least, the government should improve the programs. In other words, it should extend the programs or put \$6.4 million specifically toward cull, which is what the farmers are asking for.

As was also mentioned, the government prides itself on its health measures. We know the government took its lead from the United States with respect to its health measures. There was a system, but the United States decided, after the case of mad cow, to reinforce its health services. They announced several additional measures, including some we were already applying here.

In Canada, the new minister travelled to Washington and went on a trade mission to Japan, South Korea and Mexico. He announced an increase in testing on cows and an increase of \$92 million over five years for inspections. These are good intentions, but they do nothing to help farmers right now.

With respect to the number of tests, as I mentioned earlier, 20,000 animals were tested over the past year in the United States. In Canada, 7,200 animals were tested over the past 10 years. This is not nearly enough to restore confidence in the Canadian beef industry. It was announced that 5,000 would be tested in 2003, 8,000 in 2004 and 30,000 by the end of five years. If we compare this to the tests done in Europe, 19 million animals were tested there in 2003. The minister says it is not the same problem. When all animals are tested, as is the practice in France, England and Japan, we know exactly how many cases of mad cow disease there are, no problem. We should be doing the same. It is a good approach: test 100% of the animals. That should be the target.

Nevertheless, we must also remember that, with respect to assistance to veterinary schools to train staff, the government has been very slow to help the four veterinary schools, particularly Saint-Hyacinthe. Moreover, it gave half of the money it had promised to help this magnificent institution maintain a very high standard of teaching.

Government Orders

Even though the measures announced by Ottawa concerning the increase in the number of screening tests are a step in the right direction, the ideal would be to test all animals older than 30 months.

I will close by discussing the regionalization of health services. In Quebec, at their own expense, farmers have set up a very precise program to monitor the movement of their animals.

For example, since 1993 animal-based feed has been banned in Quebec. Canada waited until 1997 to do the same thing. Remember that it was cows born in 1996 who contracted mad cow disease. If the measures used in Quebec had been used everywhere, these two cases would not have occurred.

Furthermore, the cattle in Quebec are identified; there are centralized records, and all moves made by a cow, from birth to death, can be tracked. It is easy to follow their moves.

This is not the case in Canada. There has been a kind of a census since 1997, except that it contains birth and death information, and is not centralized, which poses a problem.

If there had been some understanding that there are regional differences in this supposedly great county, then there could also have been regional differences in health services. There could at least have been regionalization, in other words perhaps the same services, but with regionalization. That way, if there were a problem in one region, other countries would stop importing from that region, but not from the others.

Had this been done, Quebec would not have had to suffer the consequences of mad cow, because it had taken precautions. It had made sacrifices and paid for better protection against such incidents.

● (2040)

After this debate, I hope the minister will be meeting with the Prime Minister and the Minister of Finance, so that they can address this problem and come up with a concrete solution so farmers can continue their operations. The way things are, there will be one bankruptcy after another until spring, because the farmers have no support from the government at this time.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Chair, my question is this. In my region—it must be similar in Quebec—farmers are losing their shirts and working their fingers to the bone. This is an important industry. People talk about earning their bread and butter, but this is bread and meat and also milk. We know how important this industry is to our communities and our rural areas.

Canada is already experiencing a job crisis in urban and rural areas. In the rural areas, farmers are losing their shirts and their farms.

Could my colleague tell the House a little bit about the situation facing Quebec? Does he believe that the federal government is currently providing more assistance to the packers and letting them get away with something? It is almost criminal, in the sense that farmers talk about producing beef from day one until it goes to market and onto the plates of consumers. Somewhere between the producer and the consumer, many people are pocketing money, and it is neither the consumer nor the producer.

I want my colleague's opinion on the situation in Quebec. I know what is happening in my region. Farmers are losing their shirts, but supermarkets have not changed the price of steaks and other cuts of meat.

I would like his opinion. What are farmers in Quebec saying? Are they saying the same thing as farmers in New Brunswick? Farmers in Acadie—Bathurst are calling my office to tell me that, without short-term compensation, their industry will go under.

● (2045)

Mr. Louis Plamondon: Mr. Chair, I thank my hon. colleague for his question. Indeed, the situation is just as dramatic for us; he has described it well.

There is one point that requires more emphasis, and that is that the agricultural producer is not at all responsible for this crisis and is the only one who loses, who suffers the consequences. The producer is not responsible because it was bad management or simply a natural disaster—we could call it that—as if there were a flood, or an illness like SARS, or a forest fire. It is a tragedy that has occurred. That is why the government has a duty and an obligation to provide assistance.

The hon. member spoke about families, and that is true. Agricultural producers, particularly dairy farmers—and I believe there are many in the hon. member's part of New Brunswick—had a tradition. In the fall, they would sell their culled cattle and that provided the income for family life. It was spent on the children's education, and for living in general. It provided about 75% of their income. The money they needed to live on came from the sale of culled cows. Now they no longer have this income.

The cull they sold for \$1,000 would sell for \$100 today; and they are lucky to get \$100. The prices are as low as \$60 or \$70. Therefore, they no longer have this income. But what shocks them even more—and it shocks me, too, as their member of Parliament—is that while the price of a cow has fallen to \$100, the steak on the butcher's block has stayed the same price. Something is not right with these prices.

In Quebec, a commission of inquiry was set up; it concluded that all was well and that everything was just as it should be. I was very surprised that the Charest government arrived at that conclusion. It is just not logical that beef animals sell for one tenth the price, while at the other end of the food chain, the consumer is paying the same price as before. Someone in the middle must be getting fat.

Perhaps the government ought to step in and conduct a serious investigation to make sure that no one exploits the agricultural producers during this crisis.

Nevertheless, the real solution is for the government to put the money on the table right away, because it is a national crisis and not the fault of the farmers. The farmers are victims and the government has a duty to help them.

Government Orders

[English]

Mr. Peter Adams (Peterborough, Lib.): Mr. Chair, I listened with great interest to my colleague from Quebec and also the member for Acadie—Bathurst. While I do not agree with everything that they said, I can relate much more to what they said than I can to my colleagues in the alliance.

It seems to me that this talk of western alienation does not serve the Canadian public or the industry well. This is a serious national tragedy. It is a tragedy which affects the entire ruminant industry and which is spreading out to affect the entire farming community. As my colleagues here were trying to say, it is already going beyond the farming community into our economy in general. To talk of it as a western problem and something to be dealt with in the west, that it is mainly a beef packing problem, does not serve the Canadian public or the farm community well.

I was interested in what my colleague had to say. To use one example, it is not just beef cattle we are talking about; we are talking about sheep, goats and the dairy industry. For the people out there, and there are many farmers watching, the dairy industry of Quebec is famous. I would like my colleague to explain in further detail the impact this BSE problem is having on our dairy industry, the famous milk industry of Quebec. I would be grateful if he would explain that as distinct from the tragic effects it is having on beef cattle and the other animals that I mentioned.

[Translation]

Mr. Louis Plamondon: Mr. Chair, the most serious consequences, naturally, concern cull cows.

In fact, 75% of cull cows slaughtered in Quebec were sold to the United States. These producers now have no access to that market. This means that the average producer, who sold about 20 cull cows each fall at \$1,000 to \$1,200 a head, earned between \$20,000 and \$25,000 with which to support his family. This represented 75% of his income; his milk production accounting for the remaining 25%.

However, such producers are completely helpless, because 75% of their income has disappeared. The cow they previously sold for \$1,000 to \$1,200 now sells for barely \$100. However, as I said earlier, the retail price of meat has not changed. This is somewhat contradictory.

These producers are suffering. Some 47% of all milk is produced in Quebec. Consequently, milk producers are facing a serious crisis. Naturally, beef and other producers are also affected, but these producers are hardest hit.

In my opinion, the government recognized the problem when it implemented the program, and the Quebec government also provided compensation. However, this program was not generous enough.

The hon. member is a government member; he must speak to his caucus, his Minister of Finance and his Prime Minister to make them understand that, as he indicated earlier, this is a tragedy. It is a tragedy for these people. These producers are not responsible. They are therefore entitled to assistance, as are regions hit by floods, forest fires or, as Ontario was, by the SARS epidemic.

This is a tragedy, and I think the government must take more concrete action.

• (2050)

[English]

Mr. Dick Proctor (Palliser, NDP): Mr. Chair, I want to begin by congratulating the minister on his appointment two months ago. We all recognize that he has been thrown in at the deep end with this second case of mad cow.

It needs to be pointed out that the tenor of the debate tonight is in part a reflection of the number of emergency and special debates that we have had in the House of Commons over the last seven years dealing with agriculture. We seem to come back to it time and time again because we do not seem to get the resolutions to the problem. I appreciate that BSE is a separate issue but I think it is a reality, whether it was the AIDA program, CFIP, or some of the other problems we have been going through, drought and other things, we talk about it but we do not ever seem to come up with a solution that would satisfy people and allow us to move on.

What has happened obviously has amounted to an *annus horribilis*. We had one Canadian cow last May and then just at a time when it looked like the border might be on the verge of reopening to live exports, there was the cow in Washington state that also had a Canadian connection.

There is some optimism. The minister reflected it again tonight in his remarks about the peer review panel in the United States. Many farmers believe that it will not be until after the election in the United States in November that the border will reopen to live cattle exports.

Someone who is very knowledgeable on the mad cow issue said to me earlier this week that BSE is a disease that has had little effect on animals and little effect on human health, in fact none that we are aware of in this country, but has had a massive negative effect on the economic health of rural Canada. That is why we are here tonight. We are talking about the devastating results, the \$2 billion hit and counting. The young cattle over winter which have been referred to by others, calves are selling for 50¢ a pound and cull cattle are perhaps fetching 7¢ a pound.

We have seen hundreds of millions of dollars from the federal government and other provinces pour in to try to fix this. We acknowledge and recognize that precious little of that money has actually reached the people who need it most. My colleague from Acadie—Bathurst referred to the smaller farmers, the cow calf operators, the people who background and finish the cattle, seem not to have received the money whereas the packers appear to be laughing all the way to the bank.

Last June the federal government agreed to step up the testing. That was one of the recommendations from the international panel of experts. Brian Evans of the Canadian Food Inspection Agency talked about inspecting between 60,000 and 80,000 head of cattle. While we are moving in that direction, we are certainly not going to be anywhere close to it. In fact three or four years from now, we may be at 30,000 as I look at the statistics.

Government Orders

There are some different ideas about what kind of testing for mad cow we are going to use. Currently we are using what is referred to as the gold standard. There are some that take up to a week and for the industry, that appears to be too long. The Swiss rapid test is also being considered which reduces the time significantly. As I understand it, the CFIA is committed not to do testing at the slaughterhouse; it wants to do surveillance testing and that should start with older cattle and obviously downer cows.

More and more people are saying that we should follow the Japanese and test every animal. Perhaps they are right, although I tend to think that we do not need to test animals that are younger than 24 months, perhaps 30 months. The U.K. test at 24 months; France and a number of other European countries test every animal over 30 months of age.

The National Farmers Union has forecast that BSE testing of all animals would actually add less than 1¢ per pound to the price of a hamburger and insisted that is a small price to pay to be assured of safe food. Who could argue with that, given the hit that has been taken by the industry.

• (2055)

In addition to more testing, the international panel of experts also called for a ban on specified risk materials which was implemented promptly by the government. It also recommended banning all animal to animal feed. As everybody here is aware, the ban on animal to ruminants came into effect in August 1997. It is interesting to note that both of the cows that tested positive for BSE were born in 1997 but prior to the August date.

As was noted earlier, the Americans did ban the blood protein to cattle along with poultry litter and table scraps. The latter two were banned by Canada sometime ago. We have not yet followed up on the blood protein but I gather that our scientists are looking at that issue.

Let me turn for a moment to the integration of the North American cattle industry. I think that Canadian cattle producers are fond of saying that it is a North American herd but I am not sure that a lot of American ranchers feel that it is a North American herd. I would supplement that argument by referencing what Senator Tom Daschle said which was read into the record earlier, and that is why I think we are going to have some difficulty seeing the border open before the U.S. presidential election in November.

It seemed to me last summer in the early rush after the first mad cow was discovered that our farmers and ranchers did not want the Canadian government to do anything that would put them out of step in any way with what was being done in the American beef industry. The Canadian Cattlemen's Association and others are quite happy to go in lockstep with whatever the Americans are doing. They would not want, for example, to eliminate the bovine growth hormone or test a lot more cattle or ban all animal to animal feed.

In summary, I think that the industry is far too integrated for its own good or probably for this country's own good.

The agriculture minister once removed used to brag about Canadian products being the safest in the world. Most of us believed that and perhaps we still do. While Canadians still have tremendous confidence in food safety as evidenced by the rise in

beef consumption following May 20, I do not think we are bragging about it the way that we used to. We recognize that there are some difficulties. Time does not permit me to make reference to the *Vancouver Sun* access to information on the conditions of many of our meat packing plants but it should be required reading because it is very sobering material.

We in this party have been very concerned for a long time about the reduction in meat inspections and inspectors and the trend to more self-regulation. A lot of members on the agriculture committee are here tonight and they know better than I do about the HACCP program that is coming in. That would result in actually fewer federal meat inspectors doing less frontline work and more auditing of the work being done by the companies' own inspectors. In the wake of this issue and the impact that it has had, we need to think very carefully about whether we should be reducing frontline meat inspectors who are employed by the government at this time.

In defence of the employees who work for CFIA and the department, by any objective standard our response to the discovery of mad cow last spring was head and shoulders above what happened in the United States in terms of identifying the other animals in those herds, in terms of ear tags and other things. It is important for that to be on the record.

What we need is money going to the industry from the Government of Canada to assist at this time of crisis so that the industry can go forward. We need to do that very promptly.

• (2100)

Mr. Jay Hill (Prince George—Peace River, CPC): Madam Chair, I will be brief. I see there is a member across the way who also wishes to pose a question.

One thing that was noted earlier in the debate, which I want to pay tribute to, was the fact that it had not only been farmers trying to help farmers through this crisis, but, as was pointed out by a number of people, also Canadian consumers had responded tremendously across the country to try to assist the agricultural sector and specifically beef producers through this crisis.

Unfortunately, their best efforts have actually worked in reverse to what they were trying to do. It is rather ironic that with beef consumption up, recently we had a spokesperson for I think it was Canada Safeway say that there was no need to bring down the price because demand was up. In other words, the packing plants, which the member referred to, and the supermarkets seem to be doing quite fine, thanks very much, and the money is not filtering down to the farmer.

Even though the Canadian consumers out there are responding at the marketplace and trying to assist farmers, it has not been helping.

I would wonder when the Competition Bureau said, quite rightly I suppose, that it was really a basic tenet of supply and demand and because demand was up, then there really was no room to rule in favour of price collusion.

Government Orders

The member also made the same note that a number of us have made, that the industry and particularly farmers need money now. They need it immediately or they will go broke. This farm crisis is having a devastating effect on farm families. Does the member who just spoke have any idea as to how the government can target the money to the producers? I think it has to be sufficient and it has to be immediate so even if the cow is worth nothing, then at least the producer can survive in the short term.

Mr. Dick Proctor: Madam Chair, in answer to my colleague's last question, I was actually a bit surprised last year that there was not more uptake from the government to the offer from the cattlemen's association and others in the industry that some money go to them, especially on the cull cattle, but that they be given the option of whether they wanted to market that cow or that animal today or whether they wanted to hold on to her until the market improved.

For whatever reason the governments, because the provinces were involved as well, did not want to follow that option. I think what the cattlemen were saying was that if they all had to market their cattle immediately obviously that would depress the prices. If they could have spread it out over some time, that would give the industry an opportunity and prices should go up accordingly.

I do not know what the rationale for that was. I think in hindsight that frankly it was a mistake that they did not proceed in the manner.

The intervenor mentioned the Competition Bureau. A half a dozen members of my caucus had written to the Competition Bureau last October requesting it to look at what appeared to us to be price collusion, and we wanted it investigated.

Subsequently, the Standing Committee on Agriculture and Agri-Food put in a similar request. I am sad to say that from the acting commissioner, we both got the short end of stick. I will quote the last paragraph. It says, "With respect to requests that the Bureau of Competition agree to an immediate and thorough review of the BSE recovery program, in order to determine whether the more than \$460 million from taxpayers was fairly and properly distributed within the industry, I should point out that this falls outside the scope of the Bureau's mandate".

I think that is highly unfortunate for a lot of Canadians and certainly for cattle producers.

• (2105)

Hon. Joe Jordan (Leeds—Grenville, Lib.): Madam Chair, on that point I would say that if we took a look at changing the burden of proof from the Competition Bureau from the criminal burden of proof, which sounds good, it is very a high bar to make it civil. I think that could be a much more effective organization.

I would certainly support the procedure and House affairs committee striking the agriculture committee immediately and looking into this issue of why the price has not gone down and why the only people who seem to be paying for this crisis are the consumers and the farmers. That is something which needs to be looked at. I think the people who are watching this debate at home can take some heart in the fact that the members of the agriculture committee who speak on this are extremely knowledgeable and short term, we need to be guided by what their recommendations are. They produce unanimous reports and they are very useful.

I want to just mention a couple of things to this member, in terms of maybe the longer term or the larger issue here.

It seems to me that if this had happened 10 years ago, given export statistics of Canadian cattle, we would have been in much better shape because much more of our domestic supply made up the larger market. Canadians stepped up to the plate. Canadians increased their consumption of beef through this crisis. If we were in the position the United States is, where upwards of 90% of its market is domestic, and if Canadians stepped up to the plate, we would not be in the situation we are in today.

Ironically, it is the government itself that launched programs through the 1990s to try to get farmers to get into export markets. I think that globalization is a bit of a double-edged sword. There are all kinds of opportunities, but there are also all kinds of risks. We are starting to see some of the risks of putting farmers in that position.

I have listened to descriptions of some of the problems faced by western farmers, but in eastern Ontario a lot of the beef farmers are not set up in terms of infrastructure and barns to finish these cows over the winter and provincially—

An hon. member: What is the question?

Hon. Joe Jordan: It is comments too, so I am making a comment.

They are not used to doing that so they are relying on the feed producers to give them outreach information. In some cases, the infrastructure is not there. We had a late winter, we were looking good, and we had not had the second case.

BSE exists in one in a million cows spontaneously. The hon. member talked about testing. They talk about science and science-based. Look at Japan, it is not making decisions based on science. It has had two outbreaks. It is very political over there.

Would the hon. member please talk a bit more about perhaps looking at universal testing. It is BSE today? If we look at what is happening in SARS, one of the natures of a global market is we do not know what the next crisis is. Would it not be useful to think about testing and branding Canadian product to be the safest in the world? Even though the science does not support that move, but the consumers are not making their decision based on science.

• (2110)

Mr. Dick Proctor: Madam Chair, yes, I think there is an argument to do more testing. The point that I have been trying to make in my remarks is that we are too wedded to the American market for our own good. We should be looking beyond the American border. Yes, it has been fine over the past while, it has looked good, and I think the industry said, "Let's just keep it going".

Government Orders

I would like us to be in a position where countries like Japan and European countries would want to buy our beef because they would be satisfied, they would be persuaded that we had an excellent product that people around the world would want to buy. So far I do not think the industry sees it that way and that is the unfortunate thing.

I do not know about the spontaneity. I think animal feed is the reality here.

The other thing I would say to the member in passing, and I am looking at the Chair, is maybe we need a lawyer on the agriculture committee to help us with the Competition Bureau or other challenges.

The reality is with 330 million people in the United States, they can eat their way out of a lot more problems than we can, with 30-odd million. The fact of the matter is that our industry is predicated on exporting 60% or 70% of our product, most of it to the United States. We should be diversifying.

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Madam Chair, I know the member for Palliser, in his comments to the minister, questioned the use of American beef to feed our troops in Afghanistan at this time. The reasoning we heard is the Americans won the tender. Part of the other reasoning was that the Americans could deliver it over there because that was their supply line and so on. When we looked into that a little further, we found that our troops in Bosnia were eating Brazilian beef.

Are Brazilian airlines delivering now to Bosnia or are they the cheapest tender? It is outside of NAFTA. How does it square that circle?

Mr. Dick Proctor: I was not aware of the situation in Bosnia, Madam Chair, but it does speak to the need. We have a crisis in the country. We have to support one another. We have Canadian troops in Afghanistan, Bosnia and other places. We have to go the extra mile and try to ensure that we can move more of our product to those people, recognizing that our beef is currently banned in a number of other countries.

I understand about supply lines. It is funny on free trade the Americans still have a buy-America policy. We do not seem to have a buy-Canada policy and we definitely need one.

Mr. Paul Steckle (Huron—Bruce, Lib.): Madam Chair, I just want to note before I begin that I want to extend my appreciation to the House for its cooperation in allowing this debate to happen this evening.

I am also aware that the Chair is very judicious in its practice of making sure we do not recognize those particularly in the House who perhaps are not at our level but are within the House, so I will be very careful to note that those who might be here will not be recognized by myself.

However, there is a huge audience in Canada watching this debate and some of those people are dairymen. Some of those people are somewhere in this city and perhaps are watching as we speak.

As someone who is engaged in the business of farming for my entire life, I know how important this debate is to primary producers. Through this debate we are sending a signal that this is a national

issue that must receive attention at the highest level. No one farmer or sector in the industry should face this challenge alone.

Yesterday I received a media call concerning this debate. The basic question posed was: What do I hope to achieve with this debate? Based upon this question I offer my remarks this evening.

As you well know, Madam Chair, BSE is not just a rural matter. It is a matter affecting every Canadian. Furthermore, BSE is also not just an issue affecting food security, but it is something that has negatively impacted our national economy.

Given this, I would say that this debate is about sharing information.

First, with the Minister of Agriculture, yesterday at the Dairy Farmers of Canada annual policy conference, he again restated his desire to consult with stakeholders and with parliamentarians. I believe that it is our duty to fulfil that request by providing the minister with the facts that we have. The minister will then be equipped to take the commentary into consideration as he works with the Americans, the Japanese, the Europeans and even the Mexicans.

Furthermore, in this debate we must underscore the fact that Canadian beef is safe and of the highest quality. Canadians understand this, and we need to reassure and remind our international partners of this issue.

Second, with Canadians who are not farmers, Canadian farmers have a firsthand understanding of what BSE has done to the industry and subsequently to small town Canada, not just to beef but to the dairy sheep and also to the goat industries. There has been a substantial impact on the pet food industry as well as farm machinery dealers and countless other peripheral segments of our economy.

Canadian beef production is worth about \$30 billion annually to our economy. The average Canadian I am told eats about 132 times a year with beef on the plate. There are nearly 15 million beef cattle in Canada, and Canada is the third largest beef and cattle exporter on the planet.

It is for these reasons and more that we must act to save this industry. I firmly believe that non-farming Canadians want to understand the complexities of this topic. Canadians have a long history of rallying to help those in need. Also, Canadians want to help our farmers, and I believe that this debate is a mechanism by which we can inform them of how we might do that.

Third, and perhaps most important, I believe that government can relay a very important message to those who seek to unfairly profit from this disaster. While I can accept that every person is entitled to make a living, I do not accept that someone has the right to make that living on the backs of the underprivileged.

Those are the areas that I would like to touch upon during my remarks this evening. I would hope that when we are finished here tonight our farmers will know that every member of the House, regardless of political affiliation, stands with them and that we will take any and all steps required to put this crisis behind us as soon as possible.

Government Orders

Prior to prorogation, I served as the chair of the House of Commons Standing Committee on Agriculture. The committee worked tirelessly on all sides of the table to explore this issue and provide recommendations to the government on how to best address this BSE crisis.

While I assume that most members of the House have seen the report, because the recommendations were both instructive and unanimously supported by all parties, I am now going to read a number of them in part at least into the record so that it is there for the record.

The committee recommends that specific risk materials are not included in animal feed. This must be enforced and audited for compliance.

The committee recommends that the government work with the CFIA, the industry and provinces to enhance the existing Canadian cattle identification program by establishing a comprehensive and cost effective national traceability system.

● (2115)

The committee recommends the establishment of a task force that would focus specifically on the trade issues involved in the restoration of export markets for livestock and related meat products.

In order to ensure that increased costs resulting from changes made to inspection, rendering practices and traceability systems are not borne solely by producers, the committee recommends that the Minister of Agriculture and Agri-Food increase the budget of the CFIA. Furthermore, the committee recommends that the minister name an auditor to ensure that additional costs be kept to a minimum and shared equitably among all stakeholders in the livestock industry.

The committee recommends a compensation plan for a culling program, which would include dairy cull cows, that should be conducted according to an attrition rate that would allow the industry to better balance supply and demand. Since such a program will require the development of meat products with greater value added, the committee recommends that the government support the industry through a special assistance fund for the development of new market opportunities.

The committee recommends that the Competition Bureau conduct an investigation into the price of beef at the processing and retail levels.

Given my first purpose for asking for this debate tonight, I would respectfully remind the minister that these recommendations are the product of considerable national consultation.

On the second point, as a farmer and as an MP representing a riding in which agriculture is the primary industry, I would like to thank all Canadians. It should be pointed out that Canada is the first nation in history to see an increase in domestic consumption of beef following a case of BSE. Madam Chair, through you to all Canadians, we thank you.

I have saved my most salient point for last, and that is unfair profiteering. I must say that the packing houses have been subjected

to the vast majority of this criticism. Why, people might ask. I will tell them why.

In May of last year, just prior to the identification of the single Canadian case of BSE, according to market reports, live steers were averaging between \$1.05 and \$1.12; Holstein steers were selling somewhere between 90¢ and 95¢ and cows at 50¢ to 60¢. Today, one year later, relative to live prices, 78¢ is now being paid for steers, Holstein steers are at 25¢ and cows are 18¢ to 23¢. This is only after some stabilization in the market has occurred. The prices had even been lower.

Despite the substantial drop in prices paid to farmers, the price to consumers does not seem to be going down accordingly. Earlier today I consulted with a grocer in my riding who told me that today he is selling strip loin for \$10.99 per pound and top sirloin for \$6.99 a pound. I asked him to compare the price that he pays for beef today to what he was paying prior to the BSE discovery and he told me that there was no measurable difference.

Now I am no economist but this seems suspicious. Despite the fact that farmers are receiving 40% to 60% less today than they were a year ago, consumers are paying the same amount.

Some might attempt to distort the issue by saying that the cost of disposing of bones, blood and fat has increased, hence adding to the consumer cost. I spoke to a butcher in my riding who told me that, while his disposal costs have indeed increased, they could not begin to justify maintaining the pre-BSE retail prices of beef given the lower price being paid to farmers.

With this in mind, I would direct the House's attention to the committee's recommendation calling for the Competition Bureau to investigate this matter. It should be noted that a letter was sent to the bureau. However the committee's concerns on behalf of farmers were summarily dismissed.

Specifically, the acting commissioner of competition stated that the Competition Act did not provide the bureau with the authority to look into this matter. He then stated that while price fixing is illegal, unconscionable profiteering is not in and of itself contrary to the act.

Statistics are showing that in 2002 the average Canadian ate 48.3 pounds of beef. I would suggest that even I cannot eat that much bull. Perhaps the Minister of Agriculture and Agri-Food could remind the bureau that it exists to prevent the development of an anti-competitive marketplace. Failing that, perhaps we should address this issue legislatively via amendments to the Competition Act.

I have much more I want to say but I see my time is running out. As my final point I want to thank the committee. Many of the members who worked on this issue are here this evening. I also thank my colleagues in the House, especially the vice-chairs of our committee. Our cooperative relationship is not lost on those we work to serve. I look forward to resuming our work in the near future.

● (2120)

Mrs. Lynne Yelich (Blackstrap, CPC): Madam Chair, I understand the member was the agriculture chair so I have a question for him from the Saskatchewan stock growers in my riding.

Government Orders

They are asking about a need for regulations to be compatible with the policy and regulations of the United States. He said that currently Canada requires feeder cattle imported from the U.S. to be tested for livestock diseases; that the cost of these tests is an impediment to trade; that bluetongue and anaplasmosis do not pose a risk to human health as both are animal diseases only; and that the current restrictions are in excess of the acceptable risk to the livestock industry and impedes our ability to regain market access for live cattle to the U.S. as part of our BSE recovery strategy.

I would like to know if the member could comment on that.

Mr. Paul Steckle: Madam Chair, that is an issue that has been raised a number of times, both to myself and to the committee.

This is an issue that has been an irritant to the American farmers in terms of them being able to place live cattle into Canada year round. It is an issue that I think the minister is looking into in terms of how we can deal with it. I do understand that the climate that we have in Canada does not allow for those diseases in particular to perpetuate themselves in the winter months because of our cold climate.

It is not particularly an issue that is of great danger to our industry. I expect that somehow, in the next number of months or so, we may have some resolution to that issue, trusting that in some part that may be a way in which we can help the Americans to understand that the border needs to be opened.

• (2125)

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Madam Chair, this summer I had a chance to talk with cattle producers all the way through my riding. One of the things that has become very apparent to me is the profiteering by the packing houses, one in particular in Ontario. It is at the point where producers have complained to me privately in my office that they cannot really come out publicly and complain about the profiteering because if they do they will be blackballed when they go to the stockyards. They will get a lower price than they would normally get. They are hooked into a situation where they cannot speak out.

Once the standing committee on agriculture gets up and running, how can we look into this issue? How can we get the Competition Bureau involved in this, because there is profiteering and it has even become worse than that; there is suppressive action within the farming community?

Mr. Paul Steckle: Madam Chair, that is probably the biggest question that our committee will have when we resume our sittings, hopefully in the next two weeks.

Profiteering on the part of packers, given that there is limited competition, that the culled cows are no longer going to the United States and have to be slaughtered here, that there is limited hook space, obviously in a time and a climate when basically we are running short of that kind of beef, and when our processors are saying to us “we may have to ask you to look at supplementary imports, at a time when we have all these cows in the country that need to be slaughtered”, I think that it is pretty disgusting.

It is my hope that when the committee reconvenes we will, as a committee, agree to have the packers, who have not agreed in the past, to appear. If we have to as a committee, and I am sure we had that agreement prior to prorogation, we will subpoena some of those

people to the committee, because I do believe there is a story to be told. Obviously those people who have the story to tell from the producers' side cannot tell it for the fear of repercussions.

Therefore, we have to find a way where their message can come to us. Whether we have to use the witness protection act or whatever act we might have to use, we will find ways. We have a pretty ingenious committee and I know we are all diligent in finding some resolution to this.

I cannot accept the Competition Bureau's view that simply going out and gouging in this case, because there are no others in the marketplace, that it is fair ball. It is not fair ball. Our farmers have been gouged and raped, and we have to do something about it. We are the only advocate farmers have left. They themselves cannot go to the table because of the fact that there would be repercussions for them in the industry if they did that.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Madam Chair, I have a question for my colleague across the way. I think he is well aware that we are still importing large quantities of beef into our country despite the fact that there is growing domestic over-supply. I would be interested in his view of why that is so from the government's point of view. Also, what does he believe the government can do about that over-supply we have when we are importing all the time into the country?

Mr. Paul Steckle: Madam Chair, as the hon. member well knows, Canada does have commitments within the North American Free Trade Agreement. We have TRQs in terms of quotas that we have to honour, because basically those quotas have been honoured, and the beef industry itself knows that Canada has a commitment to those agreements. It was on the supplementary import side quotas that we basically said that we would close that down. There are no supplementary quotas being honoured or being engaged in at this time.

However the 78,000 tonnes that we normally import, that is an ongoing agreement that we have with the Americans. While we are exporting we are also importing. Canada, because of its diversity in terms of geography, imports a lot of beef, particularly into Ontario, because we do not sustain the appetite of the consuming public in Ontario. We simply do not have the beef in Ontario. We have to rely on the west and on the Americans, and much of the western beef, of course, goes to the United States. It is an integrated market so there is a shifting of meat both north and south and east and west as well. That will continue because those are long standing agreements.

• (2130)

Hon. Scott Brison (Parliamentary Secretary to the Prime Minister (Canada-U.S.), Lib.): Madam Chair, I want to commend the hon. member for Huron—Bruce for his interventions tonight. This is an important debate for farmers and families in Kings—Hants and, in fact, for all Canadians. It is great to see the non-partisan spirit of cooperation here tonight as we are addressing a very important issue.

Government Orders

President Bush's statement in Monterrey and his recognition that this is a Canada-U.S. issue and not specifically a Canadian issue, but that it is an integrated industry, and that because of the fact that it is an integrated industry, Canadian and U.S. administrations, the public service and the industry have to work together to find a way to address this issue and then to jointly work together to defend our integrated industry around the world, I thought was very positive. It is also positive to see the cooperation at the public service level and the fact that the U.S. agencies have upgraded their standards to match Canadian standards.

That being the case, particularly in an election year in the U.S., there is a great deal of fear that this will be politicized more and more in the coming months at the congressional level.

While we are seeing great progress at the administration level between the Prime Minister and the president on this issue, I would appreciate the hon. member's feedback on the importance of dialogue between Canadian and U.S. legislators and between parliamentarians and congressional representatives in the coming months, and the fact that it ought to be a multi-partisan effort between Canadian and U.S. legislators in the coming months. That is something that is a priority for myself in my role but it is also one that I would appreciate the hon. member's feedback on as someone who is very involved in this issue.

Mr. Paul Steckle: Madam Chair, I think my hon. colleague's question is very much in order and very appropriate given the circumstances of the past 24 months or so in this country and the attitudes that have prevailed between the countries both north and south. It is important.

The Prime Minister has taken the initiative already by indicating that there needs to be greater dialogue between not only the leaders but from a committee standpoint. The Americans have an agriculture committee and we have an all party committee. This goes across all party lines. As Canadians we need to identify the kinds of concerns we have because, basically, Canadian farmers are not much different than American farmers and Canadian politicians are not that much different either for that matter.

Sometimes it is pretty hard to separate the science and the politics but I think we need to go beyond all of those things. I do not believe that one cow, either an American cow or a Canadian cow, should cause us to close our borders. In an integrated industry we need transparency and we need identification, and Canada has done very well in doing that. In fact, the Americans are looking at us as the model to follow in terms of how we do that, particularly in the way they did their peer review work.

Mr. Rob Merrifield (Yellowhead, CPC): Madam Chair, it is a privilege for me to speak on this issue. I am coming at it from a different perspective because I speak as a senior health critic, so I want to address it from a health perspective. However, I also want to address this issue from a personal perspective because I have spent a number of years, in fact all my life, in agriculture.

We have heard that the dairy industry is very concerned as well as the beef industry. I have spent most of my life in the dairy industry. There have been comments here this evening, talking about whether this is a western issue, an eastern issue or a central Canada issue. This is an all Canadian issue and the dairy farmers in Quebec are no

different than the dairy farmers in Alberta. They fight with the same problems and from the same perspectives on this issue. It affects them in exactly the same way.

I can tell members that the beef industry is the same from coast to coast as well. The difference comes in the magnitude of the problems and the number of them in different provinces as they relate to their respective provinces and geographic areas.

I am a little upset about how this debate started and how it has gone this evening. It started with everybody bragging about how wonderful it was to bring this debate into the House of Commons as a take note debate. It is absolutely ridiculous that we would have a take note debate on something that we already know about. This is an emergency debate. The lives of families are at risk. They are on the line right now and it absolutely must be an emergency debate. The government must step up to the plate and do something about it.

I can tell members what I spent most of my summer doing, besides eating beef. I spent most of my summer talking to the farmers and the people who are affected from one side of my riding to the other, and it is a large geographic area. I can tell members that it affects not only the beef and dairy industries, but the chronic wasting disease that is in the elk industry, of which I also have firsthand experience. It is actually into its third year of what could be called the BSE crisis because elk have been impacted with chronic wasting disease and then all of a sudden got impacted by BSE, out of no fault of their own. There is no scientific proof behind it.

I want to address this situation because we say that it is all about health and safety. I believe it is health and safety; however Canadians understood it to not be a health and safety issue. This summer they increased their consumption by 15%. Thank goodness they did. We know that one mad cow in this country does not constitute a national disaster as far as a health crisis when that cow did not even get into the food chain.

Thank goodness that because of our surveillance system and the kind of discipline that we have around the industry that it was not the case. Nor does it matter whether the animal came from the United States or Canada because we both use the same protocol and stopped feeding animal by-products to ruminant animals in October 1997 on both sides of the border. It is immaterial as to where the animal came from because it is just the luck of the draw if it happens on one side of the border or the other, if this is indeed where this BSE originates from. Let us stop the rhetoric about where it came from. It is an integrated market in this industry on both sides of the border.

This is about politics. This is not about health and safety. I would challenge our government to ask why the relationship with the United States deteriorated to the point where we cannot talk constructively about it.

Government Orders

I will say that the government is playing politics too. I have heard a number of government people say tonight that this is all about politics, that it has nothing to do with health and safety. If that is the case, why are we not allowing American beef feeders to come into our market right now? We have had one case of BSE and we have stopped them from coming in and feeding their animals into Canada at the present time. I am saying we should put our money where our mouths are. That is the kind of relationship stuff that destroys the integration of the market.

I could go on about what we must do politically to ensure that this industry sustains itself and that we get the border opened up, but we must show some good faith on both sides of the border, and we have to see this as not about health and safety. We have to talk about the science of it and the science will prove that it is not about health and safety. This is about politics. This is not about mad cow, this is mad politics, and it must stop. We have to get this industry going again and the government must step up to the plate and support the farmers in their time of need.

• (2135)

Hon. Bob Speller: Madam Chair, I thought I heard my hon. colleague say that he wants us to open up the border to American beef, feeder cattle coming across. I wonder if that is the point he wants to make.

What we should be doing in this case is basing the decisions on science and that is exactly what we have done. What we need to do is to recognize again that this is a North American issue. If the Americans were to look at the science—and I believe they will look at the science because the science is overwhelming—then at that point we should open our border but certainly not before.

• (2140)

Mr. Rob Merrifield: Madam Chair, I would like to clear this up because that is what I am saying.

All summer long we asked the Americans to open their border. The science proves that this is not about health and safety. We asked them to open the border up because we have the safest product in the world, and I will stand by that, and the science will prove that as well.

How then can we turn around and say to them, when they have one animal, that we will shut our border to their animals coming into Canada? We are on dangerous ground when our actions do not follow what we have been saying. It actually proves them to be right if we do not do that. This is an integrated market.

I was upset with some of the comments that I heard earlier tonight saying that we should start a trade war with the Americans and get really rough with them. I think the exact term was that we should be playing hardball with them. That is the wrong approach in this situation.

What we have to do is make them realize that this should not be about politics. We have to make them realize that this is not about health and safety. We must open the border to an integrated market. Canadian beef is every bit as safe as American beef and vice versa. It is an integrated market. We should be dealing with this as an American situation and then moving forward to international markets beyond the American border.

I know the minister realizes just how integrated this market is. There is nothing we can do about that except get the politics out of it and let the science make that happen. We should be working to that end.

Mr. Charlie Penson (Peace River, CPC): Madam Chair, my colleague talked about how so many other sectors are affected by this, such as elk producers and sheep producers and so on. He is absolutely right. However, it is not only there. In the beef industry alone, organic beef producers are shipping only to the Canadian market and they are caught up in this as well.

One producer called me recently talking about the 30 month and under deadline and the criteria used with the identification of age through the examination of teeth. Her herd has been caught up in this. Some 17 of her animals have had to go through the special processing which is very expensive even though they have had ear tags since the day they were born and she can prove that to an independent audit. They are under 30 months. They are being sold into the Canadian market, not for export, and are still caught up in this.

Has my colleague faced similar situations in his riding and what would he recommend we do about it?

Mr. Rob Merrifield: Madam Chair, this affects not only people directly involved in the animal industry. My colleague is absolutely right about the organic industry. This also impacts sport hunters. It impacts the goat industry, but we never believed that it should because there is absolutely no science behind that. This impacts the grain industry, which I am also a part of. It impacts the trucking industry and all of the by-product industries, all of the dealers. Every primary job that is lost in agriculture has a seven to one spinoff. The repercussions of what happens when a farmer loses is devastating.

We must understand that we are talking not just about the agriculture industry but about the whole base of an economy in many of our provinces. They are fundamental, primary industries. If we do not do something about it, if we do not recognize that it is absolutely imperative that the government stand up in this crisis, then we will never recover from it.

This should not be a take note debate. This is an emergency debate for an emergency situation. There is no time to sit around and talk about it. It is time for action.

Mr. Charlie Penson (Peace River, CPC): Madam Chair, this is a great opportunity for me tonight to talk about the serious problem that we have in the entire livestock industry across Canada.

We left this place in June knowing that we had a problem. One case of mad cow was found and in fact, Madam Chair, I hate to tell you this, but it was found in my riding in Peace River.

It triggered a series of events that nobody a year ago could have possibly imagined. The seriousness of this problem has affected entire sectors of agriculture not only related to beef but as my colleague from Yellowhead just said, others are caught up in this whole thing, and there are a lot of innocent players whose very livelihood is at stake.

Government Orders

This is a North American problem. Up until this event happened, there were over seven million beef animals a year crossing the Canada-U.S. border. They were coming to feedlots in Canada from the United States. They were coming to grass in my riding in northern Alberta from Montana. Cattle from Alberta and other parts were going to feedlots in Montana and there was a great flow back and forth. That is how it should be. That is the integrated nature of the North American economy that really needs to be exploited further.

The fact that we have 40% of our cattle herd going into exports into the United States primarily is no accident. We have grown that market. We have a very good product to sell and I maintain that the risk factor here is still very low. In spite of that, we have a confidence problem that has to be overcome and that is why we have to address this problem in a North American manner.

The Minister of International Trade is sitting here. He knows that the growth of our market into Mexico has gone up 700% in the last few years. We have a quality product. We cannot lose those kinds of markets.

Up until now we had \$4 billion of exports of beef, of which 90% was going into the United States. That has been essentially cut off. That is gone. Only 10% is moving through, the boneless box beef that is 30 months and younger and we need to have that expanded. We need to have North American standards. I suggest that the United States move to ban blood products and supplements is something that we must do here as well. It makes sense that whatever we do, we must do together. And we must get that border reopened.

The problem is, if it does not happen this year, what is our response? What is our response going to be because we are having a massive devastation in the agriculture sector and it does not just stop at the farm gate. Truckers are losing their trucks because they no longer have any cattle to haul.

• (2145)

I drove by a farm dealer the other day who had one four wheel tractor for grain and 10 for feedlots. That is the nature of what has happened in my riding. The growth of the livestock sector encouraged by government to diversify has been a great thing and something we should all embrace. But the fact that it is drawn and that it is in trouble now means that we have a problem that is going to be compounded because it does not stop at the farm gate as we all know.

In addition to that, with livestock being slowed down on the farms means that the problem is getting bigger because at some point they are going to have to be marketed into a market that is basically non-existent.

It is up to the government. Canadians expect the Government of Canada to respond to a national emergency in a manner that is befitting of Canadians and that means that it has to backstop these producers during this time. It can start by doing something about the traditional culls that happen, 600,000 animals per year would be a good start. If we were to get the U.S. border open soon, that would be wonderful. I suggest we cannot hold our breath because this is an election year in the United States and we all know what happens

with politics there. We simply cannot wait for that to happen. These people need some help now.

The ongoing problem of when the border will reopen is something we have to continue to work at. The longer term solution is more harmonization with the U.S. and Mexico in NAFTA to address some of these serious issues.

• (2150)

Mr. Jay Hill (Prince George—Peace River, CPC): Madam Chair, obviously as I sit right behind my hon. colleague from Peace River, I could not help but pay rapt attention to his remarks this evening concerning this crisis in our beef industry. As he so eloquently put it, and as did others from both sides of the House, this extends well beyond just beef producers, although they might be the ones hardest hit.

One of the things I have heard in my constituency in the past eight and a half months since May 20 when this crisis befell Canada, and I extend that all across the country, is that Parliament has been in recess for nearly six months of that eight and a half months. The government took the usual summer recess for three months, from the middle of June to the middle of September. Then because of that party's leadership issue and wanting to install a new prime minister the Liberals took another almost three month recess and we just started sitting again.

As my colleague from Yellowhead remarked a few minutes ago, we are not even having an emergency debate. After all that time, the government does not believe that this is an emergency. It is an emergency in Prince George—Peace River. I am sure it is an emergency in my colleague's riding adjacent to mine in Peace River, Alberta. I believe it is an emergency all across Canada. Yet we have a government that seems to have a problem with addressing it as an emergency.

My colleague, in his capacity as the international trade critic, has had a lot of experience in this over the past 10 years that he and I have sat together in the House of Commons. I wonder if he would address in the time remaining some of the specific things he believes the government should be doing to move this issue forward, rather than putting forward some pretty lame excuses that we saw from the Minister of Agriculture earlier in the debate today. After eight and a half months it was very depressing to hear those remarks.

Mr. Charlie Penson: Madam Chair, my colleague from Prince George—Peace River and I do share a boundary on our constituencies and we know the seriousness of this problem.

Quite frankly, it is a \$30 billion industry in Canada. When we talk about losing a \$4 billion export market, that is serious enough, but I am worried that there will be a collapse of the industry entirely.

Government Orders

Farmers are holding a lot of animals on their farms. They do not have a cash flow. They are hoping the border will be reopened. Normally the farmers put up so much hay and so much grain silage and so on to handle the situation. They probably have a 20% increase in animals that they are holding hoping that something will happen. In fact, there is no market for them. This is a very serious problem.

My colleague asked me what I would suggest. I noticed that there was a ruling today out of the United States which suggested that there would be some problems with the U.S. in the way they handled this. We will go back into a notice period where the USDA will post a notice of anyone who has any complaints about the process. We were almost home free the last time, before the second mad cow was found in Washington state.

I am hoping the Minister of Agriculture will talk to his counterpart in the United States, Ann Veneman, and get the minimal posting time here. We do not need two months. We have been through this once before. It could be as short as two weeks. I would ask the minister today to take notice that he needs to talk to his counterpart and have the minimal posting possible.

I do believe we will also have to harmonize our standards with those of the United States. There needs to be discussion. There are feed products that are not allowed in the United States which are still allowed in Canada. These will not meet the criteria. Consumer confidence is ultimately the thing that governs all of this, including the U.S. government's reactions. I think we have to gain that back.

Hon. Bob Speller: Madam Chair, I rise on a point of order.

It has been mentioned a couple of times about emergency debates. It is important for the Canadian public to understand that it is the Speaker of the House of Commons who rules on whether or not a debate is an emergency debate. It has been mentioned here, accusing that somehow this is not important to the government because the government did not rule it to be an emergency debate. It is the Speaker of the House who does that.

Madam Chair, through you, they are challenging the Speaker. It is very important to know that is the rule which governs. I wish the hon. member would read the standing orders and understand that.

• (2155)

The Assistant Deputy Chair: With all due respect to the hon. minister, I think that the matter is a matter of interpretation. I do not believe that anyone has challenged the Speaker. If they did, I would chastise them. But I thank you very much for your comments.

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Madam Chair, I would like to thank the House for agreeing to hold this emergency debate on BSE this evening.

Tonight I will speak not only to the farmers who certainly understand the situation, but I will try to inform all Canadians, those who are not as close to the problem, to help them understand what our farming sector is going through. We needed to have an open, frank and factual debate on the current situation to discuss ways to help the industry.

Canadian farmers in all sectors are feeling the negative impact of BSE at this time. As a government and as the member for Lambton

—Kent—Middlesex in which agriculture is a primary industry, it is our duty to take any and all possible steps to make sure the sector regains the position as world leader in beef production. The government is here for our farmers and we will continue to act in the best interests of the industry.

Prior to Christmas the Canadian agricultural industry appeared to have a positive outlook on the BSE situation. The United States had proposed a rule that would possibly allow livestock under 30 months of age to enter the United States from Canada. Although the comment period on the proposed rule ended January 5, 2004, everything has changed since the discovery of the first reported BSE cow in the United States.

Therefore, we as the federal government need to ensure that we do everything possible to convince the international community that Canadian beef is safe and that borders should be completely open to Canadian livestock. We also need to ensure that there is enough financial support to sustain our beef industry.

Since the discovery and confirmation of a single BSE infected cow in Canada, the beef industry has not been the same. Just when things were starting to look up and we were convincing the United States to open its border to livestock under 30 months of age, our beef industry took another devastating hit.

My hon. colleagues and I understand what the agriculture sector is going through and we are committed to helping the industry through this most terrible time. We need to continue to convince countries to open their borders to Canadian beef and livestock.

Over the summer the Standing Committee on Agriculture and Agri-Food, for which I was vice-chair, held three emergency meetings to examine the BSE situation in Canada. In January I read an article in the *National Post* by Diane Francis, who made a comparison that I thought summarized the effect BSE has on our country and the farming community. She stated, "Mad cow disease, for those unfamiliar with its economic effects, is the agricultural equivalent of a bioterrorism attack. It can be fatal, wreaks financial havoc and creates trade panic". That quote from Diane Francis pretty much says it all.

Since May 2003 federal and provincial governments, along with industry officials, have been working tirelessly on this issue. I cannot remember a time when all levels of government and industry officials have worked in such a cooperative manner in order to achieve the same goal, that is, to completely open international borders to Canadian beef and livestock.

We all know it does not matter where the cow was born. What is important is that we work together to convince the international community that our beef is safe and that decisions to open or close borders need to be based on sound science, not politics or trade protection, which in my opinion is the problem.

Government Orders

As we know, the BSE infected cow found in the United States was born prior to the feed ban that was put in place in August 1997. Current investigations in both the United States and Canada are concentrating on the potential contaminated feed that the cow could have consumed and where that feed came from. Therefore, it is imperative that we ensure that both Canada and the United States have 100% compliance with the feed ban and that additional measures be taken to ensure that the possibility of consuming contaminated feed is eliminated.

In terms of the investigation, Canadian officials are focusing on determining the source of infection through a rigorous assessment of feed sources. They are conducting a comprehensive and thorough investigation which includes collecting, cross-referencing and validating information at all levels. This includes farm retail distribution levels, production levels as well as the source of raw materials.

In addition, the CFIA is mapping the movement of any animals which may have been born within the 12 month window of the animal and may have been exposed to the same feed. Such animals would be candidates for testing.

On July 18, 2003 new measures were introduced by Canada that required specified risk materials, SRMs, to be removed from cattle at slaughter. The effective date for these regulations was August 23. However, federally registered establishments, CFIA directed, required SRM removal as of July 24, 2003. Since the infected cow that was found in Washington state, the U.S. has taken similar actions.

The federal government is currently establishing a national network of labs that will focus on downer animals and those born before the start of the North American safety restrictions on cattle feed in 1997.

• (2200)

Although the circumstances around the two cases are different, both countries are now considered as minimal risk countries for BSE among the international community. Therefore, I do not believe there is anything to be gained by pointing fingers at each other. Instead we need to work together to resolve the situation and convince the world that our beef is safe.

In January Canada announced additional measures to support public confidence in Canadian beef products, including: enhancing measures related to animal identification, tracking and tracing; increasing the level of surveillance with the emphasis on testing of higher risk animals; and working to develop with the United States a North American approach to adjustments in our respective feeding restrictions that reflect the integrated nature of the cattle industry in North America.

The CFIA will be enhancing BSE surveillance, progressively increasing the number of animals tested annually, so that Canada will meet the anticipated new international standard and retain its status as a low risk country for BSE. That standard involves testing to a level capable of detecting the disease when it is at a level of prevalence as low as one case in one million cattle.

The CFIA will aim to test a minimum of 8,000 animals over the next 12 months and then continue to progressively increase the level

of testing to 30,000 animals a year. The ultimate number of animals tested will reflect international standards, which are expected to be revised over the next two years. Testing will be focused on those animals most at risk for BSE. These include animals demonstrating clinical signs consistent with BSE, so-called downer animals, those unable to stand, as well as animals that have died on farms, are diseased or must be destroyed because of serious illness. A sample of healthy older animals will also be tested.

Everyone knows that the beef industry has taken a devastating hit since the first discovery of BSE on May 20 and the new case has not helped to improve the situation. In order to help support the beef industry through the difficult times, the federal government has provided more than \$520 million.

The most recent funding announcement was made at the end of November, dealing with the cull animal program. This program is aimed at helping Canadian cattle producers deal with older animals that need to be culled from herds. The Government of Canada is committing \$120 million as base funding for all regions of Canada. It has offered to cost share the program with provincial and territorial governments on a 60-40 basis, which could bring the funding to \$200 million.

Now that there has been a new case of BSE discovered in North America and it is unknown when international borders will completely reopen to Canadian livestock, we should find out why prices at retail levels have not lowered, even though cattle prices have been reduced dramatically. We need to ensure that a fair share of the money that consumers are paying for their beef is getting back to the primary producers. Far too often, primary producers do not receive their share of the finished product that they produce and this has to stop. Producers will not be able to afford to farm if this continues.

Despite the international standards set by the Office International des Épizooties, Canada was able to regain access to the United States, Mexico and Russia in just over 100 days as opposed to the recommended seven years. No other country hit by mad cow has been able to reopen its borders so quickly, albeit to boxed beef. This proves that the international community has confidence in the surveillance and testing we have in place and the efforts by the federal and provincial governments, along with industry, have been successful in that respect. CFIA proved that the agency had the proper tools to do its job in tracing back in such a short timeframe. I commend it on its work.

North America is a highly integrated beef industry and has functioned as a single market, with an invisible border. In the last five years two-way trade totalled \$13.6 billion U.S. for 7.3 million animals. Canada exports about half our total production to the United States and 97% of all live cattle imported to the United States comes from Canada and Mexico.

Mr. Chair, I say to the farmers listening to this debate, whether it is here or in our communities, that we will continue to do everything in our power to convince the United States and other countries to open their borders to good Canadian beef and livestock.

Government Orders

• (2205)

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Chair, approximately three and a half years ago I stood in the House when at that time we were very concerned about an impending crisis in the agricultural sector and certainly in the beef sector as we saw television programs of burning carcasses in Great Britain.

Everyone will remember the emergency debates we had regarding the foot and mouth disease back then, because we realized that the industry was a fragile industry. We realized that if foot and mouth were to hit Canada, the borders would slam closed. This summer as I was travelling, I suddenly heard that we had an isolated BSE incident in Canada. The same fate as there was for foot and mouth was not what we experienced. We have a closed border.

We are here tonight because there is a crisis and it is a fragile industry. It is a very fragile industry. In fact, some would say that the death of the industry is upon us. Action is what is required right now.

I was very dismayed tonight as I sat here and listened not to our agriculture minister but to a former minister in the government who said that he believed we need to play hardball with the Americans right now, that the only game they understand is a tough response and we need to play that type of hardball. He says we need to look at other markets.

I very sincerely wish that before the government begins this hardball game with the United States it finds and accesses those other markets. To be quite frank, we have not seen that coming out of this department yet. My question to this member is, does she agree with those comments from the government side that we should play hardball?

The second issue is with regard to the feeding of animal byproducts to other animals. What measures are going to have to be put in place somewhere down the road? What measures does she believe are going to have to be put in place in order for us to show consumers that there is a safe meat supply here?

Mrs. Rose-Marie Ur: Mr. Chair, as to my approach, there are 301 members of Parliament. If every one of them were given the same case scenario we would probably have 301 different versions of how to attack the situation. My way of doing things may be different from that of some of my colleagues. My way of doing things may be different from that of some of my colleagues across the way. That is just human nature. The way I like to see the government moving is the way it has been going.

I do not think the borders would be open even to boxed beef if we had taken a hardball approach. I think the approach that we have been taking with the United States, with Ann Veneman, is to have open dialogue. She has moved with her officials down there to present that report and go to discussion. They did not have the extended timeframe for that discussion. The information came back sooner than usual. I think that approach has afforded our cattle producers the opportunity to allow boxed beef to cross, because no other country that has been affected with BSE has had their borders open, other than after seven years.

So yes, the best case scenario and the best solution to this is to have the open borders with the United States, but I think the

approach we have taken to the present time has led to a more successful case.

Mr. Bill Casey (Cumberland—Colchester, CPC): Mr. Chair, I have a comment. I wrote down a quote from the member's speech. She said the beef industry has taken a hit. With all due respect, the reaction I have to this is that there is a misunderstanding of the extent of this problem. It is not only the beef industry. It is the hog industry, it is the sheep industry, it is the tractor industry, it is the feed industry, and it is the car dealer industry.

I want to make a point, too, that it is not only Alberta and Quebec. The farmers in Nova Scotia have been devastated by BSE. All farmers have been devastated by BSE. If we want to add to BSE, let us add the effects of hurricane Juan and the flooding that they have had to contend with. It has been blow after blow to the farmers in Nova Scotia. I recently met with the Atlantic Farmers Council president and the Nova Scotia Federation of Agriculture and they were telling me about families who are about to lose their farms, farms that have been in business for decades and for generations.

Here is my question. When the member for Yellowhead was saying that the border with the United States should be open, the Minister of Agriculture stood up and said he did not think the border should be open. This baffled me, because my understanding is that the government is trying to open the border again, but when the member for Yellowhead said the border should be open, the Minister of Agriculture made a point of standing up and saying no, the government does not want the border open yet, that it is waiting for the science. It is not trying to open the border.

Could the member clarify this for me? We want the border open and we want it open as fast as possible. We do not want to wait. We do not want any reasons or unreasonable excuses.

• (2210)

Mrs. Rose-Marie Ur: Mr. Chair, I thank the member for the question but it is not a clarification that I need to make on behalf of the minister. I think it is a clarification that perhaps he has to make on behalf of his own member.

The way I interpret it on this side of the House—and we are not that far apart—is that he wanted a flow of American cattle coming across whether the border was closed or not. I think it is important that we have an open border with the United States.

An hon. member: Just one way?

Mrs. Rose-Marie Ur: No. Sound science has been proven. According to the legislation in the act for BSE, what we have to do and what we have done on this side already is that we have joined with the United States, Canada and Mexico and with the OIE to address the criteria when this was first put forth, as to a country that has had several outbreaks of BSE and as to the criteria for keeping the border shut for seven years versus a country like Canada and now the United States.

Government Orders

Surely we can look at this in a different perspective: that we should not keep the borders closed for seven years. I think that is where we can make a better impact for our industry if we look at the criteria. Those countries are working with the international scientists to perhaps make those kinds of changes. I think that will be better for many countries that have experienced the same problem we have in Canada.

Mr. Gary Schellenberger (Perth—Middlesex, CPC): Mr. Chair, I stand tonight and congratulate my colleagues across the row who are neighbours of mine in southwestern Ontario. Yes, this is a Canadian problem, most definitely.

I think one of the reasons that the price is so wrong is that there is no competition in the killing process, especially for beef. I hope there is a new plant soon available in Ontario. Maybe there will be more. The government could have put some seed money forth earlier in this matter to get some competition. As we know, those of us who go to auctions, if there is only one bidder we do not start at the top price. That is one part of this.

I have to agree that dairy is not only milk; it is also replacement heifers. One person in my riding has 5,000 replacement heifers ready to go. They could go tomorrow. He is losing \$2,000 a head; chalk that up.

Mrs. Rose-Marie Ur: Mr. Chair, I thank my hon. colleague and neighbour from Perth—Middlesex for the question. Regarding the dollars and the need for more slaughter facilities—and hopefully we will have another facility opening shortly in Ontario—the cull cow program that the federal government put in was to address the animal price per head.

I have been speaking with the Ontario provincial agriculture minister and he has indicated that they probably would not share on a sixty-forty split for funding for the cull cow program, but Ontario was looking at opportunities to perhaps put funding toward a slaughter facility. I think it is really important, as the member has indicated, for our dairy industry especially, to meet the need in the killing process.

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Chair, would my colleague be able to comment on what kind of commentary the international review panel had in its deliberations? I think that decision has come out. It is now public. Would she have access to that information? If there is that information, could she divulge it to the House this evening?

• (2215)

Mrs. Rose-Marie Ur: Mr. Chair, with the good, efficient staff that I have, I was presented with an update from the Canadian Cattlemen's Association on this report favourable toward Canada's position. The report emphasized the integrated nature of the North American cattle industry and said the United States cannot dismiss the Washington State case by considering it an imported case. The international report calls upon the United States to demonstrate leadership in trade matters by adopting import and export policies in accordance with international standards, thus encouraging the discontinuation of irrational trade barriers when countries identify their first case of BSE.

That is a part of it. Tune in next time.

[*Translation*]

Mr. Marcel Gagnon (Champlain, BQ): Mr. Chair, I have listened since the debate began earlier this evening. I also asked a few questions. I realize the scope of the problem.

I was in farming for many years. I participated in farm unions. I am the son of a farmer. I have had the opportunity to talk about, discuss and be involved in the farm union movement to try to resolve major problems facing Quebec farms. It seems to me, however, that this kind of problem is infinitely more serious than those we had in the past.

Our agricultural system worked relatively well, at least in Quebec. Since 1993, we also had a relatively safe system in terms of animal health and quality. Everything is jeopardized because one mad cow was found in western Canada. Because Quebec's different and distinct nature is not recognized, many Quebec producers are once again paying the price for something totally beyond their control.

Quebec produces 50% of all milk in Canada. With regard to cull cows, Quebec experiences 50% of the problems affecting dairy herds. Why, for example, were some regions not spared?

Imagine the farmer in Champlain who is faced with the problem of a mad cow some 3,000 kilometres away from him. There is no chance of contamination. And yet, no one has ever wanted to work on a regional basis and recognize the regional differences so as to at least save some money. This region might suffer less, leaving more money for those more affected. Still the idea of working in such a system was rejected.

All evening, hon. members have been talking about borders, travel, opening borders, opening markets. I notice that we are forgetting that, in our system of agriculture, at the bottom of it all, there are human beings. They have worked all their lives to establish viable and pleasant businesses, some of which are worth a lot of money.

A farmer came to my office and told me he was a millionaire. He was getting ready for retirement. His pension fund was in his beef cattle, in his animals. He was 59 years old and a millionaire and then, suddenly, he was worth nothing. That is something. That is major stroke of bad luck. I think that we are forgetting the human being in all our discussions.

The human being is at the base of this industry, the the most important one in the country. Agriculture is the industry that creates the most jobs in the country. It is the one that keeps our food supply somewhat secure.

Just imagine for a moment if we lost our agricultural industry. I know this impossible, but it can certainly be severely damaged. Imagine for a moment if we relied on foreign countries for food. What would it cost us? This industry does not concern only the farmer, it concerns all consumers and citizens. When agriculture thrives in a country, the country thrives. In Quebec, when agriculture thrives, so does Quebec because it relies on agriculture to generate jobs.

I believe it was the member for Yellowhead who mentioned earlier how many jobs are created by agriculture. It is significant.

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• (2220)

I do not understand how we can abandon the farmers in such a crisis. After they have spent their entire lives working for themselves, of course, but primarily for others, I do not understand why this country cannot come up with the necessary funds to help them get through such a crisis.

I witnessed the Saguenay flood and the ice storm. You heard about it since the ice storm hit Ontario too. I went to see the Red River in Manitoba when it flooded. I went to see what was going on. During all these major disasters, which are called "acts of God" and for which we are not responsible, the government provided help because the individual could not get through it alone.

Currently, the government is not helping enough. It is simple. There are farmers committing suicide. This is happening in Quebec and must be happening elsewhere. I know farmers who had had enough, who were so worried that they took their own lives. This is starting to become a major crisis.

Let us please stop thinking that a trip to Japan, a trip to Korea, discussions with the Americans, or the lack of them, will solve the problem in the medium and long term. Come on, now. What has to be done, of course, is to first solve the problem in the medium and long term.

Someone has said that the problem is not the mad cow crisis, but the mad policy crisis. There are those who are suffering as a result of our policy, who are paying the price. The ones who are suffering do not deserve to have to pay that price, because they are the ones who supply us with food, who create jobs, those we have to trust to develop this country.

I have trouble understanding all this. For example, Quebec has not used the cattle feed that was the cause of the mad cow problem since 1993. Yet, despite the sacrifices made by farmers since 1993, paying a little more to fatten their cattle, how in heaven's name can they now be having to cope with the problem of one mad cow when the cow is 3,000 kilometres away? It makes no sense.

The government will have to pay for this. Not only pay for it, but also make the necessary effort to settle this awful problem. It is not up to a farmer in his twilight years, thinking of retirement but seeing his retirement savings totally depleted because we have not looked after business, because for some reason or other the Americans quite simply want to make us pay.

This system makes no sense. The Minister of Agriculture and Agri-food must do what it takes. I too am calling for an emergency debate, if that is not what this one is.

People in our area, and people all over Canada and Quebec, are counting on us to help them get through these terribly hard times.

I am therefore asking the new Minister of Agriculture and Agri-food, whom I have heard described as being more competent than the last, to sit down with the rest of cabinet and see that the necessary funding is in place to help people get through this crisis.

• (2225)

Hon. David Kilgour (Edmonton Southeast, Lib.): Mr. Chair, I was very moved by my colleague's remarks. However, if I

understand correctly, he is suggesting that the government pay for the problem with the dairy farmers in Quebec.

In his opinion, how much will this cost?

Mr. Marcel Gagnon: Mr. Chair, if your house goes up in flames, you have insurance to cover it. In Quebec, we had crop insurance. We also had an entire management system to assist farmers. However, when damage is caused by an outside party, for instance, if someone sets your house on fire, no one asks how much it will cost to restore it.

When the ice storm hit, did anyone ask how much it cost to repair the damage nature had caused? It is the same for the Saguenay flood. We reached into our pockets and the governments invested the necessary amount of money to help people get through it.

I have not calculated how much it will cost. However, one thing is certain; the current crisis will cost Canadian and Quebec agriculture a fortune in the medium and long terms. People need more help. When a person loses \$500 an animal and it is not his fault or responsibility, it does not matter how much it costs. He should be compensated.

The government dipped into the employment insurance fund with its \$45 billion. Maybe we could take half a billion, a billion or a billion and a half from the fund to help farmers get through this crisis that they did not bring on themselves and for which they are not to blame. It is the least we can do to show support.

[*English*]

Mr. Gerald Keddy (South Shore, CPC): Mr. Chair, I listened very closely to my colleague from the Bloc and I could not help but wonder if he would not agree that this is a more complicated issue than simply a regional issue. If it were only a regional issue, we could say that all the grass fed beef in Nova Scotia should be excluded. There is a good argument for that but that is not how the market system works. We have a North American market.

The fact is we now have had a mad cow, regardless of where that cow came from, in the U.S. and we have had a mad cow in Canada. That means we have the problem on both sides of the border, and there is absolutely no reason for this border to be closed.

I see the Minister of Agriculture here and I would hope that is the system on which he is working.

In the meantime, there are a number of things that we should be able to do right here in Canada, and we can actually start right now. I see the Minister of Agriculture smiling but I think this is a fairly serious issue. We can start by taking the spinal columns out of the food chain. We can remove the brain out of the food chain. That could be done tomorrow. We do not have to wait for that.

Government Orders

It is a government issue and it will require government money, but it will also require determination. If we speak to farmers in the country, at first they were frustrated. Then they were simply suffering from despair. Today they are angry because they see their livelihoods simply washed out through the barn doors. They absolutely do not see anything, not a mention in the throne speech and not a mention from the government on some type of responsible action.

[*Translation*]

Mr. Marcel Gagnon: Mr. Chair, I agree completely with the hon. member. I think that the way I expressed myself might have given the impression that I was only talking about my region. All Canadian farmers are faced with this problem.

It is true that there was no mention of this in the throne speech. It is true that this problem seems to be going right over the government's head. I think we must spend whatever is necessary. Government spending has increased by 39% in the past five years, which amounts to several billion dollars. We must invest the money needed to help farmers get through this crisis. Farmers must not be the only ones paying and losing their livelihood.

I am certain that the hon. member also knows people who, near the end of their lives, realize that their pension fund has become worthless because of a system for which they are not responsible. In my opinion, we can help these people more.

• (2230)

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Chair, I thank my colleague from Champlain for his excellent speech. I will begin by saying that the subject we are debating tonight is a very important one, and one of great concern to the farmers in my riding, particularly those in Côte de Beaupré or Île d'Orléans. Many of them have come to my riding office to tell me so.

I must tell my colleague that I have noted the main thrust of his speech. Having followed the debates since 7:15 p.m., I have noticed he is one of the few to stress the human aspect of this crisis, its impact on farm families.

In this connection, I would like to hear my colleague from Champlain comment on an open letter from the Jean Guilbert family of Saint-Maurice, which was printed on the rural voices page of the newspaper *La Terre de chez nous*.

I am not sure whether Saint-Maurice will be in my colleague's future riding, because we all know he will be the member for Saint-Maurice—Champlain after the merger. I would like to read him excerpts from this letter to get his quick his comments on them.

The Jean Guilbert family of Saint-Maurice writes, "In Quebec, there are children who are leaving for school in the morning with their heads filled with worries about their families because of debts and the imminent danger of losing the farm to creditors, a farm where they live and where they often work every day. After years of sacrifice, of working seven days a week, just about 365 days a year, to get their farm up and running, their parents are now seeing their farms on their last days".

Saint-Maurice has one of the highest concentrations of dairy farms anywhere in Quebec. I would therefore like to hear what my colleague has to say about this.

Mr. Marcel Gagnon: Mr. Chair, I thank my colleague for his question. In fact, I am very familiar with the farm mentioned in the open letter. Saint-Maurice will be in my riding.

The point I wanted to make when I raised this issue earlier is that the human aspect is often forgotten. I know these producers, as well as just how hard they worked. From one day to the next, they find themselves in debt, although they are not at fault in the least. Others are responsible, not them. It is extremely frustrating.

One of my colleagues, another member, had asked me to meet with a group of producers. I referred to a suicide. In our region, one producer had had enough, and he killed himself before the meeting. We met with producers to talk to them, to try to encourage them and tell them that the House was going to debate the matter and try to get the government to reflect in order to provide some security so people can get through this crisis.

There is always a human aspect in this kind of issue. We must not forget that, as I said earlier, agriculture is probably the industry that creates the most jobs and doubtless the most important jobs. We live on this earth, but this earth also feeds us. We need someone to farm it.

Once again, I ask the Minister of Agriculture and Agri-Food to do the impossible to provide security to the producers who need it.

• (2235)

Mr. Michel Guimond: Mr. Chairman, I did not finish reading the excerpt from this open letter.

The Jean Guilbert family from Saint-Maurice says, "Sometimes it costs more to have a specialist treat the animal than what the animal is worth on the market. No, the cow is not mad, it is its protector who is desperate and who has been wondering for months where the profit margin is going, between the paltry sum he receives from the sale of his animals and the high price consumers pay at the grocery store. Think about that before judging the person who slaughtered a cow on television out of desperation".

I would like my colleague's comments on this point.

Mr. Marcel Gagnon: Mr. Chair, I have a very brief comment. Thanks for this testimony. I think the hon. member spoke more eloquently than I did about the distress of people confronted to a problem they did not cause. This problem does not seem to be getting all the attention it deserves.

[*English*]

Mr. Charles Hubbard (Miramichi, Lib.): Mr. Chair, I listened with interest to the debate tonight. It is certainly a very difficult situation for many farmers across the country, not only for those in Newfoundland who are beyond midnight at our time here, but those from coast to coast.

As members of Parliament, we all share and hopefully can offer some suggestions that might improve the very difficult situation in which these farm families find themselves.

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I will try in the very brief time I have available to provide a few statistics and also some suggestions that might be taken by our Department of Agriculture and by our minister.

It is encouraging that the Minister of Agriculture and the Minister of International Trade were both here tonight to listen to the debate and hopefully become actively involved. I know the Minister of Agriculture already is, as was his predecessor. However, the situation is much greater probably than the sum of the solutions that have already been offered.

The dairy people, beef producers, the livestock producers and the businesses in the various communities are very much affected by these difficulties.

It is interesting to note that the first BSE problems developed in the United Kingdom back in 1986. Since then throughout the European community, country after country have found evidence and encountered situations where their livestock were affected by BSE. We also recognize that some cattle that came into Canada in the early 1990s from the United Kingdom were found to have BSE.

It is almost incredible that one cow in this country has created such turmoil and difficulty for Canada. In the weeks prior to the discovery of the mad cow in the slaughter house, which was brought to our attention, they were slaughtering some 70,000 animals a week. If we put that into a year's production, we find we have a lot of cattle going to our slaughter houses. After the discovery of the mad cow, that went down to some 20,000 animals that were being slaughtered.

I am a bit disappointed tonight that in all our discussions we seem to say that it is a North American market. We know that of the livestock production and beef production around the world, the United States produces some 25% of the total beef production globally. Canadian production is some 3% so we are a very small part of that. We have to recognize that in terms of beef production and the consumption of beef around the globe, all of us, both Canadians and Americans, have to look at markets in Japan and in other countries that would be available to us.

When the minister went to Asia to try to open up those markets for us in terms of Japan, we certainly appreciated the fact that he was very active in trying to do so. In fact, with the Canadian export market of beef in the year 2003, 80% of our beef went to the United States. Mexico picked up some 7.7%, Japan some 3.3% and other Asian markets about 4.1%.

We certainly have to commend the Cattlemen's Association for its work along with our trade and industry minister in promoting Canadian beef throughout the globe.

We find that in terms of all of this, when we look at the problem that exists, Canada today we have some 14 million heads of cattle and with it we have a tremendous production each year.

We talked about the dairy industry. It has about one million cattle that are producing milk and calves each year. In the beef sector a little over 4.1 million beef animals were producing a calf each year. Therefore, we have an increased number of livestock that go into the farms and communities, and for which there needs to be a market.

I suggest what we have to do as a nation and as a government is look at three major things.

First, there is animal waste. I do not know how the Europeans and Canada go into what happened in this past year, but we have to avoid feeding animal waste to other livestock.

• (2240)

I believe we started the system of ruminants back in 1999, when we had a feed ban. However, we also have to look at what might happen in other sectors when bone meal and other animal parts are fed to cattle, hogs or poultry. We have to ensure that Canadian consumers and consumers around the world are sure we are producing a good product.

I say this to the minister tonight and I have said it before. In Europe nearly every animal is checked. When a carcass is put up, it has a stamp on it saying it is free from BSE. I know a tremendous amount of money would be involved, some \$30 per animal. However, a dairyman today shipping a culled cow is getting probably about \$150 for it, when last year he probably got \$700 or \$800. A \$30 investment certainly would not be a tremendous burden upon that farmer or upon the slaughterhouse that is accepting the animal. That is the second thing we have to do.

The other thing we have to do is look at slaughter facilities. In eastern Canada especially, in my own province of New Brunswick, nearly every animal we try to send to market has to go to Quebec or to Guelph, Ontario. Last year many of the culled cows and some of our beef were going to Pennsylvania. We do not have enough slaughterhouse capacity in Canada, and we have to look at that fact. In terms of our cattlemen and our dairy groups, with incentives from our government, somehow we have to increase our slaughtering capacities.

We have a tremendous food inspection agency and we have always been very strong in terms of the products that we put into our food industry. We can show the world that Canadian beef, whether it goes to Japan or Europe, has been certified to be free of these diseases, just as the French do.

I will just finish with this. It is really a tremendous insult to our farmers in the beef sector, particularly A1 beef, when they are getting some 27% less this year than what they got a year ago, if we look at the CanFax figures of the past week. If we look at our dairy people who are shipping culled cows and if we look at the spread in terms of beef, the farmer quite often is getting about \$1 a hundred weight. If we look at the retail sector in terms of the CanFax figures, it is about \$500 a hundred weight. We have this tremendous spread between the retail value and what the farm groups get.

In closing, we really find that our Canadian people have great empathy with our Canadian farm community. In the last three generations, when we look back, nearly all of us came from a farm somewhere. We have a tremendous amount of support and I hope that tonight, as a result of our debate, we can encourage our industry to look forward to changes that will improve its capacity to develop a good economy. All of us as Canadians can certainly benefit from the very dedicated people that contribute so much to our Canadian agriculture.

Government Orders

• (2245)

Mr. Dominic LeBlanc (Beauséjour—Petitcodiac, Lib.): Mr. Chair, I want to congratulate and thank my colleague from Miramichi for his wise comments this evening and his careful analysis of this problem. I want to congratulate all members of the House whom I have heard speak this evening with knowledge, passion and concern for a very serious problem facing our country.

The Minister of Agriculture and Agri-Food has assumed his responsibilities very quickly. He has made certainly our government and Canadians proud in the way he has handled this very difficult situation, and I want to thank him on behalf of producers in my constituency for his work. However, I was hoping I could pick up on a comment that my colleague from Miramichi made with respect to some of the difficulties in our own province of New Brunswick.

He and I have friends, the Acton family, who have been big beef producers in my part of New Brunswick for many generations. I have had a chance to discuss this serious situation with them a number of times and I know the member for Miramichi has. They consistently tell us about the problem of the lack of a slaughter facility and slaughter capacity, and what that means for their costs and for their ability to produce beef viably.

Would the member expand on some of the difficulties that this might represent for producers in our province and what suggestions he might have to try to address this imbalance?

Mr. Charles Hubbard: Mr. Chair, this certainly has been one of the problems in terms of the New Brunswick agricultural sector.

We did have a slaughter house in Moncton, New Brunswick called Hub, which did all types of slaughter, but it has recently moved toward hogs only. As a result, the provinces in Atlantic Canada, especially Prince Edward Island, are developing a new slaughter house which should be available some time later this year, probably toward the late fall. The ground has been opened, construction is underway, and it will be through a cooperative effort. Farmers are buying what they call hooks and by having hooks they will have the ability to send their animals for slaughter to this new slaughter house that will be located in P.E.I. It certainly will be advantageous for them and they are looking forward to that.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Chair, I want to comment on the minister's address here tonight. I do appreciate one thing about his speech. Unlike many of the other speeches I have heard from the government side tonight, I have not heard a lot of answers as to what we should do. I have heard that we need to keep working to keep the border open and that we need to keep talking to the Americans. However, what happens if that border does not open? What happens if we are in this thing for the long term? At least tonight he suggested that we start looking at certain things.

Before coming here tonight I had the chance to speak to two constituents. One lady from the New Norway-Ferintosh area posed a question to me. She asked me why no one was doing anything. We have shown the genetic lines, we have done the testing and the CFIA has done its job but there seems to be no plan B.

One of the comments that the member for Miramichi made was that we should begin to question the feeding of animal byproducts,

bone meal and others, to other animals that will be put into the food consumption.

If the member believes the producers of our nation are saying that we should ban all animal byproducts being fed to other animals for human consumption and if he believes that consumers here and around the world are asking for the same thing, then why has the government not stepped forward and said that this is something that perhaps it should consider?

It seems that the government is very reactive but not very proactive. We have seen cases like SARS where there was no plan. The BSE issue has no plan. What happens if the border does not open?

Would the member recommend to the minister of agriculture that we stop all animal byproducts from being fed to other animals that are going to enter the human food chain?

• (2250)

Mr. Charles Hubbard: Mr. Chair, I certainly would agree with that. I believe this country produces enough vegetation so that we have good protein in our soy beans and so forth. It would improve our agricultural sector generally. We should get away from the concept of feeding parts of animals to other animals. I agree with that. It is only a suggestion to the minister but it is my position.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Chair, in eastern Ontario our beef producers are mainly cow-calf operators, that is, we either stock other herds with calves or we sell our cull cattle, the animals that no longer breed.

Since this single case of BSE was discovered, the trade crisis in the meat industry has caused the downward spiral in prices to the farmer. I emphasize that this is a trade crisis; there is no epidemic of BSE going on here. For example, last year at this time, stocker calves were going for \$1 to \$1.15 a pound. Now they are down to 75¢ a pound. That is 25¢, so one might say big deal, but if we multiply that by 500 pounds in the animal and then even to just 10 animals in the herd, that particular farmer is out of pocket by \$12,500. So not only is the family farm not making a living; it is costing them money to stay in business.

Where the insult to injury comes from is the fact that consumers are still paying top dollar for their meat. Most consumers are oblivious to the fact that the people who raise the food they are eating off their plates tonight are being forced into bankruptcy because the money that consumers are paying for their food is going to those who are using the Liberals' flawed system, and they are getting very rich off that.

The farmers are losing money by keeping their animals alive. They have to feed them and house them, but by selling them for less than they bought them for they lose a whole lot more money all at once. Yet the price in the grocery stores, aside from the weekly specials, remains the same.

Somewhere between the auction barn and the grocery shelf, someone is pocketing a huge chunk of change. These people, the companies and the shareholders, are profiteering off the hard work of those who make enormous sacrifices to ensure that we have safe, wholesome food to eat.

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Canada is constantly on the international stage, championing the cause of third world farmers, but why is this government allowing our own people to be exploited? Once we take the time to see who is making the big money off the family farm—because it certainly is not the farmers—then maybe we can compare this list of profiteers to the list of Liberal campaign contributors and see whether or not there is any overlap there. Maybe it is payback time for the people who helped this government get into power.

There have been announcements about hundreds of millions of dollars going into farm aid, but that is all they are: they are just announcements. The money never got to the people who needed it. For some people, some family farmers, even if the money ever came through, now it is too late.

Right now we are seeing the trickle down effect in job losses from the sectors that service the agricultural industry. Just today, farmers in my riding received a letter from a local equipment salesman announcing that the company was closing the Pembroke branch of its supply store. And in a county where jobs are hard to come by, we notice every job that is lost. This is expanding far past the farm.

Even dairy producers, who have the benefit of supply management, are defaulting on their payments. The meat producers who have off farm jobs can only handle putting their off farm income into their losing proposition with cattle farming for so long. For those who depend entirely upon livestock for their income, the situation is desperate, and desperate people do desperate things. These hundreds of millions of dollars going into food safety would be going to waste if uninspected meat gets into our food chain.

• (2255)

In Renfrew—Nipissing—Pembroke, we have several committees going. The warden, Bob Sweet, is leading the “Save Our Beef” committee; its members have dubbed themselves the SOBs. They are pressing for every animal to be tested. Right now we do not have the infrastructure to do that. If we did do it, our U.S. counterpart would freeze us out of the market because we would be too far ahead and they would never catch up. They do not even have the animal identification in place.

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Chair, I listened very carefully to what my hon. colleague across the way said this evening because I am sure that she is very concerned with the way that this money has passed from government into other people's hands. She has intimated that the money has gone into the wrong hands. For some reason, she believes that some of the money has gone back to feed the Liberal Party of Canada. I do not know how that correlation can be arrived at, but somehow I got that message from her message to us this evening.

I wonder if she could tell us how she feels that this money that we believe we delivered to farmers could have been delivered in a more effective way so that the farmers could have put that money in their pockets. I am also wondering whether she could tell us who she thinks made all this money, given that some of the money has gone into someone's hands. Who are those people and organizations that have this money and could give it to the Liberal Party of Canada?

Mrs. Cheryl Gallant: Mr. Chair, first of all, I did not say that the money went directly back into the Liberal Party of Canada, but it is interesting that the government member would say that.

I did not get a chance to talk about solutions. One of the options that we do have to look at is going to our different markets, if we can get an agreement in writing that if we take certain measures they will accept our cattle. For example, we have the 30 months and older cull cattle. If the other markets would agree to take our animals if we had them tested, that would be one solution. We could actually get something in return for putting the money into the testing.

The agriculture ministry says no to that because the tests are not conclusive, but there is a new test available that is being used in the European Union. It has no false negatives and the turnaround time for results is five hours. That could be implemented in Canada if we were to get an agreement that one of the criteria being met is that cattle over 30 months of age will be tested.

Mr. Rick Casson (Lethbridge, CPC): Mr. Chair, the hour is late here in the House of Commons, but it certainly is a lot later on many of the farms and in many of the businesses across this country that rely on agriculture for their income.

May 20 and December 23 of 2003 are days many in this country will never forget. These of course are the dates on which two cases of BSE were discovered in North America, one in Canada and one in the United States.

The fact that there is a border between each case is immaterial. Or it should be immaterial. The fact is that the Canada-U.S. border remains closed to trade in live cattle due to politics, not science. All the scientific evidence has proven that beef in North America is safe and the best food safety protocols in the world are in place to ensure that it stays that way.

Why then do we have restrictions that are hampering the free trade of cattle, beef and other ruminant products? We can talk about the poisoned relations between Canada and the United States, a relationship that I personally think needs much repair. We can talk about the abuse of international protocols by many countries, including our own. We can talk about unexplored markets around the world, which would help ease our dependence on the U.S. market. All of these issues are part of the problem. However, what is it that is needed to return a once vibrant growth industry back to its pre-BSE status?

Because this is a take note debate, I want to offer some suggestions to the government to bring this crisis to an end and to end the pain that is being felt in many businesses in Canada, both on and off the farm.

The first is to harmonize the health standards in North America. That includes Canada addressing the fact that we do not allow U.S. feeder cattle into Canada on a year round, untested basis. This of course addresses the issue of bluetongue and anaplasmosis.

The second is to seek agreement from the international community through the OIE to completely exempt cattle 30 months and younger from any negative trade action.

Government Orders

The third is to examine the feed protocols and ensure there is absolute compliance.

The fourth is to establish world confidence in beef from mature animals by targeting any new testing where it will do the most good and in realistic quantities that leave no doubt our process is the safest in the world. This would create demand and give value to our mature animals.

The fifth is to control imports of beef to maximize the use of mature animals from Canadian producers and increase inspections of imported beef to guarantee its quality and to guarantee its origin.

The sixth is to implement the task force that the chairman of the agriculture committee mentioned previously and which was recommended by the Standing Committee on Agriculture and Agri-Food to look into the cattle industry. I suggest that we look at the entire industry, from cow-calf operations to retail sales, to ensure that the industry operates on a fair and equitable basis. This task force could also include in its mandate the issue of slaughter capacity and limited packer options.

The seventh I have mentioned to the minister previously. It is to change the disaster component of the CAISP program to include BSE as a natural disaster. This would give the producers one more level up in the help that they would receive.

But my final offering to this government is to do whatever is necessary to get the border open to trade in live cattle and to start by getting the bureaucrats out of the way. They have done their job. Now they are only hindering the process. I say through you, Mr. Chair, to the minister that if they will not get out of the way, I suggest that he move them out of the way. We have a problem in the bureaucracy in this ministry and it has to change. If they will not go, make them go.

I referenced a letter today from the president of the CFIA to a producer in my riding. Some of the statements in it are absolutely irresponsible. I would also like to mention the comment period that the CFIA has established in dealing with the rules to change the health standards on bluetongue and anaplasmosis. That is a farce. It is a thinly veiled attempt by the CFIA to keep the status quo and keep the border closed to live cattle from the U.S. on a year round basis. That has to change.

• (2300)

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Chair, my hon. colleague who just spoke talks about implementing the task force that the all party committee recommended. Certainly I do not disagree with that, but that is hindsight. We are going back over the problem. Unfortunately, the problem is compounding as we speak.

I ask my colleague, what about the cash flow situation that we are facing now? Does he have any direction for the government in getting out the money that it talked about? There were the \$100 million in the cull cow program, the \$600 million transition from NISA accounts, the CAISP program and the CFIP program, all this cash that the government says is in play. Where is it? My farmers are not seeing it. Are my colleague's?

Mr. Rick Casson: Mr. Chair, there is one instance that was brought to my attention. This business has lost equity of \$6 million this year. The reference margins that were supplied to him at 70%

would return to him \$1.4 million through this process. How does that work out when he has lost \$6 million and the program will only give him back \$1.4 million? This is if he puts up a substantial sum of money in the beginning.

I have a headline from the *Lethbridge Herald*, "Bankruptcies Soar: Huge increase in numbers from ag related businesses attributed to mad cow disease".

I also have quotes here from constituents, families that have sent them to me. The first one states, "We are really up against the wall. If we don't receive an answer from you within the next week, I fear we will lose everything". This is from a family trucking business. Another quote states, "We find ourselves in an increasingly desperate situation. As a small producer we are certainly bearing the brunt of the BSE crisis". The final one states, "My days in business are numbered. Please, I need your help".

I just leave that with the minister. These are real people, real families and they are in a real bind. They need some help and they need it now. The program that was put in place, that money went right through their hands and we all talked tonight about where it ended up.

Any program that is designed from here on in has to stop at the producers level so they can get the trucking industry going, so that they can get the welders, the machinists and the mechanics going. It cannot just slip through their hands and everyone lose equity in this business and no one can open their doors in the morning.

• (2305)

Mr. Loyola Hearn (St. John's West, CPC): Mr. Chair, we just came from a meeting with the restaurant caucus. We talked about all of those who are affected. Sometimes we do not know how far the loss in this industry extends. When we talk to these people and stop to think about it, where does the beef usually end up? Besides what we buy personally, a lot of it ends up on the tables in the hotels and restaurants around the country. These people are hurting also and they are encouraging government to do exactly what the member is asking: let us get the industry going again.

I just wonder, from the member's own experience particularly in the west, are the restaurants, the hotels and the eating establishments having the same problem that all the ones we spoke to tonight seem to be having?

Mr. Rick Casson: Absolutely, Mr. Chair. This problem has seeped out and spread out into all aspects of the economy. I do not think there is anyone not in trouble. Over the last couple of weeks I have had the opportunity to visit a number of businesses and there is not one that I went into that is not in trouble.

Government Orders

One in particular has been operating very well for 25 years. What has happened is this was not a slow decline that could be predicted in the economy that dropped off the table, their business just stopped. They have no means of recovering or handling that. This is why they are looking to the government for some help.

People in the cattle industry are proud people. They do not ask for a handout when they do not need it and if they get through this, they will never ask for another one. When they are up against the wall and they are struggling for their very survival, I think it is time we stood back and had a look.

The atmosphere in this industry is poisoned. I do not know how we are ever going to get investors back into the industry. If another case of BSE were to happen next year and it did all of this to us again, people will stay away. We have to somehow put a regime in place that will not allow this to ever happen to us again. I do not care how many cases of BSE we find, we have to put the protocols in place that allow this country and allow the international community to deal with this in a sane and level manner.

Hon. Bob Speller: Mr. Chair, I rise on a point of order.

When I agreed to do my questions and comments which actually took a little longer than a half hour, I was guaranteed that our last speaker would in fact get on the list. I hope that is still the case. We have only about 10 minutes left and we do have one more speaker.

The Deputy Chair: I can inform the hon. minister that there is approximately six minutes left as per the order that was agreed to yesterday.

Resuming debate, the hon. member for Edmonton Southeast.

Hon. David Kilgour (Edmonton Southeast, Lib.): Mr. Chair, on the point just discussed by my colleagues opposite, Canadians are showing great confidence in our beef safety systems. I understand that we are consuming about 60% more beef in restaurants everywhere across the country since the crisis began. What an act of national solidarity with our beef producing families.

Canadian agri-food products are sought in more than 180 countries for their high standards of safety and quality. When the international team of scientific experts came to review our handling of BSE last June, they gave us very high marks in the thoroughness of the investigation. That should come as no surprise because Canadian agriculture, specifically the Canadian beef industry, has done a great many things right when it comes to food safety and food quality.

For example, the quality starts here with the assurance program the Canadian Cattlemen's Association piloted in the 1990s. Our national cattle identification program is unique in North America and is seen as a model for the U.S. and other cattle producing countries. The Government of Canada has been a partner in these initiatives and others, aiming to secure our reputation for safe, high quality beef.

We have supported significant investments and in kind support through programs such as the Canadian on farm food safety program. We have launched the \$62 million Canadian food safety and quality program which supports initiatives such as the HACCP based systems for on and off farm as well as work on food quality and traceability.

Last month the Minister of Agriculture and Agri-Food announced further measures to make a safe system even safer. The government is investing more than \$92 million toward enhanced animal surveillance and national animal identification. That funding will go in part to increase animal testing beginning with the testing of 8,000 head a year this year, rising to 30,000 within a few years.

In short, Canada has taken a science based approach, including the banning of cattle from the U.K. in 1990, BSE surveillance in 1992 and a ruminant feed ban in 1997. Canadian beef is probably the safest in the world.

Canada has addressed almost all of the key recommendations from the international team of scientific experts and we are continuing to evaluate and address the others. There is no reason, as all members in the House would agree, why trade should not resume. This is consistent with the recommendations against irrational trade barriers in the international review panel report released today.

Because this is a crisis, it is a priority for all of us in all parts of the country. We have raised BSE with our key trading partners at the highest levels, including our Prime Minister speaking with President Bush. I believe he spent more time on this issue than any other issue in his bilateral talks with the president.

The efforts are bearing fruit. Earlier this month the agriculture ministers in the U.S., Mexico and Canada promised to work together to show global leadership on the issue. South Korea and Japan have agreed to work closely with Canadian food safety and veterinarian officials to address any safety concerns. In short, we are making progress on the international level and all of us hope that it continues.

● (2310)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC): Mr. Chair, I congratulate the member and all members present who have partaken in this debate. It is a very timely one. Many Canadians were left with the impression that much of the concern and much of the terrible fallout and effects of the BSE crisis were just starting to wane when of course another animal was identified and linked to Canada. So I am very pleased to see that the Parliament of Canada has brought this forward in the first week of our return.

My question for the hon. member opposite is with respect to a North American approach. He referenced the restaurants and hotels, and my colleague from St. John's West referenced this as well. This is an approach that obviously is going to have to follow the protocols, the science, the efforts made now to an integrated approach that will allow for the early prevention and identification of BSE. Ensuring that consumer confidence is restored is another aspect that I know the minister himself has concerned himself with.

Government Orders

To the hon. member opposite, does he believe that part of the grand scheme, the strategy that has to follow here, is going to involve a great deal of cooperation with the United States and Mexico to ensure that there is a North American approach taken to this situation?

Hon. David Kilgour: Mr. Chair, the member for Lambton—Kent—Middlesex referred earlier to the Canadian Cattlemen's Association and the international panel on the U.S. investigation into the BSE cow in Washington. I believe the report came out this evening.

The report is favourable toward Canada's position. The report emphasized the integrated nature of the North American cattle industry. It says that the United States cannot dismiss the Washington state case by considering it an imported case. The international report also calls upon the U.S. to demonstrate

leadership in trade matters by adopting import-export policies in accordance with international standards, and I assume that means Mexico as well, thus encouraging the discontinuation of irrational trade barriers when countries identify their first case of BSE.

● (2315)

The Deputy Chair: It being 11:16 p.m., pursuant to order made Tuesday, February 3, the committee will rise and I will leave the chair.

[*Translation*]

The Acting Speaker (Mr. Bélair): Consequently, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 11:16 p.m.)

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