



CANADA

House of Commons Debates

VOLUME 139 • NUMBER 019 • 3rd SESSION • 37th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Thursday, February 26, 2004

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, February 26, 2004

The House met at 10 a.m.

Prayers

•(1000)

[English]

PRIVILEGE

COMMENTS OF DEPUTY PRIME MINISTER

Mr. Garry Breitkreuz (Yorkton—Melville, CPC): Mr. Speaker, on February 19, I raised a question of privilege and accused the Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness of misleading the House. During my remarks, I provided you with an account of the events as they were related to me by officials at the CBC, an account that differed from the explanation provided by the Deputy Prime Minister in her point of order on Friday, February 20.

On Tuesday, February 17, the producer of the *Zone Libre* show at CBC assured me by phone and e-mail that no one had called from the Canada Firearms Centre or from the minister's office.

After I informed her that I was going to raise the matter in the House of Commons, she double-checked and, in another e-mail received on Wednesday, February 18, the CBC producer assured me that they had not received a call from the government asking for their calculations. Based upon this information, I sent you notice and raised my question of privilege in the House on Thursday, February 19.

Since the Deputy Prime Minister provided her officials' versions of the communication between her department and CBC last Friday, I asked CBC to check their records again.

Yesterday the CBC producer of the *Zone Libre* segment on the gun registry provided the following explanation. I would like to give you this quotation and read it into the record:

Irene Arseneault, media relations for the Firearms centre, left a phone message on Anne Panasuk's office voice mail Sunday February 15th with questions regarding *Zone Libre*'s content.

Anne P. picked up the message on Monday morning on arriving to work. Ms. Arseneault's message did not refer to [the Deputy Prime Minister] nor the urgency of Monday's question period so we did not associate this call with the Deputy Prime Minister.

Anne and I received no other calls from the government on Monday. Anne P. was unsuccessful in reaching Ms. Arseneault on the phone so she responded by e-mail Monday afternoon, (i.e. after question period). And we have not heard from Ms. Arseneault since. But this may be the call to which [the Deputy Prime Minister] was referring.

We have never objected to giving the details of our calculations and indeed have done so in the days that followed specifically to the office of the Deputy Prime Minister, when the request was clearly made by her office on the following Wednesday, February 18th.

That is the end of the quotation.

Now that the full facts are known about the exchange of the phone calls and e-mails between the CBC, the Canada Firearms Centre and the Deputy Prime Minister's office, I revisited the statement made by the Deputy Prime Minister in response to my question on Monday, February 16. It is clear now that someone from the minister's department did call *Zone Libre* and left a message, so the minister was correct on that point. It is also clear that CBC's *Zone Libre* never did refuse to provide their calculations of the \$2 billion expenditure on the firearms program.

Given the confusion over the communication between the CBC and the department and the minister's office, I am prepared to concede that the minister's officials may have simply used a poor choice of words when advising the minister about why they did not have the CBC's calculation by the time question period started.

Given that mistakes were made on all sides, I am prepared to concede that the Deputy Prime Minister was answering my question with the best information available at the time, just as I was presenting the most factual information I had available at the time I raised my question of privilege. Had CBC provided me with the information that they had in fact received a call from an official in the firearms centre on Sunday, February 15, I would not have raised a question of privilege.

Consequently, I withdraw my question of privilege. I apologize to the Deputy Prime Minister, to the Speaker, and to the House of Commons. I am sorry.

•(1005)

The Speaker: I thank the hon. member for Yorkton—Melville for his usual thoroughness in reviewing this matter. I thank him for clearing up the matter for all members.

DOCUMENT TABLED BY PRESIDENT OF THE TREASURY BOARD—
SPEAKER'S RULING

The Speaker: I am now prepared to rule on the question of privilege raised by the hon. member for Calgary Southeast on February 23, 2004, concerning a document tabled by the hon. President of the Treasury Board and Minister responsible for the Canadian Wheat Board.

Routine Proceedings

I thank the hon. member for Calgary Southeast for having raised this matter as well as the President of the Treasury Board and Minister responsible for the Canadian Wheat Board for his comments. At issue was the question of whether the President of the Treasury Board misled the House by claiming that a document he had tabled supported his contention that a grant had been made to a firm in the riding of the hon. member for Calgary Southeast.

The House may find it helpful if I first summarize the background of the question before us. On Wednesday, February 18, 2004, in response to a question concerning the sponsorship program posed by the hon. member for Calgary Southeast, the President of the Treasury Board cited a document which he claimed showed that a grant from the program had been received by the hon. member.

• (1010)

[*Translation*]

Following question period, the hon. member for Calgary Southeast rose on a point of order and stated that he had not received any such grant and requested that the President of the Treasury Board retract the inaccurate remark.

[*English*]

The President of the Treasury Board then stated that the grant had in fact been made to an organization located in the riding of the hon. member for Calgary Southeast. Following a further request from the hon. member for Calgary Southeast, the President of the Treasury Board tabled the document he had cited concerning the awarding of the grant.

After examining the document tabled by the President of the Treasury Board, the hon. member for Calgary Southeast raised a question of privilege on February 23, 2004. The hon. member for Calgary Southeast stated that a document tabled by the President of the Treasury Board had shown that the reply given to an oral question was false. He therefore accused the President of the Treasury Board of deliberately misleading the House.

The President of the Treasury Board, in replying to the charge against him, maintained that the document in fact supported his position and that an organization in the hon. member's riding had received grants under the sponsorship program over a number of years.

There is clearly a disagreement about how the contents of the document tabled by the President of the Treasury Board are to be interpreted. As hon. members know, it is not the Speaker's role to adjudicate on matters of fact. This is something on which the House itself can form an opinion during debate.

Hon. members will know that a number of questions of this nature have been ruled on by the Chair in recent weeks. It is of course my duty to give members the opportunity to bring forward any suspected violations of our rules and practices through the raising of points of order or questions of privilege, but I am also concerned that the raising of such questions should not become a means to debate what the rules of the House ought to be.

If members are dissatisfied with the rules, they have a variety of means at their disposal to address these issues. Without interfering with the right of hon. members to signal a suspected breach of the

rules, I also have a duty to see that the proceedings are not delayed or interrupted unnecessarily. Members will therefore understand that I may, on some occasions, render prompt and succinct decisions in cases of disputes as to facts such as this one, when it is clear to me that no violation of our rules or practices has in fact occurred.

ROUTINE PROCEEDINGS

[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

Hon. David Price (Parliamentary Secretary to the Minister of National Defence, Lib.): 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 Canadian NATO Parliamentary Association.

This is the report of the official delegation that represented Canada at the annual session of the NATO Parliamentary Assembly held in Orlando, Florida, from November 7 to November 11, 2003.

* * *

[*English*]

COMMITTEES OF THE HOUSE

OFFICIAL LANGUAGES

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the first and second reports of the Standing Committee on Official Languages.

[*Translation*]

In accordance with its orders of reference on February 19 and February 24, 2004, the committee has considered Vote 25b under Privy Council in the Supplementary Estimates (B) for the fiscal year ending March 31, 2004, as well as Vote 30 under Privy Council in the Main Estimates for the fiscal year ending March 31, 2005, and reports the same.

* * *

[*English*]

EXCISE TAX ACT

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP) moved for leave to introduce Bill C-488, an act to amend the Excise Tax Act.

She said: Mr. Speaker, I am pleased to introduce this private member's bill which seeks to eliminate the goods and services tax on feminine hygiene products.

The GST on tampons and sanitary napkins amounts to gender-based taxation. Taxing essential and necessary products used exclusively by women is unfair and discriminatory. It unfairly disadvantages women financially solely because of our reproductive role.

The bill would benefit all Canadian women at some point in their lives and would be of particular value to lower income women.

Routine proceedings

I urge all members to support this initiative.
(Motions deemed adopted, bill read the first time and printed)

* * *

• (1015)

POINTS OF ORDER

BILL C-472

Hon. Roger Gallaway (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise on a point of order. On February 5 a private member's bill, Bill C-472, was introduced in the name of the member for Winnipeg Centre. At that time you invited comments to be made.

Bill C-472 is entitled an act to amend the Income Tax Act with regard to the deductibility of fines. It proposes to amend the Income Tax Act by removing provisions for the deductibility of fines or penalties imposed by law. I suggest that this private member's bill should be dropped from the Order Paper for the following reason.

The 2000 edition of Marleau and Montpetit *House of Commons Procedure and Practice* on page 898 speaks to a private member's bill of this nature on this point. It states:

With respect to the raising of revenue, a private Member cannot introduce bills which impose taxes. The power to initiate taxation rests solely with the government and any legislation which seeks an increase in taxation must be preceded by a Ways and Means motion. Only a Minister can bring in a Ways and Means motion.

This is laid out in Standing Order 83.

Bill C-472 was not preceded by a ways and means motion.

On the same page, Marleau and Montpetit cites the following exceptions:

—private Members' bills which reduce taxes, reduce the incidence of a tax, or impose or increase an exemption from taxation are acceptable.

If Bill C-472 is passed, it purports to remove deductions from the Income Tax Act thereby decreasing or eliminating an exemption from taxation. This would increase revenue to the consolidated fund. Therefore it does not fall under the exceptions outlined by Marleau and Montpetit.

I would point out that on April 10, 1997, a very similar private member's bill, Bill C-324, calling for the removal of a tax deduction, was before the House. Upon a point of order raised at that time, the then acting Speaker read the following quote from page 821 of Erskine May's 20th edition:

Matters which are covered by the term 'charges upon the people' may be briefly summarized as... (2) the repeal or reduction of existing alleviations of taxation such as exemptions or drawbacks.

Before Bill C-324 at that time was summarily dropped from the Order Paper, the Speaker again at line 9581 of that day's *Hansard* stated:

—where there are such changes [to the Income Tax Act] it would appear that ways and means proceedings are necessary and the full scope, that is a resolution, would have to be introduced first, followed by the bill.

I would say that Bill C-472 crosses the bounds set for private member's bills and should be ruled out of order and dropped from the Order Paper.

The Speaker: I thank the hon. parliamentary secretary for his comments. I will take the matter under advisement and return to the House with a ruling in due course.

* * *

BUSINESS OF THE HOUSE

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, discussions have taken place between all parties concerning the motion for third reading of Bill C-10 as listed on today's Order Paper.

The Order Paper lists the said motion as moved by Mr. Cotler, Minister of Justice, and seconded by Mr. Assadourian, Brampton Centre. I believe that you would find unanimous consent to have the bill listed as being seconded by Mr. Bagnell, Parliamentary Secretary to the Minister of Indian Affairs and Northern Development.

The Speaker: Is there unanimous consent for the change in the Order Paper as indicated by the deputy House leader?

Some hon. members: Agreed.

[Translation]

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I believe you would find consent for the following motion:

That, at the conclusion of today's debate on the Conservative Opposition Motion, all questions necessary to dispose of this motion be deemed put, a recorded division deemed requested and deferred to the end of government orders on Tuesday, March 9, 2004.

• (1020)

The Speaker: Does the hon. Deputy Leader of the Government in the House of Commons have unanimous consent to present the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

[English]

PETITIONS

MARRIAGE

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, pursuant to Standing Order 36 it is my privilege to present to the House a petition, signed by over 200 Canadians, dealing with marriage.

The petitioners call upon Parliament to reaffirm, as it did in 1999, that marriage is and should remain the union of one man and one woman to the exclusion of all others.

The petitioners pray and request that the Parliament of Canada take all steps possible to preserve and protect this traditional definition of marriage which has deep historical roots in our country.

Supply

[Translation]

PUBLIC TRANSPORTATION

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition signed by over 60,000 residents of the greater Montreal area.

As part of its “Laissez-nous respirer”, or let us breathe, campaign, the Quebec coalition for public transit, which started this petition, is calling on the Canadian government to commit to fund public transit, not only to eliminate the operating deficits of Quebec transportation companies but, more importantly, to give them the means to develop and improve services.

[English]

MARRIAGE

Mrs. Elsie Wayne (Saint John, CPC): Mr. Speaker, I have two petitions this morning having to do with protecting the moral good of society which is a natural and serious obligation of elected officials and cannot be left only to religious leaders and institutions.

The defence of traditional marriage as the bond between one man and one woman is a serious moral good. The petitioners state that marriage is the lasting union of a man and a woman to the exclusion of all others and it cannot and should not be modified by a legislative act or a court of law.

They state that the recent rulings of the appeal courts of Ontario and B.C. redefining marriage to include same sex partners destroys traditional marriage in law and endangers Canada's social stability and future vitality and health.

The petitioners request that Parliament take whatever action is required to maintain the current definition of marriage in law, in perpetuity and to prevent any court from overturning or amending the definition.

CANADIAN FORCES

Mr. Scott Reid (Lanark—Carleton, CPC): Mr. Speaker, I have two petitions to present today.

The first petition draws the attention of Parliament to the fact that personnel strength in the armed forces has dropped by 30% over the past decade; that much of our military equipment, particularly our Leopard tanks and the CF-18 Hornet aircraft and, most notably of all, the Sea King helicopter, are badly in need of replacement or of upgrading; and finally, that we lack the airlift and sealift capability overseas.

Therefore the petitioners request that the Government of Canada accelerate increases to the defence budget and ensure that an additional \$1.2 billion per year go toward defence in the future.

BILL C-250

Mr. Scott Reid (Lanark—Carleton, CPC): Mr. Speaker, my second petition calls upon Parliament to express its disapproval of Bill C-250. Obviously that is not of complete relevance to us today as that bill has gone through the Chamber. However on the assumption that our hon. colleagues in the other place pay attention to petitions that are presented here, perhaps they will take note of this petition.

MARRIAGE

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, I am in receipt of petitions from 25,000 citizens of London, Ontario and the area around London, Ontario. I present now the latest 2,000 such signatures that have been through the process.

These petitioners call on the Government of Canada and the Parliament of Canada to uphold marriage as the union of one man and one woman to the exclusion of all others.

The petitioners note that marriage between a man and a woman is by far the best alternative for the raising of families. They ask the Government of Canada to uphold this most sacred and historic of Canadian institutions.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, I add today the names of another 472 petitioners from my province of Saskatchewan urging Parliament to pass legislation that recognizes marriage as a lifelong union between one man and one woman to the exclusion of all others.

* * *

● (1025)

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 Acting Speaker (Mr. Bélair): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—AGRICULTURE

Hon. Grant Hill (Macleod, CPC) moved:

That the government reallocate its resources from wasteful and unnecessary programs such as the sponsorship program, or badly managed programs such as the gun registry, to address the agricultural crisis at the farm gate across Canada.

He said: Mr. Speaker, for those watching parliamentary proceedings today, an opposition day is when opposition parties put forward a particular proposition and debate it. The Conservative Party of Canada, as the foremost party in relation to support for rural Canada, has taken that opportunity today. I have 20 minutes to speak on a topic that I could probably spend 20 hours on.

Supply

The fact that there is an agricultural crisis in our country is not news to the families who live in rural Canada. I represent a riding that is predominantly rural. The folks in my riding tell me so plainly that this is not news to ranchers. Some of them are being forced into bankruptcy, watching decades of hard work go down the drain, largely because the U.S. border is closed to traffic for their products.

It is not news to sheep farmers as they watch their lambs fatten into less marketable sheep with every passing day. They do not even have the option of sending their culled ewes and rams to eager buyers in Mexico because the U.S. border remains closed.

Thousands of farm families across Canada face financial ruin, if they have not already been forced into bankruptcy.

Imagine for a moment those farmers or ranchers. Through no fault of their own, they will lose their farm—a business that has probably been in the family for generations. They held on for 10 long months since the U.S. border was closed. They looked to the federal government for assistance to save the farm—some help for the individual producer. They looked for a sign that Liberal Ottawa recognizes that a multi-billion dollar industry is about to collapse.

What do we see? We see Canada's new Prime Minister, fresh from his coronation by the Liberal Party, failing to even mention the phrase BSE in the throne speech. We hear rhetoric from the Prime Minister, telling Canadian food inspection agency officials at a photo op in Edmonton that re-establishing international markets for Canadian beef is a national priority.

What are the actions? Where is the emergency aid to help producers get through this crisis? Where are the cash advances for individual livestock producers?

I guess that Haldimand County dairy farmers in the agriculture minister's riding, or farm families near Sedley, Saskatchewan in Wascana, the finance minister's riding, need to be as well connected as B.C. Liberal Jamie Kelley in order to get money from the federal treasury. That is sad.

Then there is the Prime Minister going around the country claiming that he is as mad as Hades that millions of dollars of taxpayers' money was wasted in what one of the Minister of the Environment's assistants called a secret Liberal slush fund.

Watching all this bluster, farm families must wonder: where is the Prime Minister's moral indignation and anger over the fact that thousands of Canadian farm families may have to leave the rural life because of the BSE crisis, years of drought, or ever-thinning profit margins; and what happened to the commitment the Prime Minister made last May when he said that we must show real support and respect for our farmers and their families, and show our appreciation for the burden they carry in contributing to Canada's growth and wealth?

A good place for the Prime Minister to start would be for him to train his eye on the motley collection of poorly designed agricultural programs that the Liberals have foisted on farmers, ranchers and fruit growers year after year.

Here are a few helpful suggestions for the Prime Minister and the Minister of Agriculture and Agri-Food.

First, direct the bureaucrats in the Department of Agriculture and Agri-Food to listen to what farmers and industry representatives have to say so that federal farm programs function in a way that helps rural Canadians as they grow our food and contribute to the wealth of our nation.

Second, do not seek the input of the agricultural industry and then turn around and give lip service to its concerns while a program is being developed behind closed doors back in Ottawa. Seeking input from farmers should be more than just a public relations exercise.

These common sense ideas should have already been part of the real respect that the Prime Minister promised his new Liberal government would show farmers. He made this promise last May, days before BSE was discovered in just one animal on May 20.

- (1030)

While I am on the subject of BSE and agriculture policy, I would like to remind my friends across the way that it does not exhibit good governance when the Liberals use a national crisis like BSE to blackmail the provinces into signing the agricultural policy framework.

Canadian Federation of Agriculture President Bob Friesen summed it up during an interview last June with the *Western Producer* when he stated:

It is beyond imagination that the minister would tie a program he cannot sell to farmers and provinces to the BSE crisis to win more support.

That is so sad.

In light of the sponsorship scandal, where false invoices and contracts, and in many cases no contracts, were used to funnel \$100 million of taxpayers' money into a secret Liberal slush fund, the term "beyond imagination" will never again be adequate enough to describe the corrupt practices of the Liberal government.

Hon. members on this side of the House will continue to point out where \$100 million in taxes could have been better spent. At the very least, all that money should have been used for the benefit of all Canadians, not just the buddies of the Liberals.

Opposition MPs have constantly criticized the Liberal government for years about wasting taxes—money, I remind everyone, that farmers, fellow small business owners and millions of other Canadians have worked very hard to earn.

Here is a litany of Liberal waste that sadly illustrates government contempt for the taxpayer: the HRDC boondoggle; the fuel rebate program that sent cheques to prisoners and the deceased while low income Canadians received nothing; and the continuing saga of the gun registry, making criminals out of duck hunters who are honest individuals.

Supply

Is it any wonder that when the finance minister was asked recently about the upcoming government budget he was reported in the *Toronto Star* as saying that money is fairly tight; however, not for programs and not for friends.

With regard to the supply day motion before the House today, it is obvious that the Liberals should have taken better care of the money in their charge. These funds could well have been spent on agriculture programs. Agriculture programs, by the way, that are better designed than the federal government's recent initiatives, like those to compensate producers for the severe effect that BSE has had on the livestock industry.

Let us take the \$120 million federal cull cow and bull program, for example. This program was not announced until international borders had already shut out Canadian livestock producers for six months.

When the borders slammed shut, a huge backlog of slaughtered cows was created. To make matters worse, the federal cull cow and bull program was so badly developed that British Columbia and Alberta, two of the largest provinces when it comes to ranching, refused to join up. Industry representatives roundly criticized the federal cull program as well.

Poorly designed national agriculture programs are not solely a product of the BSE crisis. The agriculture industry across Canada is getting used to cumbersome, underfunded farm programs being put forward by the Liberal government.

Instead of focusing on getting federal assistance to the farm gate, the Liberals seem driven to introduce a whole range of anti-rural policies that are designed to harass farmers, not help them.

For example, \$630,000 was budgeted in the supplementary estimates for 2003-04 under Environment Canada to implement the Species at Risk Act. However, the federal government still will not guarantee compensation to landowners whose land is taken out of production in order to protect wildlife habitat.

The Liberal government will also not provide any assurance that farmers will not carry the majority of the burden regarding environmental issues relating to the Kyoto accord. The question is still out as to whether the government will reintroduce new animal cruelty legislation that may leave farmers at the mercy of litigant hungry animal rights extremists because they practise time honoured animal husbandry practices.

Why have the Liberals not made agriculture spending a higher priority during their decade in power? Could it be that they do not represent very many of the agricultural ridings in this country?

Let us start by looking at the agricultural policy framework, the flawed flagship of Liberal farm policy, better known as the APF.

● (1035)

When the former Prime Minister and the former agriculture minister, the member for Prince Edward—Hastings, announced a five year \$5.2 billion investment in agriculture at an eastern Ontario farm in June 2002, there was quite a bit of fanfare until it was recognized that this funding was actually a reduced funding commitment from the prior funding.

I can go through the figures; however, because time is relatively tight in this debate I will not go through all the figures.

Why is this issue such a blind spot for the Liberal government and its bureaucrats? Why did the Liberals fail to provide compensation to the grain and oilseed producers who bear the burden of trade injury—trade injury, of course, because of issues offshore that our farmers have absolutely no control over?

It is the Liberal government that has dropped the ball on the international trade file. Trade is a federal responsibility. Provinces should not be asked to pay for trade injury compensation.

Ottawa must break out of the mindset that says grain and oilseed farmers should fight other countries' agricultural subsidies by growing commodities that are not impacted by foreign governments.

When the member for Wascana was the Minister of Agriculture and Agri-Food, he told farmers who looked to the federal government for assistance that they would just have to diversify their operations.

Farmers did exactly that, not because of his advice, but because they are wise enough to know that is the way to go. The growers and processors of pulse crops built up a vibrant industry. Six years ago Canada's crop was only 10% as large as that of the U.S. In 2003 that number has risen to 28%.

However, the inclusion of peas, lentils and chickpeas in American subsidy programs introduced in 2002 means that Canadian farmers have to contend again with the impact of the U.S. treasury subsidizing another set of commodity prices.

Our farmers and the thousands of secondary businesses that depend on a strong agriculture industry do not have an infinite capacity to deal with factors beyond their control. They are factors such as the continuing closure of the border because of a case of BSE in the State of Washington, years of drought, and the effect of those foreign subsidies.

Agriculture and Agri-Food Canada economists state that, for the first time since records were kept in the 1920s, realized net farm income across Canada will be in the red. What a tragedy in this country.

One of Canada's prominent agriculture journalists put it this way "The farm economies of Alberta and Saskatchewan are awash in red ink".

[Translation]

This is also true for Quebec. Indeed, that province is experiencing the same problems as the other provinces of Canada.

Supply

[English]

Alberta's loss in realized net farm income amounted to \$230 million in 2003. In Saskatchewan farmers were \$465 million in the red last year. Realized net farm income in Ontario was also in the negative, to the tune of \$44 million. The farm income losses on the Prairies last year were worse than the statistics during the great depression in the 1930s.

The Prime Minister and his cabinet simply must place a higher priority on farm issues, and on rural Canada in general.

My colleagues who will be following me will go through the positive suggestions that the Conservative Party of Canada brings to this important debate.

I will be spending a few minutes talking about one of the saddest components of this debate. We did note in the heading for the debate that there were programs that were completely inappropriate, money wasted. I will be spending a little time on the firearm registry, the long gun registry and the duck hunter registry.

This program, which was touted by the Liberal government as being a means to control crime, a means to control suicides and a means to control the inappropriate use of firearms, targeted those individuals in our society, the rural people, who use these firearms as tools. They have tools that they must use.

I am a very keen, active outdoorsman and a hunter myself. I do not use a firearm any longer. I hunt mostly with a bow and arrow as a sporting gesture, but I have hunted all my life.

During the debate, I pointed out to the Liberal government three major problems with the firearm registry. First, compliance would never be 100%, even for law-abiding citizens. Of course crooks and bank robbers would never comply. Second, the criminal misuse of firearms would never be impacted by a registry. Third, the costs would be enormous.

I had the then justice minister cross the floor, sit down beside me and say that those were good, intellectual arguments, but that the new computer systems would make the last point of my argument moot, that the new computers would make it so easy for people to register that the second part of my argument would also be moot and that would force the crooks in society to be obvious, when they did not register that they were crooks.

Over the years of this registry, it has been sad to watch those predictions come true. The waste of money on that program, supported by individuals who quite frankly do not understand the rural use of firearms, the hunters' use of firearms, the sporting use of firearms, has put a block between rural individuals in Canada and those in government.

It would be so easy to alter this. It would so easy to explain that a mistake was made, that this process was not effective, that it would not get full compliance, that it would not prevent crime and that it cost too much.

This is now my advice to the Prime Minister. Stop the firearm registry. Take the funds that are being poured into that registry and put them into programs that Canadians desire. Rural Canadians, in this case, would benefit from that.

As I said, my colleagues who will follow will have an opportunity to lay out the positive things now. I have talked simply about the issue, the crisis and the major problems in rural Canada.

It has been an honour to represent a rural riding in this House. The riding of Macleod, from the south boundary of Calgary down almost to the U.S. border, has some of the finest ranching in this world. It has historically been buffalo range, with the long flowing grass. Some of the famous buffalo jumps in Canada are in my riding.

These farmers and ranchers are the most self-sufficient individuals on earth. They ask for little, and they want little from government. They want to be left alone. However, when there is a crisis outside their control, they look for the taxpayer to help. They need that help today and they need it in very specific ways.

As I say, it has been an honour to represent them and it is an honour to lead this debate on rural issues today.

• (1040)

Mr. Loyola Hearn (St. John's West, CPC): Mr. Speaker, it is an honour for me to ask a question of our interim leader, our answer to Robin Hood and William Tell in the House. However, besides being able to use a bow and arrow, he can certainly also use his knowledge and experience to educate us as to how we should deal with some of the problems in our country.

One thing we always try to do is to ensure that the people of the country benefit from government. We always talk about lowering taxes and so on, to put more money into the hands of people. Another way we can put more money into the hands of people is to ensure that the price of the goods, in particular the food they consume, is reasonable.

When the fishery failed on the east coast, many of our young people left the industry. They not only left the industry, they left the province. What will happen with agriculture, through a time of crisis, if government does not step in and help stabilize these people so they can remain on the farms? They will not to stay around. If we cannot produce the food people need, undoubtedly we will pay a heavy price down the road.

Would my colleague comment on the long term effect on Canada if we neglect the basic industries that are the breadbasket of this great country of ours?

• (1045)

Hon. Grant Hill: Mr. Speaker, I see the effects of this process in my own riding. When I started in Parliament in 1993, one of the small communities I represented had a post office, a bank, the grain elevator and a small school. The community was vibrant, alive, vigorous and thriving. Through the last few years, particularly last year, this small community has lost its elevators, its bank and the school has shut down. It is literally a ghost town.

Supply

Where did the people who lived in this little community supporting the rural area go? Some of them have left and gone to the city. They were doing double duty in their jobs at that point of time; some driving the school bus, some welding for the communities around and some went into the oil industry. However, their homes are sitting there empty. The only people still there are the senior citizens who have some friends who visit the seniors' lodge.

I had an opportunity to reflect on this when one of the owners of a large farm in the area went to Brazil. He has sold his farm, abandoned our country and has gone to Brazil where he has fresh opportunities. The saddest part of all this is that we will end up without the family farm, as we have lost so many of our fishers from that industry. We will end up with large industrial farms that really provide very little to the local communities. The other sad part is that the rural farm lives, which have undergone huge changes, equipment changes, and which are able to survive with normal economic circumstances, will die unless we look after them, prepare them well and make certain that international issues are dealt with to their benefit.

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, I listened with a lot of interest to the speech of the member across the way. I know the parliamentary secretary will be speaking very shortly on agricultural policy, so I will not ask him any questions on that.

I am a gun owner too, and I also live in rural Canada. I look at the registration system in a different way than the member across. I look at it as the insurance program whereby if my guns are stolen, I have a good chance of getting them back.

The member across the way said that criminals will not register, and he is absolutely right. However, I would like him to comment on this. The legal way of doing things is, if an RCMP officer pulls somebody off to the side of the road, under the system now, he will ask that individual to see his licence and registration. If the shotgun, which has been stolen from me for instance, is in the back of that individual's car, it is not registered. That is one way we get at criminals because criminals do not register. I would like him to comment on that.

Hon. Grant Hill: Mr. Speaker, first, 4,000 guns that have been registered in the registry have been stolen, but they have not been picked up.

Second, let me tell members the experience of one rancher in my community. As this fellow left his farm, he saw a hitchhiker nearby. He rolled down his window and asked him if he wanted a ride anywhere. The fellow said, "No thanks, I'm going a different way".

Off he went to his fields and the hitchhiker broke into his home, broke into his locked gun cabinet and stole his pistol. He was subsequently caught by the police with the stolen pistol. For stealing the pistol and the subsequent chase in which he crashed the guy's motorcycle which he had stolen as well, he received six months in prison.

The gun owner, the fellow who had his home broken into, was charged for unsafe storage of a firearm. Remember, the firearm was in his locked home, in his locked cabinet, and what penalty did he receive? He received a greater penalty than the thief.

An hon. member: You're kidding.

Hon. Grant Hill: I am not kidding.

I say to the member opposite, the firearm registry is targeting the wrong individuals. There is a mechanism, a positive way, to look after firearm control and that positive way should have been followed. My point is that if we continue to pour money into the registry, an ineffective registry, we are wasting taxpayers dollars.

• (1050)

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question for the Leader of the Opposition is on farm policy. I first commend him for presenting the motion. I will be supporting the motion before the House today, and I support his stand on the gun registry.

I note that he mentioned it does not include a bow and arrow that he owns. That is all fine and good—

Mr. Brian Fitzpatrick: It's only a matter of time.

An hon. member: It probably will.

Hon. Lorne Nystrom: The member from Manitoba said that it probably will.

I support what he has said on the registry and on the sponsorship program.

I come from a small farm in Wynyard, Saskatchewan. I grew up there. It is in my riding of Regina—Qu'Appelle where we have a lot of farmers. For us, the support of the Canadian Wheat Board has always been paramount. Farmers strongly support the Canadian Wheat Board. It gives them a chance to collectively, as an entity, bargain to sell their wheat at a greater price on the world market.

I have noted over the past that some of the members of the Canadian Alliance have been critical of the Canadian Wheat Board. I would like know where the Leader of the Opposition, the Conservative Party of Canada, stands on that issue.

Hon. Grant Hill: Mr. Speaker, first let me say to my colleague that it is not a Canadian Wheat Board, although that is what it is called. It is the western Canadian wheat board.

The Canadian Wheat Board does not operate east of the Manitoba boundary. I am very interested in why that is. If the Canadian Wheat Board is so good for the west, why is it not a pan-Canadian program?

My position on the issue is that farmers should have a choice. They should be able to market through the Canadian Wheat Board if they choose. They should not be forced. I am actually one who believes the Canadian Wheat Board is not the only way to market, but it has merit. However, based upon a very simple premise, if the Canadian Wheat Board is so good, it will survive and survive with vigour. If, as some individuals say, it is not so good, it will wither on the vine.

Farmers need choice. An NDP individual who does not believe in choice for marketing is in my mind a difficult process for me to understand.

Hon. Mark Eyking (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Agri-Food), Lib.): Mr. Speaker, I would like to thank the members opposite for keeping the agriculture sector at the forefront of discussion because that is where it belongs.

I had the pleasure in the last few months, after taking on this job, of getting out to the west. I met with farm groups in Regina. I also met with quite a few farmers; I think there were 1,000 at a meeting in Edmonton. It is a great area out there for growing crops.

We had a take note debate three weeks ago and I am pleased that we are concentrating on agriculture once again this morning. Agriculture should be in the headlines every day because it is one of Canada's most important economic drivers. It generates more than 8% of Canada's GDP. It creates jobs for thousands of Canadians and it puts food on our tables. It is vital to the health and well-being of Canadians.

Over the last two and a half months the minister has been making every effort to visit with farmers across this country to hear their concerns and discuss with them the best way to meet the immediate and long term challenges. In fact this morning he is meeting with the Canadian Federation of Agriculture, which represents 200,000 farm families across this country. As he will tell them, the government is committed to agriculture. The government is committed to getting agriculture through its current difficulties, to seize the opportunities that are out there.

There is no question that agriculture is under a lot of pressure right now. In 2003 the Canadian farm income was at its lowest level ever. Commodity prices for beef, of course, as well as for pork and potatoes are down. There are a number of factors to blame on this situation. BSE is first and foremost. There is the strong Canadian dollar, the ongoing effects of the drought situation, and our import costs which have become higher.

The federal and provincial governments responded to the income drop of 2003. We had record payouts of up to \$5 billion. This included \$3 billion for crop insurance. We have NISA and CFIP, and an additional \$800 million for the BSE recovery program.

Despite these record payouts, the situation still is not good. Many farm families continue to suffer serious cash flow difficulties. The government has brought forward some specific measures to address this situation but we still have to do more.

First and foremost, the Canadian agricultural income stabilization program is now operational. It is also known as the CAIS program and this year it is expected to make significant payouts. There is also the cull cow program which is going to be rolling out soon. I will talk a little more about some ways we are working with the industry to make these programs as responsive as possible to the financial pressures that are on farm families. The government is working on a number of fronts to secure a strong future in this industry.

The minister just returned from Costa Rica and he was not laying in the sun. He was meeting with the Cairns Group, which is comprised of trading nations like Canada that share the same common interests. We are exporting nations of agricultural products and we are trying to improve the trading conditions for our export products on which our sectors rely for growth.

Supply

Canadian farms can compete with the best. All they need is a level playing field for the minister to build broader support for fair and more market driven agricultural trade. While he was there he also talked to the CFA and the Dairy Farmers of Canada. He took advantage of the opportunity to meet with other ministers, update them on the BSE situation, and press for the reopening of markets for cattle and beef.

At Cairns he had productive discussions on the WTO process. He met with WTO officials. The minister stressed to them Canada's position that a balanced, rules based approach to negotiations is the best way to move forward. He also pressed for more movement on the question of cuts to trade-distorting domestic subsidies. He insisted that the United States and the European Union need to send clearer signals that they are willing to move forward on this front.

Canada is committed to working with Canadian farm leadership to achieve a deal that is in the best interests of our farmers. At this time Canada continues to stand four square behind supply management sectors and the right of producers to choose how they market their products. This includes the Canadian Wheat Board which was just raised.

● (1055)

The Government of Canada has consistently defended practices of the Wheat Board and will continue to do so. I was delighted earlier this month that the WTO panel ruled that the board in fact does conduct its business in accordance with WTO rules.

The most pressing trade issue facing the industry is BSE. The focus of government and industry efforts has been, and remains, to open borders to cattle and other affected animals. This affects more than cattle. It affects sheep. It also affects deer, llamas, alpacas and many other different animals in the same category.

Our efforts are bearing fruit. I have to commend some of the opposition members for helping us with that, going on trade missions and whatnot. Since last May a number of countries have moved to rescind some or all of the temporary measures. Clearly, more must be done and we are committed to getting there.

As to getting cattle moving into the United States, the rule for live animals is expected to be opened up for a 30 day public comment period. We will push for trade of all live cattle regardless of age, including breeding cattle and cattle over 30 months old, as well as products derived from them. We are also pressing for a full resumption of trade in other ruminants, as I said before, sheep, goats and others.

Once the review of the comments received is complete—and this is a process which has to take place; we have no choice—the Americans will look at that information. I am confident, as this is scientific based, that they will move toward opening the borders to live animals as they have already done with the beef cuts. It is hoped that a growing number of trading partners will follow suit.

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Why am I optimistic? Because there is a strong argument that Canada has put forward in favour of opening the border to live animals; because the BSE risk in Canada is exactly the same as in the United States; and finally, because both countries have taken equivalent measures to mitigate the risk for human and animal health. It is a transparent border.

When will it be? As I have said, I hope it is sooner rather than later. We have cattle on our farms ourselves and we are waiting for that day to come. One thing I do know is that the Government of Canada takes this very seriously. The minister is working tirelessly on this issue, as is the Deputy Prime Minister. The Prime Minister is deeply engaged in this issue as well. It was the top issue he brought up with President Bush. Both the Prime Minister and I have been out, as I said before, to western Canada to discuss the situation with producers. The minister has raised this matter with the U.S. ambassador to Canada, Paul Cellucci. He is also in regular contact with American Secretary of Agriculture Veneman and with Secretary Thompson on the health side.

While work continues on the trade front, the government is fully aware of the pressures on Canadian farm families. Governments have responded to these pressures above and beyond existing safety net programs, with \$520 million in the BSE recovery program and up to \$200 million going out to the cull animal program.

In response to concerns from industry, we have removed the sale for slaughter requirement from the cull program. This will allow producers to access funds even sooner. It will ensure equal access across Canada and it will help with feed costs until more slaughter space is available. This will help a lot of dairy farmers also. Often people think that only the beef farmers are hit, but it is the dairy producers also. This is a good program for them. A comparable program is being offered to producers of other ruminants affected by the border closure.

Farmers are also receiving money through the second portion of the \$1.2 billion in transition funding. Already cheques for more than \$450 million have gone out. As I mentioned, Canadian agricultural income stabilization is now operational and payments are expected to start flowing within weeks. I think \$15 million already went out in January.

With CAIS, for the first time ever, Canadian farmers will have permanent funding for disaster coverage. Without going into too much detail, the program protects a producer's margin, which is the average of revenues over the last many years minus variable expenses such as farm inputs. When the producer's current year margin drops below the reference margin, money kicks in for him.

•(1100)

The key point is that the coverage will be based on need. In other words, as the loss gets bigger, the government supports it more. This allows farmers to know in advance what the support will be to better plan for the future.

CAIS is a good program but at the same time we are working with the industry to make it better. A few weeks ago the minister announced the government was giving some breathing room for producers in rolling back the deposit deadline to December 31 of this

year. Farmers also have until April 30 to select a protection level for both the 2003 and 2004 production years.

These changes apply only to those provisions where CAIS is delivered federally. Some provinces deliver their own program. They are made on the expectation that the remaining provinces will sign on with new features that we are going to be proposing to CAIS, namely, and which many are looking for, coverage of negative margins—if a producer goes below that margin, it will kick in—as well as higher caps and a more simplified deposit.

Beyond the intermediate term the minister is fully committed to ensuring that CAIS and all programs under our policy framework continue to fulfill the needs of farmers. To that end we are in the process of putting together the structure of an annual review to look at the business risk management program with all facets of the APF. We are constantly working with the industry, revising the program, revisiting it, but I think right now we have a good one in the process. Apart from business risk management, work continues around the other chapters of the APF.

In closing, I want to assure the House that we are committed heart and soul to do what it takes to help this industry get through this difficult time so we can capture the opportunities that are out there.

There are opportunities such as ethanol. Two weeks ago the minister joined with the Minister of Natural Resources to announce approval of seven new ethanol projects across Canada under the ethanol expansion program. These projects will allow Canadian ethanol production to grow roughly one billion litres of fuel ethanol within two years. That means adding value to farm crops. It means new markets for farmers, new jobs for rural Canada and it means a cleaner and greener future for all Canadians.

That is the kind of opportunity that is out there for Canadian agriculture. That is why it is so urgent that we get this sector back on track right where it was and right where it belongs.

•(1105)

Mr. Howard Hilstrom (Selkirk—Interlake, CPC): Mr. Speaker, I remind the parliamentary secretary that until those borders are opened up, it does not matter how many government programs there are. Cattle producers are going to be losing money, the ones who are primarily in the beef industry.

My question for the member is with regard to the cull program. The cull program that was brought out applies only to animals over 30 months of age. Many of the bred heifers that are 24 to 30 months of age and which will be calving in the next few weeks will have to be culled but there is no program for them. The bulls were not included in the cull program. They should have been because every ranch of a commercial size has between 10 and 30 bulls.

There is another thing that the beef industry did not fare very well on. The dairy lobby did a very good job of getting a 16% cull rate applied to the dairy herds. The parliamentary secretary and the Minister of Agriculture have said to the beef industry that it only gets an 8% cull. As a result we end up with the beef producer whose income relies 100% on the sale of beef getting an 8% cull rate and the dairy industry getting 16%.

I am not speaking against the dairy industry. I am saying that the government screwed the beef farmer.

Hon. Mark Eyking: Mr. Speaker, those were pretty strong comments by the member opposite.

There is no doubt that the border is the main issue. Farmers do not really like to get subsidies. They like to have free market and free access to markets. That is of key importance.

We are bringing all the scientific information to the panel in Washington. We are looking at other countries that have closed their borders. Some members opposite have worked with us on this. That is the way we have to do it. We have to keep politics out of this. We have to work together to open the border.

On the cull cow program, we are working in conjunction with the provinces on that. At the present time they are taking inventories on all the cattle that need to be culled. Maybe there are animals that should be brought into the program. We are talking to the provinces, looking at the inventories to see how it can have an impact on that industry. We are going to continue to work on this program.

Mr. Art Hanger (Calgary Northeast, CPC): Mr. Speaker, the parliamentary secretary is absolutely right that farmers indeed do not like the subsidies, but there is a unique need here, as he has pointed out. To keep the farm industry viable, subsidies will be forthcoming and they should be sufficient to keep the industry alive.

Many from the farm community that I was born and raised in have a real problem, as do I, with the way government does business, even when there is a unique need in front of it. There is a real lack of trust. Farmers see the scandal on the other side of the coin with money being thrown out and used to feather the nests of friends and business acquaintances of the government, and they have questions about where they fit in as hard-working, honest, tax paying people. They zero in on the politicians.

Let us look at the Auditor General's report on the sponsorship scandal. She found that payments were made "using false invoices and contracts or no written contracts at all", apparently in order "to provide commissions to communications agencies, while hiding the source of funds and the true nature of the transactions".

There is not an honest, hard-working taxpayer who is not going to look at that and question the government's motives. There is not a farmer around who is not going to look at that and say—

• (1110)

The Acting Speaker (Mr. Bélair): Order, please. The hon. Parliamentary Secretary to the Minister of Agriculture and Agri-Food.

Hon. Mark Eyking: Mr. Speaker, I will try to address the hon. member's comments. The main topic this morning is agriculture. To comment on individuals who have done wrong with Canadian

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taxpayers' money, they should be held accountable and our government is taking that into consideration.

Let us talk about the beef industry. I will talk about trust. The Canadian cattlemen are working with us. They are giving us kudos on the job we have been doing with them. They are encouraging all of us to work together. That is where trust is. They are putting their trust in us to go to the United States and work with them. They are travelling on missions with us. That is what trust is.

The cattlemen's objective is to have us open up the border. Their objective is to work with us to get dollars out to farmers right across the country. That is what trust is all about. I think they have the trust in us to do so. Many in the farming community even want to be on this team. They want to be part of our party and are running in elections. That is where there is trust. There is trust in this government.

Mr. Howard Hilstrom (Selkirk—Interlake, CPC): Mr. Speaker, that was an interesting comment from the member that people in the beef industry are working with the government and actually running as Liberals in the next election.

Mr. Ted Haney, president of the Beef Export Federation, is running for the Liberals and is campaigning right now in the city of Calgary. He is hoping to get elected in the next election.

How is it that this man, who is supposed to be working for the beef industry, who is supposed to be getting our markets opened up and who is supposed to be selling beef, is running around the city of Calgary trying to get elected to the House of Commons while the beef industry is neglected by the Beef Export Federation? That includes the chairman, Mr. Ben Thorlakson, who is allowing this individual, who is being paid by check-off dollars, to run around and play politics instead of working for farmers.

Hon. Mark Eyking: Mr. Speaker, I was hoping this conversation would not go this way. I knew the hon. member would get excited about it. He was excited about it in the agriculture committee the other day. We have to keep this away. We have to keep politics away from this situation. That is what the beef farmers want us to do. They want us to work together. Many opposition members live in deep cattle country. They live right next door to cattle operations. They live close to the border. They have to jump on side with us. They should talk with the governors of the states close to them. They should work with us and never mind this nitpicking.

We have a great party and people want to belong to it. Let us not bring up all of that. Let us forget about that and work together and get this industry going. That is what we are here to do.

• (1115)

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, I have a simple question for the member opposite. Does he feel that some of these many dollars that have been squandered off, amounting at some point to \$2 billion, could have been better spent in terms of help for and assistance to agricultural producers across the country?

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Successive governments have neglected agriculture and I think it has mounted to some considerable costs. Instead of spending money on a gun registry boondoggle, HRDC and sponsorship scandals and so on, would those dollars not have been better invested in farm support programs for our producers across the country?

Hon. Mark Eyking: Mr. Speaker, in my riding, and in many ridings across the country I am sure, for every dollar a constituent spends on taxes, whether it is income tax or at the gas pumps, they want those dollars taken care of. They want every cent taken care of.

Whether it is agriculture or health care, more money is needed. More money is needed in health care and more is needed for defence. There is a broad range of issues and departments out there that need more money. Agriculture is important, and it is truly important to me because I am a farmer, but every department needs more money.

The issue is not whether there should be more money for agriculture. Sure, we would all love to have more, but when we deal with this we have to be very careful on how we spend money on agriculture. We are in a trade zone in the world where we have to be careful about what programs we put out there. If we are not careful, we could end up having problems with the WTO.

[Translation]

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, I wish to inform you that I will be sharing my time with the hon. member for Champlain.

I am pleased to take part in this debate. The motion before us today brings out two realities. The first is the government's loss of control over certain spending. The second concerns what could be done with this money to help people face all the crises in the agricultural sector.

In her report, the Auditor General revealed a whole series of irregularities in the management of certain programs, such as the sponsorship program, where \$252 million went to meet the Liberal government's needs for visibility in Quebec. In the same report, we find that the Liberal-connected communications firms received commissions worth around \$100 million, often just for moving a cheque from one hand to the other. This was done by circumventing all Treasury Board rules.

I must also say something about poor management at the Royal Canadian Mint, which went from a profit of \$23.1 million in 1999 to an operating loss of \$6.6 million in 2002. During that same period, the salaries of senior managers rose by 45%. That happened without any annual reports to Parliament ever mentioning these increases, which were certainly substantial.

There was also the strange disappearance of \$3 million paid out in another visibility-enhancing operation, in which Groupaction and Groupe Polygone were apparently involved. Where did that money go?

Let us now look at federal propaganda, for which there seem to be two criteria: the excessive quantity of money involved and the concentration of such spending in Quebec. Let us look at some estimates for one year, say 2001-02: government advertising, \$270 million; Canada Day, \$5 million; Queen's Jubilee secretariat,

\$11 million; Communication Canada, about \$50 million; and \$43 million for propaganda related to the sponsorship program.

These expenditures total \$379 million. To this amount, we should add various initiatives of the Department of Canadian Heritage relating to multiculturalism and grants by the Privy Council to organizations such as the Council for Canadian Unity. I think we are getting up near the billions of dollars.

With respect to advertising, according to data from the Nielson Advertising firm, quoted in Robert Bernier's latest book, entitled *Un siècle de propagande au Canada*, in 1999, the Government of Canada was the number three advertiser in the country, behind General Motors and BCE, with advertising expenses of \$97.1 million for the year.

According to information obtained through a question on the Order Paper, the federal government spent \$270 million on advertising in 2001-02. Add to that its huge investments in other communications activities for establishing its legitimacy. In 2001-02, advertising and communications expenses were approximately \$422 million.

Between 1993 and 2002, the budget for organizing Canada Day increased dramatically, from \$2.4 million to \$6.8 million. Year in year out, Quebec receives \$5 million for its celebrations, or 70% of the federal budget. That is what comes of the insatiable Liberal obsession with visibility.

During that time, farmers are going through a very difficult situation and need help. In 2003, farm incomes dropped to the lowest level in three years. Cattle farmers have seen their income drop by more than one-third. Cull sells today at 30% of last year's price. Yet, the government is taking a long time providing farmers with the help they need.

The program for cattle farmers ended on December 31, 2003.

● (1120)

Under the cull cow program, producers are not getting any compensation for 35% of their cows. While this is going on, Ottawa is looking forward to a huge surplus of \$7 billion to \$8 billion, it is spending money on useless propaganda as though there were no tomorrow, and it is mismanaging everything that it gets its hands on.

Rather than putting the public service at the service of its friends, the government should adequately fulfil its responsibilities towards farmers. This is why I support the motion of the Conservative Party.

I would like to remind hon. members and the public that the Bloc Québécois played a key role in uncovering this scandal. If Quebec had only been represented by Liberal members, this scandal would never have surfaced. Since May 2000, the Bloc Québécois has asked over 450 questions on this issue. My colleague, the hon. member for Rimouski—Neigette-et-la Mitis, raised it on May 12, 2000, with a question on the use of front men at Communication Canada.

There is another example of mismanagement. I am referring to the gun registry program. The gun control legislation was passed in 1995, despite the reservations of several provinces.

Quebeckers, who were marked by the tragedy that occurred at École polytechnique, in 1989, still strongly support the program. Incidentally, the Bloc Québécois supported the bill when it was passed.

However, the Canadian Firearms Program has seen many technical and budgetary excesses. According to the December 2002 report of the Auditor General, the implementation costs of the program, which were originally estimated at \$2 million—the program was supposed to be self-funding through the collection of licence and registration fees—will be in excess of \$1 billion by 2004-05, or 500 times more than the original estimate. We are talking about cost overruns that may now be at over \$2 billion.

The Bloc Québécois feels that the management of this program is a total fiasco. Still, we should not compromise the objective of protecting the public by making cuts to this program. It is clear, however, that it must be better managed.

Finally, there are too many useless expenditures in Ottawa. The federal government is very rich, too rich. With so much money, it could easily fulfil its responsibilities, but it prefers to spend uselessly.

The Léonard committee set up by the Bloc Québécois to examine government spending estimated that it would be possible for the federal government to save \$5.7 billion per year, without—and I emphasize this point—cutting services or transfers to the public.

At a time when agricultural producers are starving to death, the provinces cannot make ends meet and the health system is subject to incredible pressure, the wasteful ways of the Liberal Party are scandalous.

A minority government could not take such liberties with taxpayers' money. It is up to the voters to decide if they want these wasteful ways to continue. Recent polls indicate that voters are tired of the Liberals' lax attitude.

The mad cow crisis continues, and the assistance programs are insufficient. Despite the partial reopening of the American border to beef imports from all parts of Canada on August 8, the majority of Canadian beef production is still subject to an embargo. In addition to rising costs and problems selling their cattle, producers are getting one-third less for their animals than last year.

The federal assistance package for cattle producers expired on December 31, 2003, and the government is slow in making an announcement, even with a significant surplus.

Producers of cull cows, an industry mainly in Quebec since the ridings in central Quebec represent 47% of all dairy production, have seen prices for their animals drop yet again. Last week, cows were selling for 18¢ per pound at auction, 70% less compared to last year. However, the federal cull cow program compensates these producers for 65% of their cattle only. They have to absorb the remaining 35%. That is what they are being told.

Supply

The money needed from Ottawa to provide cattle producers with temporary emergency assistance is approximately \$300 million. This is more or less equivalent to the funds invested in absolutely nothing through the sponsorship program.

• (1125)

If the government has the money to satisfy its hunger for visibility, it can find the money to help our producers through the crisis affecting this important industry.

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, my question is for the hon. member for Drummond, who made an excellent speech, by the way. I would like her to tell the House more about the consequences for producers, specifically those in Quebec, of the federal government's poor management of this crisis.

Obviously, people all across Canada are affected, as well as those in Quebec. I know that she has met with some Quebec farmers, especially the rather desperate ones in her riding who have been calling her, because this crisis affects their daily life and daily wages.

I would ask her to refresh our memory a bit on this point.

Ms. Pauline Picard: Mr. Speaker, I thank my colleague for his excellent question. It will give me a chance to speak about the agricultural producers in Quebec.

Some 50% of all Canada's milk production is based in Quebec. Every one of those farmers in that 50% is affected by the culled cow situation. In the West, they say they are major beef producers, but dairy farming is concentrated in Quebec. If we talk about dairy farming, we are talking about culled cows.

At present, culled cows are no longer sufficient, in that revenues for dairy farmers are no longer adequate. When cows no longer produce milk, they are sent to the slaughterhouse to become meat, such as hamburger, for instance. This income has enabled farmers to make ends meet. This income, for example, often goes to paying down the mortgage or loans that were taken out to buy farm machinery.

It is very difficult for them. When I toured our ridings with other members from the centre of Quebec, we saw people's despair. Many young people who have taken up farming are now facing bankruptcy. Their despair and impotence in the face of this crisis is very obvious.

We keep telling them that Liberal government officials are travelling to the United States and meeting with the secretaries of state who are managing the embargo imposed on Canada, but our delegations always come back empty-handed, without any solution. What do they do on these trips? What do they talk about? The embargo has yet to be lifted, and our producers are still being punished.

I would also like to point out that the mad cow crisis occurred in Alberta, over 6,000 kilometres away from our region. When the same crisis occurred in England, which is about 100 kilometres from the French border, France was not punished.

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The Bloc Québécois has always asked the federal government to frame this crisis in a regional context. In Quebec, we were the first ones to set up a tracking system. Since 1993, we have had a system which guarantees that, should this kind of problem ever occur, we would be able to track the sick animals within the hour. Therefore, why punish a whole region because of one cow that came from a province located 6,000 kilometres away?

We really need adequate programs now. It is very important to maintain agricultural programs, because farming is the very basis of life. If people can no longer eat, they will die.

In Quebec, we have a system that is recognized throughout the world as being extremely safe—

• (1130)

The Acting Speaker (Mr. Bélair): I am sorry to interrupt the hon. member, but her time is up. We will continue the debate with the hon. member for Champlain.

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, I know my colleague from Drummond still had a lot to say. I agree with her that, if there is one thing that has been utterly unfair to Quebec, it is the mad cow crisis.

As the member for Drummond said, since 1993, Quebec has taken every precaution to keep track of every animal that is put on the market. This is a measure that did not come into effect nationally until 1997.

Since 1993, we have been aware of the risks, especially, as the member for Drummond said, since 50% of the milk produced in Canada is produced in Quebec. It is a major industry. It is a big part of industry in Quebec. That said, it was necessary to take precautions to avoid a crisis like the one we are in now.

When I was listening to the parliamentary secretary a song popped in my head. I forget who sings it, but it says:

Paroles, paroles, paroles.

Words, words, words. All I have heard since I have been in this House is nothing but words.

An hon. member: Was it not Dalida?

Mr. Marcel Gagnon: It may have been.

I was on the Standing Committee on Agriculture and Agri-Food for at least two years, and the former minister of agriculture and agri-food promised us the moon. For months he talked about a framework agreement, or a policy framework. It was going to be wonderful and change the world of agriculture. Just this morning, someone mentioned we never had anything like this before in Canada.

In Quebec, we have had something even better for a long time. It is not for nothing that Quebec farmers did not want to sign this agreement. They signed it with a knife to their throats. It does not make sense because our agriculture was better protected before this agreement.

It is terrible to see how much we are losing to a government that protects its friends first, no matter where they come from. We have seen the sponsorship scandal. We can take the administration scandal

in general as an example. I swear, with the money that gets wasted in this government, it would be possible, if it were logical and offered not just words but real actions to go with the words, something more than just hot air, the farmers in Quebec or anywhere in Canada would not have the problems they are having now.

My colleague from Drummond said that, especially in her riding—because most of the dairy industry, some 47% of Quebec's production, is concentrated in her riding—there are some farmers in a very sorry state right now.

I have already used the example in this House of a visit I had from a farmer who said he had been a millionaire. "At the age of 59, I was ready to retire. I could have sold and with what I had on my farm I could have paid for my retirement", he told me. Then he told me, "But now I am not worth anything anymore. My retirement has gone out the window because of the mismanagement of this government".

At age 59, this farmer will have to keep working to earn a living because he has nothing left. In another region of Quebec, farmers are committing suicide.

This is no joking matter. It is a big deal to individuals. When we talk about industry, it seems like we are talking about machines. But when we talk about the farming industry, 90% of it involves labour and humans. Some people are losing everything, and the government has nothing but words, words, words for them.

It will provide something in the next budget, on the eve of the election. We have seen that before and we will be seeing it again. The government is getting ready. It will announce \$1 billion for farmers. However, it will not have time to spend the money because it will be out on the campaign trail. Personally, I hope it never comes back.

• (1135)

People say this government mismanages things. My colleague, the member for Jonquière, asked a question about a highway that was promised but never built. I remember having heard, in this House, the Prime Minister say that he was taking the time to establish good relations with the province so that the money is well spent. If there is one government not qualified to show anyone how to spend money well, it is the Liberal government. This is quite incredible.

To give members an idea, under the current Prime Minister, when he was finance minister, operating costs increased by 39% in five years. This is an average of 9.6% a year, while inflation was 1.9%. Where did the rest go?

The number of federal officials increased by 46,000 in five years. That is a 21% increase. For the same period, the payroll increased by 7.3%, to 41%. In comparison with the government of any province, we can see that not one province is as mismanaged as this government.

Expenditures for legal services have increased by 129%, and, this is quite extraordinary, expenditures for opinion polls have increased by 334%. It started in 1994 before the referendum. They wanted to know how to stop Quebec from moving forward. I already heard the Prime Minister say in the House that they were not using polls to govern. What would it be like if they had to use polls to govern. So, there is a 334% increase, or 66.8% annually, for opinion polls.

Where is this money coming from? It is being taken from those who need it. I am not talking about the sponsorship scandal; we have talked about that enough. My colleague from Drummond talked about what we could have done with the \$250 million that was stolen. There is constant talk about helping those who feed this country, who feed Quebec, about those who are building this country, the farmers, but there is never enough time. Hot air is all they are offered, while they work in the fields and suffer as a result of this government's mismanagement.

In passing, I can say that there is another important element. We are suffering from our lack of sovereignty. If Quebec was sovereign, producers would not be experiencing this problem. My colleague from Drummond said that, if a European country experiences a problem, the border is not far. Quebec has taken the necessary measures to prevent a mad cow crisis. Quebec is 6,000 km from the problem, and yet it is the one suffering.

Quebec was also implicated in the sponsorship scandal. Why did Liberal pals invest so much money there? Because they were afraid that Quebec would make the right choice. They wanted to stop Quebec from making a decision. They conducted polls and greased the palm of their Liberal friends saying, "Show us how to stop Quebec from moving forward". That is what they did with our money. They stole from us three times. They stole our reputation, our money and our country.

I think the federal government is a terrible administrator. No wonder Quebec still hopes to become a sovereign nation.

• (1140)

[English]

Mr. Howard Hilstrom (Selkirk—Interlake, CPC): Mr. Speaker, I agree with the member when he says that, since 1993 with the Liberal government, agriculture has deteriorated down to the point where we have negative realized net income in the country across the agricultural sectors.

Including Quebec, every province of the country has a lot of dairy. Quebec is the biggest by far. With regard to zoning, the member should know that Quebec has imported hundreds of thousands of head of feeder beef cattle from western Canada over the past few years to put into their feedlots. There is a lot of interaction there. I also note that Quebec has sent out a lot of dairy cattle to be killed in the packing plants of Alberta.

There is this interaction and zoning is tough to do when there is that kind of interaction of beef cattle. Quebec is a great exporter of beef on the international scene, exporting 8% of Canada's total. Quebec is very important to the beef industry of Canada.

I would like to ask the member to comment on whether or not this is in fact true, that cattle are moving across the country and that it is difficult to zone one province off from the others?

Supply

[Translation]

Mr. Marcel Gagnon: Mr. Speaker, I thank my hon. colleague for his question. He is completely correct. It is true that with respect to exports out of Quebec or imports into Quebec, it is quite normal, because we are in a time when we talk about the free movement of goods.

I was giving the example of the European countries. Even where countries share a border, even with problems such as we are encountering at present, that does not mean there is no more trade. We can see it with the United States. We are trading with the United States even though the border is currently closed in this sector.

What I wanted to demonstrate earlier involves the immensity of this land. Because this problem could not be regionalized and minimized, that means that the Mauricie, for example, which is some 6,000 kilometres from the region where the problem exists, is also affected. The problem has arrived in Mauricie even though as a region it has less than 1%—really none—of the responsibility for this crisis.

Since 1993, Quebec has taken the necessary steps. If a cow from Quebec is sold to another province, we can trace it. We trace the origins of the animal, and it is the same thing when we get them from elsewhere. We started taking this precaution in 1993 because of the value of our farms and our dairy herds.

Now we are paying because this has not been done elsewhere. That is the situation I wanted to explain. Of course an independent Quebec would be an importing and exporting country just like all others.

• (1145)

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, first, I want to congratulate my colleague from Champlain for his very passionate and instructive speech. He is currently the member for Champlain, but the future member for Saint-Maurice—Champlain is the one who will properly represent the people of that riding, defend the interests of his riding and not just his own personal interests, as the former representative for Saint-Maurice did, as is now common knowledge.

I want to ask my colleague the following question. With regard to the mad cow crisis and its effect on Quebec, what is the direct impact on producers, particularly dairy producers, even though, as he said, the problem happened 6,000 km from Quebec? In everyday terms, what impact is this having on our producers?

Mr. Marcel Gagnon: Mr. Speaker, I thank the hon. member for Trois-Rivières for his question.

The current crisis is having a major impact on dairy producers. Cull cows can represent 25% of a dairy producer's net income. When a cow can no longer produce milk, it is sold for meat, and the profits of the sale represent 25% of net income, at times. Sometimes too, we use this money to make our payments.

Supply

There are young producers in my riding. One of them called me this morning to ask what he should do to make the payment on his farm. His father would have some money set aside, but this man is just starting out and has nothing. This is an important source of income that allows him to put food on the table and make the payments on his farm.

[English]

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I rise to support the motion before the House today because I believe agriculture is in a real crisis, particularly the livestock industry. The government needs to be more aware of that and it needs to do more than it has done in the past.

I want to focus on the crisis by giving a few numbers that have surprised a lot of people and of which the general population is not aware. I have here the statistics for the cash receipts received by farmers in Canada. If we look at the year 2002, their realized net income, which is the income farmers have after depreciation, after paying all their expenses, after paying bank loans and so on, was exactly \$2,744,000,000.

In 2003, the net realized income of farmers in Canada was minus \$13.4 million. That is a negative income. To make this even more startling, this is the lowest income Canadian farmers have had since they started keeping statistics in the 1920s. Most Canadians are not aware of the seriousness of the situation. This is a major crisis.

I want to now look at my own province of Saskatchewan. In 2002 the realized net income was \$606 million. In 2003 it was minus \$465 million. That is a drop of 177% in the farmers' income in one year. We can just imagine the crisis when the net income of a group in our society in the province of Saskatchewan was minus \$465 million and nationwide it was minus some \$13 million. In Alberta, it was minus \$229 million.

I want to talk primarily about the west because I am splitting my time with my friend from Sackville—Musquodoboit Valley—Eastern Shore, Nova Scotia who will talk about what is happening in Atlantic Canada and elsewhere.

We have a major crisis in agriculture today. The motion before the House today asks that we take some money from the sponsorship programs and the gun registry program and put it into the farm crisis. I could not agree more. The sponsorship programs have been major scandals. We have seen major corporate scandals all the way from Brian Mulroney right through to the present Prime Minister. They were a common thing during the Conservative Party government of Brian Mulroney and they continued through the Chrétien days to the present day. There is not much change except in magnitude. There is the same kind of coziness between the corporate elite and the government of Brian Mulroney and the government of Jean Chrétien.

I also think we should scrap the gun registry. We have now spent about \$1 billion on the gun registry. I am proud to say that the NDP governments in Saskatchewan and in Manitoba are opposed to the gun registry and are not co-operating in the implementation of the registry. The NDP government in Saskatchewan is helping the Federation of Saskatchewan Indian Nations in its legal challenge to the registry as it affects its treaty rights to hunt.

We could have taken the \$1 billion that was spent over the last while and put it toward the farm crisis. We also have money in the federal surplus which, according to many economists, will be about \$6.2 billion, and that is after the \$2 billion goes into health care as announced by the Minister of Finance about two weeks ago.

● (1150)

I introduced a motion in the House on Monday of this week saying that because of the crisis in farming, in health care and in education, for this year alone the federal government should agree to send half the surplus to the provinces to help them cope with the farm crisis, health and education. Most provinces are now facing a deficit or are dipping into their fiscal stabilization funds to balance their budgets.

The federal government has the money to help the farmers.

Agriculture in general is in a crisis but the livestock industry is in even more of a crisis because of what the mad cow disease has done to the industry. This has happened through no fault of the farmers. It was discovered that one cow in Canada and one cow in the United States had BSE, or mad cow disease.

The government should take some short term measures and provide immediate financial support in terms of interest free loans that would help the farmers in the immediate sense. It should move to temporarily reduce the cow herd by paying farmers to, unfortunately, slaughter some cows.

Canada has had one cow with mad cow disease and the United States has had one but the Americans have closed their border to our cattle and, consequently, we cannot export live cattle to the United States. What we should be saying to the Americans is that if they do not open their border to our cattle, then we will close our border in eastern Canada to the importation of American beef and start moving western Canadian beef into eastern Canada. The time has come to get tough with the Americans. They close their border to our beef and we keep our border open to their beef.

My final remarks on mad cow are that I believe the federal government should take a look at a challenge to the United States under both NAFTA and the WTO. If we look at chapter 7 of the WTO it talks about the importance of restrictions based on scientific evidence. All the scientific evidence shows that with one case of mad cow there is safety for the Canadian consumer, the American consumer and any consumer anywhere in the world to consume Canadian beef.

What we have been dealt here is a very unfair hand by the United States and I think we have the grounds to consider a challenge under NAFTA and the WTO.

We have to look at the long term stability of agriculture right across the country. The one thing on which I certainly disagree with the new Conservative Party is its stand on orderly marketing.

Supply

I come from a small farm near Wynyard, Saskatchewan. I have a lot of farmers and a lot of towns in my riding. I know how important the Canadian Wheat Board is to our farmers. The Canadian Wheat Board is extremely important for the marketing of Canadian grain from western Canada. The board is supported by the overwhelming majority of farmers across the prairies, particularly in Manitoba and Saskatchewan. It is important that we have strong support for the Canadian Wheat Board.

However, over the last number of years, many members of the far right, of the Conservative Party, the former Alliance Party and Reform Party, the Saskatchewan Party, the cold porridge party, whatever members want to call it, the Brian Mulroney party, the Grant Devine party, the Eric Berntson party, they have been standing up and talking about an end to the Canadian Wheat Board.

It has always been the Conservatives who have stood on the regressive side of things. They have now changed their name from Progressive Conservatives to Conservatives. They have dropped the progressive. I guess they are now regressive Conservatives. However we know where they stand and it is not on the side of farmers. They do not stand in support of the Canadian Wheat Board in Canada, and the member for Battlefords—Lloydminster knows that. A lot of them are talking about a dual marketing system, where farmers are offered the so-called freedom of choice to market their grain, knowing full well that it would undermine the Canadian Wheat Board which is there to market the grain of all western Canadian farmers.

● (1155)

I can tell members that we on this side of the House stand four-square with western Canadian farmers who have overwhelmingly indicated their strong support for the Canadian Wheat Board as a single desk marketing system to market western Canadian grain.

The Conservative Party is showing its true colours. It does not want the farmers to have this collective right in the marketplace. It wants to get back to a dog eat dog free market where the farmer is up against companies like Cargill grain.

Mr. Howard Hilstrom (Selkirk—Interlake, CPC): Mr. Speaker, through you, I will speak directly to my relatives and friends in the Wynyard area of Saskatchewan.

There are a lot of beef producers in that area and we have just heard the official NDP policy that it wants to start a major trade battle with the United States and totally prohibit the importation of beef from the United States. The NDP would have Saskatchewan as part of the supply of beef down to Ontario, Quebec and the maritimes.

I would like to inform the member from Saskatchewan that the Saskatchewan beef industry would shrink to zero and the Saskatchewan beef farmer would starve to death under that type of policy. Why do I say that? It is for the simple reason that Ontario, Quebec and the maritimes are quite capable of supplying their own total domestic supply of beef. They do not need any beef from Manitoba, Saskatchewan, Alberta or B.C.

I want to point out very clearly that the NDP is very wrong in saying that it would close off the border to U.S. beef and that somehow that would help the farmers of Saskatchewan. I would ask the member to comment on that.

● (1200)

Hon. Lorne Nystrom: Mr. Speaker, my family and relatives are in Wynyard as well, which is an area that has always supported strong, orderly marketing, the Canadian Wheat Board and very progressive politics over the years. It has rejected the politics of the member across the way. Even in the Diefenbaker years, the Conservative Party did not win the town of Wynyard and the support of the farmers in the surrounding area and it was because the Conservatives in this country have never stood up for the farmers.

The member across the way should know that Atlantic Canada is importing beef from the United States while the Americans have cut off the export of live cattle from our country into the United States. I want the border re-opened but we have to stand up and talk tough to the Americans.

I know the Conservative Party across the way is really the republican party north but if we do not stand up and talk tough and tell the Americans that we want fair trade and a fair deal then of course they will not listen and they will keep their border closed.

I think the people in Wynyard and the beef producers want us to start talking tough. They want us to take a look at challenging the Americans under NAFTA and with the World Trade Organization. What is the member afraid of? They do not hesitate to do it to us. They closed their border. They put huge duties on our forest products. They do not hesitate to ignore the rules under the World Trade Organization or NAFTA so why do we not stand up and talk tough to the Americans as well?

We produce a lot of beef in this country. Some western beef can go into eastern Canada in the meantime. The main thing is to get the border open so we can have the free flow of beef on both sides of the border.

I understand the industry very well. I know it is very highly integrated, but the Americans do not seem to understand that. They are very protectionist. It is the George Bush regime, which is worshipped by the Conservative Party, that is discriminating against Canadian farmers. The Americans are going into an election and it does not look like they will open the border until after the election. I say that it is time for us to talk tough.

I just met with some farmers in Wynyard about three or four weeks ago in a shed in a farmer's yard. They want us to talk tough and stand up for the rights of Canadians.

Mr. Howard Hilstrom: Mr. Speaker, regarding expertise in the area of the cattle business, I happen to have run a ranch myself with over 300 head. I came from Estevan, Saskatchewan, which is my home town. My brother, Donald, still ranches in the Estevan area. I can tell members that without the export markets, primarily the United States market, the beef industry in western Canada is totally dead.

Supply

I am amazed at the NDP anti-American attitude, that we can somehow beat up on a country that has over 100 million head of cattle while we have only 10 million head, and that somehow we are going to teach them a lesson. That kind of thinking on trade matters is wrong, wrong, wrong, and I hope that the people of Wynyard and Estevan, Saskatchewan are noting this debate today.

Hon. Lorne Nystrom: Mr. Speaker, I will certainly second that hope about those out there watching this debate today, but I ask the member across the way, what is his solution?

The Americans are not playing fair ball. I have not talked to a single farmer in my riding who thinks the Americans are being fair to the Canadian people and yet the member is getting up and worshipping George Bush.

I know that 70% of our beef is exported out of this country and I know we want to export it. I have never said we should not be exporting. The Americans only export about 10% of their production. I think the hon. member across the way knows that.

What we have to do is stand up and tell the Americans that they are not playing fair. They are playing hardball and that member wants to throw a puffball at the Americans. He worships the ground that George Bush walks on. He supported the war in Iraq. The Canadian farmers want us to stand up for Canadians and for Canadian farmers, and not just kowtow to George Bush.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I thank the Conservative Party for bringing forward this valuable motion.

Accountability in the House of Commons, in the other place, and for that matter in all provincial and territorial legislatures and municipal legislatures is crucial. It is critical at this time in our history that all politicians of all political stripes be extremely accountable and responsible for the taxpayers' dollars. As we know, there is only one taxpayer. Through the media of television, newsprint and radio we get our message out to them that we must be accountable.

People are very angry and upset about the recent scandal that has hit the Liberal government. They are also very confused. They are also very intelligent about the issue. They know the scandal that has hit the present government is not brand new. This type of scandalous operation in the federal government has been happening since Brian Mulroney hit this place in 1984. There has been over 20 years of unaccountability by majority governments in this country and it has to stop.

The NDP believes that one of the ways to do that is to actually change the way we are voted into this place. We have to bring in a system of proportional representation. It would make us all that much more accountable to the Canadian taxpayers who, right now, are getting their taxes together. Many of them will have to send cheques to the Receiver General for Canada. When they see their tax dollars going out of their wallets to the government, knowing that the government has given hundreds of millions of dollars out the back door to its friends, they will be very upset. I empathize and sympathize with the Canadian taxpayers because it is unacceptable that their dollars are mismanaged in such a callous manner.

I would like to narrow down the debate to Atlantic Canada and the issues that face it.

According to the Auditor General's reports, the gun registry itself has cost close to \$1 billion with no end in sight. The previous minister of industry, Mr. Rock, said very clearly that it would only cost the taxpayer around \$2 million to implement. How wrong the government was. If the government can mismanage that amount of money, from \$2 million to \$1 billion, what else is it mismanaging that we are unaware of? Almost \$187 billion is spent. The government must be more accountable for what it does.

On a personal note, I say scrap the gun registry, bring lawful gun owners into the debate and come up with a system that is not only fiscally accountable but also is socially responsible. If we were to do that, we would not only be saving the taxpayers a lot of money, we would be inviting citizen participation in this very worthwhile debate.

I also want to thank all the wonderful people in Halifax, Nova Scotia. The recent storm set a record snowfall for our province. There were health care providers who worked around the clock. They did a great job looking after the needs of the citizens in that area. Snowplough operators, including those who came from New Brunswick to assist our Nova Scotia operators, worked around the clock to get the streets cleared.

The great people in Nova Scotia are amazing. A lot of people called my office concerned not about their well-being but about the well-being of the elderly and shut-ins who were not able to shovel their way out or get the supplies they needed. There is story after story about the great neighbourly goodwill of the people of Nova Scotia looking after their neighbours.

That is why I am extremely proud to say that I come from Nova Scotia. I am very proud to be able to stand in this House and represent the people of Nova Scotia. A tip of the hat to all those people who did yeomen's work in alleviating the pressures that the snowfall caused in our area.

On specific notes as to what the government could do with our tax dollars, we believe that the shipbuilding industry in the regional part of Atlantic Canada has been overlooked. It has been neglected for far too long.

• (1205)

Instead of the gun registry and the sponsorship scandal, it easily could have invested in a proper shipbuilding policy so that our Coast Guard vessels, ferries and naval replacement vessels could all be made in Atlantic Canada. For that matter they could be built in Quebec, Port Welland, Ontario, and out on the west coast. That would encourage thousands of highly skilled people to come back to work and earn a very decent living not only in Atlantic Canada but across the country.

We implore the government to take this issue very seriously and to bring in the shipbuilding policy that Mr. Tobin had commissioned, that was done by the industry and labour. Those ships could be built in Atlantic Canada and then people would not have to go down the Trans-Canada Highway to find work. They could stay and work in their own communities in Atlantic Canada and be very proud of a traditional shipbuilding industry, just as we used to have.

Supply

There is also the softwood lumber crisis. There is a lot of talk coming from the Minister of Industry and the Minister of International Trade about what is called the pan-Canadian solution to meet the protectionist attitudes of the United States.

We have a serious concern in that if we get into that kind of a solution with a quota system, Atlantic Canada would suffer. In Atlantic Canada almost 80% of our lumber is cut on private land whereas from Quebec to B.C. the opposite is true and most of that lumber is cut on Crown land.

We have always had an exemption on the east coast called the maritime accord. This is what the lumber and mill producers are asking for in Atlantic Canada. We want to make sure that any deal made with the United States takes into very serious account the special circumstances of Atlantic Canada.

We on this side of the House, and all members from Atlantic Canada regardless of party I am sure, take this issue very seriously. We encourage the government to always remember that in the negotiations.

As well we could talk about equalization. The premier of Nova Scotia rightfully asked about the royalties from the natural resources of oil and gas. We should be able to keep more of them for our province. If we did that, people's attitude and impression of Nova Scotia being a have not province would go away.

I reject categorically suggestions by any politician of any political stripe or any commentator that Nova Scotia is a have not province. It is absolute nonsense to say that. We are a have province. We have some of the best natural resources in the country. Some of the finest people in the world live in our province. We are a have province.

Maybe financially we are not as well off as the other provinces but the reality is that if we are given the development dollars that are required and the infrastructure, Nova Scotia would be a fabulous province in terms of economic opportunities and activities. We encourage the federal government to work with the provincial governments of Atlantic Canada to move toward that goal. If we did that, it would go a long way.

I also want to talk about the issues relating to fiscal responsibility toward our military. The government is in discussions with the Americans about some nuclear missile defence shield, ballistic missile defence, what some people call star wars or the weaponization of space.

I represent the Shearwater air base and a very large military base in Nova Scotia in the garrison city of Halifax. I say very clearly to the government that instead of concentrating on some futuristic possibilities, the government should be putting core dollars into our military, the infrastructure, the men and women and their families

Members of our military need to be properly trained and properly equipped. They need to receive the right direction and support from the government. For that matter, they need the support of all members of Parliament. We constantly see stories in the papers about the possible closure of bases, the reduction of the forces themselves and the fact that a lot of armed forces personnel are suffering from burnout. We encourage, especially in the next budget, the

government to look at the military in a much more positive light than it has done over the last 10 years.

In conclusion, I again thank the Conservative Party of Canada for bringing the motion forward. It is imperative that all of us ensure that we look after the taxpayers' dollars. Tommy Douglas used to say that he would never spend a farmer's nickel unless he told him where it was going and what benefit it would have to him and his family. We on the east coast agree with that, especially members of our party. We just want to make sure that the government is more accountable for the tax dollars that it spends.

● (1210)

Mr. Garry Breitkreuz (Yorkton—Melville, CPC): Mr. Speaker, if I were to trade places with you for even just a day or two, you would realize how absolutely devastating the BSE crisis is in my riding. Day after day, producers are calling my office. They have done everything they can to possibly save themselves from the devastating effects of this. They have rationed feed. They have sold animals for next to nothing just to pay a few bills. They have cut back on veterinary visits which is harmful to their cattle. They have begged the banks for loans and the banks have said that they cannot lend them any more money because of the uncertainty of the situation and the fact that the government is not coming forward with some kind of announcement of assistance. There is nothing else that they can do.

Brian Patron is a producer from the Goodeve area in my constituency. He has been told by his bank to give up. He said that the bank told him to go to the Alberta oil patch and work, that there is nothing the bank could do.

Judy Holod of Langenburg is selling cattle for about half as much as she would have received one year ago.

Greg Hemmings from Esterhazy said that the difference between selling cattle in December and February is like night and day. That is a matter of two months. In December Mr. Hemmings sold six head and received \$6,000. When he sold six more on February 3, he received \$1,801.65. The difference in just a couple of months is absolutely staggering.

We do not realize how the BSE crisis is compounding. On a daily basis it is becoming worse. Producers in Saskatchewan are receiving about half as much for their cattle as they were compared to a year ago.

Would the member agree that this collapse in the agriculture industry is not only affecting the farmers of the country but it is also affecting Atlantic Canada? Do we not have to do something now and quickly?

● (1215)

Mr. Peter Stoffer: Mr. Speaker, I thank the hon. member from Saskatchewan for that great question.

The reality is that coming from Atlantic Canada we know exactly what happened in 1992 to the fishermen in Newfoundland and Labrador when their industry was completely cut out from under them. The farmers on the Prairies especially with BSE concerns are going through the exact same thing.

Supply

What has to happen is that with support from this side of the House the federal government needs to ensure that those people are financially stabilized. Perhaps it could be something similar to TAGS on the east coast. We need to ensure that the families especially in rural Canada have dollars coming in to ensure the survival of their enterprises and their families.

At the same time we need to work with the United States and other countries to ensure, as my colleagues from Regina—Qu'Appelle and Palliser said, that we operate on the best science. One cow should not bring down the entire industry. We have to get the message out that our beef in Canada is some of the world's best. I know there is nothing better, except for an Atlantic lobster, than good Alberta beef. Put that surf and turf together and we have a meal.

When we have our dinner tonight we should say a little prayer for the producers and those farmers and their families who sustain us and give us the best quality food in the country.

As well as financial support, we have to work cooperatively, not just separately, and tell the world that our food is the best in the world and that we have nothing to hide. We should show our support for those families so that years from now the kids on those farms can have a livelihood and can provide sustenance for our children in the future.

Mr. Howard Hilstrom (Selkirk—Interlake, CPC): Mr. Speaker, our problem is not explaining to the world how safe our beef is and the regulations that we have put in place to ensure it is safe. Our problem is having the salesmen who can go to that other country and just like the salesmen of any product, clinch the deal. That is where our agriculture minister and our Prime Minister have failed so miserably. They have not been able to clinch the deal with Japan, Korea, China and the United States. That is my main criticism of the Prime Minister and the agriculture minister.

Mr. Peter Stoffer: I could not agree more, Mr. Speaker. The government should have done what Mr. Chrétien did with the trade missions. He brought with him on the trade missions members of Parliament, members of the Senate, provincial leaders and industry leaders. This issue should have been taken much more seriously.

The government cannot do it by itself. It needs to show that this is a national problem and that we will work on this concern on a national level. The scientists, the industry, the farmers and the political leaders of all stripes need to go to the other countries and prove once and for all that our product is the best in the world.

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, it is a pleasure to rise today to join this debate on the agricultural industry across this country. Of course we all have seen the statistics in the last little while. In my home province of Saskatchewan, there has been a \$1 billion drop in two seasons. That is a slide that is just about impossible to come back from.

What concerns a lot of us in the House, and my colleagues have alluded to it just in the last couple of minutes, is the respect for our people on the land. It is not there anymore. We are seeing a huge disconnect between people who pick up their groceries off the shelf at the grocery store and the people who actually produce the goods, the ones who put the blood, sweat and tears into the production. We

are seeing net farm incomes drop to levels we have not seen since the 1920s, and of course our input costs are in 2004.

The statistics we see are staggering, as is the lack of attention from the government on this file. We have seen some ad hoc moneys tossed around. We have seen agriculture ministers come and go, along with their policy ideas. They come and go. We do not see any long term stability, market certainty or cashflow, all of those things that business requires.

And agriculture is a huge business. Whether one is the guy on the land or the guy raising the cattle, sheep or whatever, it is a huge business in this country. It puts \$36 billion annually into our gross domestic product. It is the third largest contributor. There are 250,000 jobs that work off that farm base. It is a huge industry.

Why the government of the day—and for the last decade—cannot come to grips with the importance of the viability of that industry just boggles my mind. I cannot for the life of me understand how the Liberal government cannot address this slide that agriculture has been on, especially for the last 10 years. It has let it get to unprecedented low levels.

Is it a spending priority for the government? No.

We have seen that. We have seen other programs come forward for “friends of”. That is what our motion addresses today: the priorities of the government. We have been seeing a lot of different issues covered in a weekend. Decisions on \$100 million jets for the Prime Minister can be arrived at in one or two days. As for backstopping agriculture, we are 11 months into this crisis and we still cannot get the cash off the cabinet table to the kitchen tables.

CFIP is the program that was supposed to be the answer to a lot of this backstopping of agriculture in 2002. The payments are finally going out now with 70% of what people qualify for being paid because the government says the budget has run out.

We have little things around here called the supplementary estimates. You have seen those come and go, Mr. Speaker, and you know what kinds of programs can be topped up and backstopped. Of course agriculture should be and could have been, but the government did not have the political will to do it. I guess that with only 2% of the population being farmers, it is not a big enough voting base to get the government's attention.

However, everybody in this country likes to eat. That safe, secure, quality food that we all enjoy is in peril. It is at risk. We no longer can control the costs if we start going offshore, and there is the processing and all the industries that are built upon that primary industry.

Let us look at the last program on BSE. Let us think of the livestock industry and think of it as a pie. A quarter of it is the cow-calf guy, a quarter of it is the stocker or the backgrounder getting these cattle ready for the third part, which is the feedlots, and then into the processing sector. The government decided it was going to fix the livestock and backstop the BSE thing. What does it do? It pipes the money into the processing level. It does not flow back downhill. If we start putting money in at the farm gate, we could save an industry because it will ratchet up but it will not go backward. We saw that happen in the last little while.

I would like to announce that I will be splitting my time with the member for Lanark—Carleton, so I would appreciate knowing when I am getting close to my boundaries.

We have seen that program happening. In the agricultural committee now, we are spending all of our time looking back at what went wrong when we have farmers out there going broke day by day. Agriculture in this country has always been next year. It always has been, "It will be better next year". Now I have guys phoning in saying they are not going to make next month.

We have seeding coming up within a couple of months. There is no cashflow. We are still paying off bills from the year before because the government was not there.

Nobody wants the government in their face and we already have too many bureaucrats and consultants running around out there, but there are times when an industry is in crisis. This has been a disaster unparalleled in this country and we are not seeing the government rise to the challenge.

To that end, watching what the Liberals have not done, the Conservative Party on this side of the House has put together a program in the last few days. We announced it this morning in a press release. We are looking at a Conservative government being formed hopefully in the next short while and we are looking at a \$1 billion package.

• (1220)

We have seen \$1 billion come and go in this place with no impact on society, none at all. The money was just gone. We are talking about \$1 billion to backstop agriculture. We are talking about topping up that 2002 CFIP, which the government has not seen fit to do. We are talking about getting the money out there. We are talking about getting 100% of what farmers qualify for out there. That is the least we can do. That has to be done.

Second, our processing capacity in this country has to be increased. There are a tremendous amount of livestock sectors that have no avenue for getting their animals processed. We are still importing because we cannot address it, and yet there is a glut of animals that need to be on the store shelves and cannot get there. That processing has to be increased.

On mature livestock, by industry numbers there are 700,000 mature cattle out there—cull cows, canner bulls and that type of thing—that may be carrying BSE. We do not know. We do not think they are, but there were still glitches after the 1997 feed ban. Those cattle have to disappear. We have to rationalize that herd.

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Our herds have gone from an average of 13 million head up to 15 million now. There are going to be another 500,000 calves in the next little while. They are coming out of a lot of those cull cows that were carried over; they are going to drop a calf. That will compound the problem, not help it. Those cattle have to be moved aside and producers paid out for them to help give them a bit of cashflow so they can keep their own industry robust, so they can keep the young stock and get them fed. That is going to be a problem.

The CAIS program, the former minister's answer to everything, the APF, is too little too late. It is a five year program and that is fine. Let us get some long term results out there to farmers. The problem with the CAIS program is that only one-third of the money that is allocated goes to the farm gate. The other two-thirds goes into a wish list of Liberaldom. The Liberals are talking about climate, environment and food safety, and that is all worthwhile stuff, maybe, but it should not come under and at the expense of the farm gate. Without those guys producing the basic product we do not need any of the other stuff. The government has even slipped the Internet in there again. We are already there. We have already done that.

Let us get some real money into the CAIS program, money that will backstop farmers. Let us start talking about rules and regulations for CAIS that will be farmer friendly. Having to top up or put in a cash reserve to qualify for government money is redundant. If I have that kind of cash, I do not need the government and I do not want the government in my face. We have to start looking at the rules and regulations and make them farmer friendly. The bureaucrats under the Liberal regime cannot seem to find that answer, that magic bullet.

We have to talk about interest free cash advances for the cow-calf guys. They are into another cycle and are carrying over calves because it did not pay to sell them. There is feed to buy and pasture to line up. We have to backstop those folks. Interest free cash advances are the way to go.

Of course, we have to show lending institutions that the government is serious about agriculture. As they pull back, the government is going to have to step in. We have to talk about loan guarantees and covering off the interest. We have the vehicle in the Farm Credit Corporation if we want to get loan guarantees out to the backgrounders in the feedlots to keep the cycle vibrant and working.

That, in a nutshell, is our program. Those are the short term solutions. In the mid term, we have to look at ramping up testing in conjunction with our major importers. The customer is always right: If they are demanding more testing then we had better be there with them. We must also have some government direction on the protocols on rendering and SRM handling, handling of the specific risk materials that are part of this problem.

To that end, I would like to move an amendment. I move:

That the motion be amended by adding:

By implementing the Conservative Party of Canada's one billion dollar plan.

• (1225)

The Deputy Speaker: I will take the suggested amendment under advisement and I will get back to the House.

Supply

Mr. Scott Reid (Lanark—Carleton, CPC): Mr. Speaker, as you know, I am a member of Parliament from the province of Ontario. I want to address this debate and draw the attention of the House to the fact that Ontario frequently gets missed in media discussions of the situation in rural Canada and particularly the BSE crisis. This is not simply a western Canadian problem. This is in fact a problem that is nationwide. We have cattle production across the country from coast to coast.

In particular, it is very much an Ontario problem. To make this point, I just want to give a few statistics. I do not know if people are aware that Ontario is the third largest beef producing province in the country. Beef is very much a large proportion of agricultural production in Ontario. Almost 40% of farms in Ontario are classified as being at least partly dairy or beef farms and sometimes both.

In eastern Ontario, the part of the province that I come from, the proportion would be closer to 50% of farms having either a beef or dairy component. In my own constituency of Lanark—Carleton, that proportion rises to over 60%. Over 60% of the farms in my constituency in Lanark county and the rural west end of the city of Ottawa have either a beef or a dairy component. That is true of the surrounding counties as well. In Frontenac county or Leeds and Grenville county, we see the same kind of pattern. And of course farmers are being affected every bit as much on those Ontario beef farms as they are on beef farms in the western part of the country.

What has happened with the BSE crisis is that it has been the capstone or, alternatively, the straw that may break the camel's back, on top of a whole series of other crises that are being imposed. They are sometimes being imposed by the government itself and sometimes by other circumstances upon our farmers and upon our rural people. As a rural member of Parliament, I am excruciatingly, painfully aware of this.

Let me give some examples of how the crisis is playing out in rural Ontario and some of the factors in it. Right now, rural eastern Ontario is being hit by the reclassification by the provincial Liberal government of maple syrup producers as being industrial as opposed to agricultural, on the theory that the processing of maple syrup on site constitutes an industrial activity. If one were to try transporting maple sap, which has such a small sugar content that it tastes like water, one would realize the enormous impracticalities of trying to ship it anywhere. Plus, it goes bad so it has to be boiled down on site. There is no alternative.

Nevertheless, the provincial government decided that this agricultural activity is in fact an industrial activity. The resultant tax load increase can be as much as 15, 16 and, in one case I have heard of, 18 times the initial tax load for maple syrup producers.

There is also the attack on small sawmill owners, who have been producing perfectly safely in our rural areas for years and years. The accusation has now been made that sawdust on their sites represents an environmental hazard and a hazard to the water supply. I was in Jonquière in Quebec, in Chicoutimi, a couple of years ago, and I went and stood on top of a heap of sawdust that is over 100 years old. This stuff is so inert that it has been sitting there for 100 years. There is actually a sign on it that says if people can figure out a way of getting rid of this stuff for them, let them know. Now the Ontario

government has decided that this represents an environmental hazard and a hazard to the water supply.

We have in Ontario the unreasonable requirements for nutrient management that are being imposed upon livestock producers, livestock producers who have been no threat to anybody for years and have established practices that are completely safe. We know this because of the fact that their neighbours are not and have not been affected in any way by operations that have existed for, in some cases, over a century. Now they are being told they must change their nutrient management practices. For those who are urban people, what we are talking about here is how they deal with manure.

● (1230)

I have one farmer, who has a cattle operation in my constituency just outside of Pakenham. He told me that to comply with the nutrient management regulations, he would have to spend a quarter of a million dollars to install a giant concrete holding vat. That is a quarter of a million dollars which he cannot get unless he sells part of his herd, a herd which is greatly reduced in value at the sale barn, meaning that he cannot put in the holding vat for his manure unless he gets rid of the producers of manure, thereby eliminating any need for the holding vat.

The provincial government could deal with this intelligently. It could suspend these regulations, or get rid of them, until the end of the BSE crisis, but it shows no inclination to do that. As we can imagine, this alone will put some of our producers out of business.

When I was at an agricultural society dinner in Lanark highlands, someone from the provincial ministry of agriculture was explaining how the Nutrient Management Act would work for livestock producers. The first question he received from a local farmer was "What do you want us to do once we get out of farming?"

We see that with the Species at Risk Act. This is a federal law that affects rural areas. There is no compensation for the restrictions placed on the use of property, which in some cases render the property or parts of it useless. We were promised this by the government, but it has not been delivered. That again is unnecessary.

Then of course we have the costs and other impositions imposed by the firearms registry, which is now at \$2 billion. Thank goodness it is not farmers who have to carry the entire cost of that. Certainly, when we see our taxes going toward that kind of boondoggle with no practical impact whatsoever, with no lives saved or ever saved and, notwithstanding the hon. member who spoke earlier, no stolen weapons returned to their owners, there is a sense in rural Canada that perhaps the government has some misplaced priorities.

What is the appropriate response to the BSE crisis? If we think about it and if we take the cattle and the prions out of it and look at it from a financial point of view, the real point of the BSE crisis is a cash flow problem. Agriculture, by its nature, is an industry in which producers are rich in assets, which potentially have a high value, and foreign cash. By freezing their ability to take their product to the market at a reasonable price, the problem of farmers being cash poor has been exacerbated and has been made far worse than it has to be.

The government's response ought to be to try to, first, ensure that we can do what we can to raise the price of cattle wherever possible. There are a variety of actions, which my hon. colleague has pointed out in the new Conservative Party plan that would deal with this. Second, we have to provide some form of compensation in the short run to ensure that the cash flow crisis does not force many of our producers out of business. That is significant.

Canadian cattle producers are not subsidized. They are independent producers. They do not receive the kinds of subsidies we see being applied to many agricultural sectors in the European Union and in the United States. They function on their own and they stand on their own two feet. However, for goodness sake, if we do not get them through this crisis, many of them will be out of business and it will not matter that they were able to make it on their own under normal circumstances. This is not the thin edge of the wedge toward some sort of widespread and ongoing subsidy program. This is simply helping them get through the current crisis. The government seems to have no interest in doing anything about it.

• (1235)

For almost a year we have seen endless and meaningless hand-wringing from the other side of the House, with no attempt to do anything, and there are so many things that could be done.

Local farmers in my constituency, in particular Pat O'Rourke who came up the idea, and I helped them with this, started producing bumper stickers and lawn signs to remind people to buy Canadian beef. This was back at the beginning of the crisis when there were many imports of beef from the United States. People did not know to look to see if the product they were buying was Canadian. People just assume that everything they buy in Canada must be Canadian since we produce so much beef here at home. We have put up thousands of these signs at this point and distributed thousands of bumper stickers. That has had some impact on raising the awareness of Canadians.

We now find Canadians are aware that they have to think about looking for Canadian product. We now need to increase the production and processing capacity. The Conservative Party plan calls for this. We need to provide compensation.

I hope the members on the government side of the House are listening and that they will take some of the actions that we have proposed today.

The Deputy Speaker: Before I proceed to questions and comments, the Chair has had the time to review the text of the amendment provided and is satisfied that it is in order.

• (1240)

Mr. Howard Hilstrom (Selkirk—Interlake, CPC): Mr. Speaker, that was a fine speech and it brings into play the situation we see in eastern Ontario.

The federal government is responsible for trade issues. We have heard different comments here to the effect that we should get tough with the Americans.

I would like the member to comment on this. The position I see is that Canada, this Liberal government, when it came to BSE in other countries such as Denmark, where it had one case, banned all its beef in essence forever. We banned beef from Brazil, even though it did

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not have an official case. We have never opened our border to anybody for any meat.

When we had our first case, the United States initially banned our beef. However, being the good neighbours and friends that they are, they partially opened up the border so we could get some exports moving. That has really saved the beef industry in Canada, the total herd. We still want them to open the border fully.

Could the member comment about the importance of trade to us and the importance of good relations with our neighbours, given the fact they are our biggest customers?

Mr. Scott Reid: Mr. Speaker, Canadian farmers are not stupid. Earlier on there were comments from the New Democrats, who of course are opposed to free trade. They suggested that the appropriate response was to start slamming shut the border to goodness knows what, but certainly to American product.

I have a petition with several thousand signatures of people from eastern Ontario. Some of them are farmers and some are not. It calls upon Parliament, and I will read from the petition, "Your petitioners request that Parliament instruct the Minister of International Trade to renegotiate Canada's international trade treaties to ensure that Canadian beef and other Canadian agricultural exports can never again be excluded from foreign markets after their safety has been demonstrated".

That is the point. The problem we currently have with international trade treaties is that they are designed in part to ensure the rapid shutdown of borders, without countervailing sanctions, when there is legitimate or the perception of a threat to health. However, they do not call for the mandatory reopening of borders, either piecemeal or all at once, when it is demonstrated that the risk does not exist.

Our government has taken advantage of this in the past to hide its own protectionist actions. Now we are reaping the whirlwind which we have sowed. It is not just the Americans that are looking at us. All our trade partners are. They see one rule that applies when it comes to our exports and another rule that applies to our imports, and they are not impressed. Not only do the Americans feel that way, all our trade partners feel that way. We have to be a bit respectful of our trade partners.

With regard to the United States, we cannot play hardball on this kind of thing and think we will come out winning. Remember Pierre Trudeau's famous observation that, "Being beside the Americans is like sleeping beside an elephant". We should not get in fist fight with elephants. The reality is the United States is able to withstand trade wars because it is a country which is not really dependent on international trade, much more than any of its trade partners, especially us. If we get into a fist fight with them, we will come out the losers. This is not the way to help our farmers.

In the long term I would suggest the way to help our farmers is to work as the petitioners suggest, by causing those treaties to be changed. It will not solve this crisis this year or next year. It will prevent this kind of crisis from occurring in the future, whether for beef or any other sector of our agriculture.

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Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, I had a chance to talk to the farmers in my riding over the last summer about the fact that there was a definite lack of capacity of processing within the country. That is basically a strategy which has developed over the last decade. If farmers in my riding say anything contrary to a processing plant, and I think they have really been bringing in huge profits in the situation as it exists, when their cattle go into the ring, the buyer steps out for a coffee and the price goes down.

Would the hon. member across the way have any ideas how we could increase processing capacity within Canada and how we would take a look at, for instance the Competition Bureau, the issue of packers gouging farmers?

• (1245)

Mr. Scott Reid: Mr. Speaker, I do not know if I can give a detailed policy response in 60 seconds.

First, I should mention the Conservative Party plan announced today does call for \$75 million of federal money to go toward processing capacity, much of which has been shut down in the recent past. Reopening it will not solve all problems, but it is a way of assisting to some degree in dealing with the processing of specialty products. It would relieve some of the pressure on Canadian producers.

I am not an expert on this, but my impression is that the problem does not lie with excess profits taking place at processing plants. The reality is there are certain costs that have been imposed upon them that did not exist previously. We should not forget this.

When a cow is slaughtered, less than 30% is consumed domestically in Canada, which is the use of the middle meats of the cow. Aspects of the cow that could have been ground up and used before, and I am thinking of spinal tissue and the brain, must now be destroyed and treated as hazardous waste. Other products that would have been available for export can no longer be exported, such as tongues, organ meats, the oxtails and so on.

Therefore, we are seeing a number of costs being imposed that did not exist prior. I suggest that probably is an explanation in part as to why we see the consumer prices not going down to reflect the catastrophic drop in sale barn prices.

[*Translation*]

Hon. Serge Marciel (Parliamentary Secretary to the Minister of the Environment, Lib.): Mr. Speaker, I am pleased to take part in this debate on a topic that is highly important to our entire agricultural industry, our farmers, cattle farmers, and, especially in Quebec, all the dairy farmers who are suffering tremendous losses with respect to cull.

First I would like to say that I am in daily contact with the farmers in my region because our farmers are very worried about their future if our American friends insist on keeping the border closed. The Government of Canada has taken the bull by the horns, as we say, and gone to great lengths to support cattle farmers and the dairy farmers in Quebec who are having problems getting their cull slaughtered.

The most recent statistics show that 2003 was catastrophic in terms of farm income, especially in Quebec, but also across the country. These statistics on the past year paint a very sad picture. The net income for the entire industry is at an all time low. Not only is this income extremely low, but it has fallen as low as negative \$13.4 million. New Brunswick, Ontario, Saskatchewan and Alberta are the hardest hit provinces in terms of cattle farmers. Quebec is also quite affected in terms of cattle farmers, but also with respect to cull.

The worst thing is that most farmers had started out well in 2003, in a generally stable financial situation with a reasonable amount of debt. It was the combination of a number of factors that turned things around the way they did. The sudden and unforeseen growth in our dollar compared to the U.S. dollar is a major factor because it affects not just one, but all sectors industry wide.

Another important element to mention is the great drought that has struck the western provinces. It started in 2002, but continued last year, especially in Saskatchewan. In addition to all that, there is the painful problem of mad cow disease, that is, bovine spongiform encephalopathy. That really was the final blow, even more so because it is not limited to cattle, but is also found in cervids, for which there is a growing demand.

I will not go on at length about the many investigations, inquiries and research projects going on designed not to identify guilty parties, but rather to find the origin of the disease and the means to wipe it out. In fact, we must admit that, in our era of globalization and free-trade agreements, as we open our borders to trade, we also open them to everything that comes with it. Therefore, it is in our collective interest that all of us, all the partners in free trade, unite our efforts in this common cause, in order to maximize the safety of our products.

For the time being, hard reality is setting in. The statistics show this reality, but they do not show the painful consequences suffered by farmers, their families and the rural communities whose economic life is largely dependent on agricultural activity.

The situation is somewhat different in Quebec. A large part of its production is in the dairy sector, where earnings increased by 11% last year. In comparison with the western provinces, beef cattle raising is less significant.

Moreover, producers in Quebec benefit from the provincial agricultural income stabilization program, whose payments increased by 79% last year. Overall, though, the situation is not desperate, far from it, because very early on—based, of course, on foreseeable elements—the government quickly became aware of the situation and, with the cooperation of the provinces, increased the number of assistance programs.

• (1250)

Additionally, the recovery program, specifically for the mad cow crisis, added \$520 million in direct assistance. This does not include another \$200 million under the cull cattle program. In total, payments to producers under various federal programs increased by 44% last year.

If we add to this the various provincial measures, Canadian producers will have received, overall, a record total of nearly \$5 billion in 2003.

That is not all. The famous reserve fund is about to mature. Since producers have accumulated over \$4 billion in the fund, they will soon be able to access their money.

Furthermore, there are additional federal measures for 2003. However, given that the payments will only be made this year, they have not yet been included in the official figures. This is true, in particular, for future payments under the new agricultural income stabilization program.

This program ensures both income stabilization and protection in the event of a disaster. Its specific purpose is to protect producers against market fluctuations. We already anticipate that, starting this year, producers will withdraw significant funds.

Unlike other sectors of the economy, the agricultural industry is vulnerable in two ways. Indeed, in addition to having to face, like other industries, increasingly stronger competition, it must also cope with nature, over which we have little, if any control. This is why agriculture needs particular attention, through sound, positive, comprehensive and sustained initiatives.

This is what the Canadian government is doing in various ways, but primarily through its numerous aid packages.

If we look at the situation—and I heard it today in the comments made by parliamentarians in this House—one of the problems with selling our beef products is that hardly any processing is done here, including in Quebec.

For example, in the case of cull cows, there is only one slaughterhouse in Quebec that manages to set its prices. These prices are much lower than those that cull cow producers were getting in the past. So, we have to find a solution to this situation.

While huge investments have been made, they remain insufficient of course, because a government cannot provide 100% support to an industry, particularly agriculture. Despite the huge investments made to support our farmers, cattle ranchers, cull cow producers and dairy producers, there is a critical issue on which we must continue to work on a daily, weekly and monthly basis, namely the reopening of the American border to our beef producers.

Considering that the United States is an important market for Canada, as a major economic partner of ours—with almost 80% of our exports going to the U.S. market—the American government must absolutely reopen its border as quickly as possible, so that our producers can have free access to this market.

• (1255)

[English]

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, the member talked about Canadian producers getting \$5 billion. How much of that really went to the producers, and how much money did the government spend on the administration of programs?

I would like him to break down how much went directly to grain farmers and grain farm programs, not including research or any of

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the other Agriculture and Agri-Food Canada programs. How much of it went to grain farmers in Canada?

[Translation]

Hon. Serge Marcil: Mr. Speaker, I greatly appreciate the Conservative member's question.

What must clearly be understood regarding agriculture is that, when we talk about an investment of over \$5 billion, that figure includes all the investments made by the provincial and federal governments through numerous programs.

Today, we are dealing with an issue that specifically affects our cattle ranchers. When I said that the Canadian government is investing in excess of \$500 million, this is in addition to programs already in place to help beef producers. Our government is also spending over \$200 million to help cull cow producers. So, we are talking about a total amount of more than \$700 million. This does not include the contributions made by provincial governments.

In terms of the breakdown of all the investments made by governments, I can say that, in the case of Quebec, a very large part of the programs are under the responsibility of the Quebec government and the agreements are signed with the Government of Canada. Money is transferred through the farm credit corporation, with which farmers can negotiate and so on.

If the hon. member wants more specifics, I will take note of her question and I will get back to her later on, with a more detailed reply.

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, I listened to the hon. member opposite talking about amounts of \$500 million and \$200 million. These figures sound impressive and give the impression that the government is unbelievably generous. However, what is needed for producers, who are not responsible for the losses that they are incurring, to stay alive, to maintain their production and to stop getting discouraged or even committing suicide, as some have? How many hundreds of millions of dollars do these people need? Has the government taken a close look at this?

The amounts that the hon. member mentioned may seem impressive to a person who is not familiar with the situation. However, they are measly in light of the existing needs.

Hon. Serge Marcil: Mr. Speaker, I would appreciate it if my colleague from Champlain used the word minimal instead of measly, because measly implies worthless, while minimal means not very much. I am sure that is what he meant to say.

He is totally right, in the sense that government assistance will not resolve the problem. If I look strictly at Quebec, it is currently impossible for government assistance to resolve the cull problem. It is only a small part of the solution. Mr. Speaker, this affects your riding, which is just across from mine, on the other side of the river, where you have dairy farmers.

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Two things could be done in the short term. First, for Canada, the border could be opened to allow us to move our goods. That would resolve the problem. Since we have no control over that, something else could be done. For Quebec, and the dairy farmers in my region in particular, the problem is that, even with government assistance, the price at the meat packing plant is so low that the farmer cannot survive financially. That is the problem in Quebec right now. The price at the meat packing plants is almost half what it was before the crisis.

Had the price remained the same, with the current government assistance, our producers could have managed until the borders reopened. That is the problem right now.

There is only one meat packing plant in Quebec, therefore it has a monopoly. Investigations into the price of beef to the consumer have revealed that our producers are receiving less than half of what they used, while the price of beef at the grocery store, at Métro, Loblaws or wherever, has not gone down. This is a major problem.

These are two of the factors. I know that, even in my region, in the riding of Vaudreuil—Soulanges, they are trying to reopen a meat plant, which had already been closed, in order to create some competition. This is a major problem for our producers right now.

In terms of all the cattle producers, we could perhaps agree that \$520 million is not very much. It is true that farmers are not responsible for this crisis. It is not their fault, but the Canadian government is not to blame either. It is a problem in negotiating with a major partner, a major market for our producers. What can we expect when 80% of our export goes to the U.S.? That is where our market is.

We are finding the same problem in market gardening. Les Jardins de Napierville, one of the largest vegetable producers in Quebec, is located in my riding. The problem is that, every time shipments cross the border into the United States, they have a thousand and one conditions imposed, and trucks full of perishables are kept in storage.

One starts wondering what is happening. Of course, we must lobby strongly with the United States; it is always up to us to negotiate with the Americans.

We are in agreement on that. Mr. Speaker, you also represent a very agricultural riding; farmers need our help. We have made an enormous effort. I know that negotiations are underway about the possibility of providing more money. Still, the solution is to open the borders.

• (1300)

[English]

Mr. Howard Hilstrom (Selkirk—Interlake, CPC): Mr. Speaker, the federal Liberal government is responsible for part of the problem we have on this BSE issue because it agreed to the seven year ban agreement that the international countries agreed to when a country has a single case of BSE. We should have had more foresight on that.

My question is in regard to the cull cow program. Farmers have received absolutely zero and we have to be careful when we are talking about producers. We have feedlot people, packing people and cow-calf people, the actual primary producers. The primary producer

or the cow-calf rancher or farmer has not received a penny. The money that is talked about has not gone to those people and there are tens of thousands of them. Could the member comment on that? I guess there is money coming.

With respect to the cull cow program, bulls and animals under 30 months of age are left out of that program. I can go into technical details in regard to those animals if anyone wishes, but it is a problem when we are only being compensated for a portion of our culls in our herds.

The other problem we have is that the government saw fit to treat farmers differently. It said dairy farmers, and more power to them, would be paid for 16% of their herds, whereas beef farmers would only be paid for 8% of their herds. Why was the government so unfair to the beef farmers?

• (1305)

[Translation]

Hon. Serge Marcil: Mr. Speaker, obviously, it depends on what side of the House one is on. On this side, I can say that the government has treated all agricultural producers fairly.

Every time a crisis or a major problem occurs, whether because of a drought, a virus or floods, the government always intervenes to support the victims.

In agriculture, the government has intervened by setting up pretty substantial programs to help all beef and dairy producers with respect to cull cows, a problem that is not unique to Quebec but which also affects Ontario and western Canada to a large extent.

On the other side of the House, they are going to say that we never do enough. Listen, that is your opinion. However, what the Liberal Party of Canada is doing in the field of agriculture is far superior to what you, the Conservatives, are proposing in your platform. You are talking about providing \$1 billion, while the Canadian government is putting in five times that.

The Deputy Speaker: Before resuming debate, I would simply like to remind the House that interventions are to be made through the Speaker, and not directly from one member to another.

The hon. member for Saskatoon—Rosetown—Biggar.

[English]

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, I will be sharing my time with my hon. colleague from Perth—Middlesex.

On a serious side, I would like to say a few words regarding the former agriculture minister of Saskatchewan, the hon. Clay Serby. I want to tell Clay and the people of Saskatchewan that our thoughts and prayers are with him and his family as he goes through this serious time in his life. We hope that he will soon be back and very active as the agriculture minister in the Province of Saskatchewan.

Supply

I have risen many times in the House to discuss agricultural issues. Being from a farm and being a farm partner, it is very near and dear to my heart. However, it is also the people of my province, and the people right across Canada, in the agriculture industry, who have been forgotten by the Liberal government.

In 1993 I remember the Liberals heckling the former government at every turn with the same refrain. No matter what the government of the day promised in its lead-up to the 1993 election, the Liberals chanted, "You had nine years. You had nine years".

I am starting to think that we should say the same chant over and over as these Liberals make their election promises, especially for agriculture. I would like to say, "You had 11 years. You had 11 years".

Whenever I hear a promise on any issue from the government, I ask myself this simple question, "If it has not done it after 11 years with a huge majority government, why should anyone in the agriculture industry believe that it will and can do it in the future?" Quite simply, I do not believe a word these Liberals say these days.

I keep copies of letters in my desk that have had a profound effect on me. In fact, those letters sent me to this place. Once in a while I review them to see if we, in this House, have done anything to help these Canadians. Unfortunately, when it comes to the letters regarding agriculture, I do not see that the Liberal government has done anything.

One letter was written to me by Donna in the lead-up to the last election. She wrote:

It is disheartening to me, as one who loves the land and the way of a 'farmer's life', to feel so discouraged. I have been the eternal optimist, the one with the positive attitude and the persevering nature. But I don't think I can be that person anymore. I weep to think of leaving here, leaving the home we've created for our children, the yard we've cared for, the trees we've planted, the acres we've tilled, and the crops we've harvested. What wonderful memories I have of our silly treks to the slough to catch frogs and the wonderful skating and tobogganing sessions we've had at the dug-out, the hikes through the pasture, and the wiener roasts in the back yard. We love the little spot on earth where we live—now sad to realize that little spot can no longer support us.

The government must realize that agriculture is more than just numbers on a trade balance sheet. It is people.

Agriculture is a way of life, a tradition and a foundation for every rural community right across Canada. When farms suffer, the entire country suffers. When farms die, so does Canada.

What makes me and my communities angry is the waste of money we see under this corrupt Liberal government. We know our tax dollars can be better spent. We know they could go a long way to supporting our farmers and rural communities during this time of crisis. We see hundreds of millions of dollars wasted. Millions of dollars are going to Liberals and their friends in the form of waste, corruption, deceit and disregard.

Then I read that Jack Layton and the NDP want to jump into bed with these corrupt Liberals. Jack Layton wants to fly his own flag of convenience and form a minority government with the Liberals. I cannot believe the NDP would try to sell that idea in my riding of Saskatoon—Rosetown—Biggar. My constituents will not support the idea of an NDP-Liberal government. They will not support the waste and corruption.

●(1310)

The Conservative Party of Canada stands alone in the House of Commons in calling for real reform to our nation's agricultural policies. We stand alone in demanding that farm families come before Liberal donors. We stand alone in defending the responsible spending of our tax dollars. We stand with our farm families.

In another constituent letter from Joan, she wrote:

It isn't just the farm crisis that is getting us down...It isn't only the farm crisis that hurts. It hurts to hear over and over again the same old lies being told. Figures manipulated to confuse and deceive...It's the total destruction of rural areas.

That letter was written five years ago. What has changed? These corrupt Liberals have had 11 years.

The Prime Minister has made a lot of promises and has already broken most of them. Paul Martin said last May 9 in a press release and I quote:

We need to show real support and real respect for our farmers and their families, to show our appreciation for the burden they carry in contributing to Canada's growth and wealth.

A new policy framework is certainly required to help transform Canada's rural economy into a more durable, less vulnerable and more prosperous foundation.

The Deputy Speaker: I think the member has probably already sensed what I am going to say. Without any further comment, I will give her an opportunity to make that adjustment.

Mrs. Carol Skelton: Mr. Speaker, down on the farm we have spreaders for that kind of sincerity.

The record of the Prime Minister speaks volumes about what he and his corrupt Liberals really think. The Prime Minister dramatically cut federal government agriculture programs. Rather than supporting farmers, as promised in the 1993 red book, the Liberals have ignored the needs of farmers and imposed additional—

Hon. Joe Jordan: Mr. Speaker, I rise on a point of order. I am reluctant to interject during my colleague's speech. I am not taking exception to the sentiment and the passion she feels for the topic.

However, I am concerned that by referencing text from letters sent to her she is using language and terms that are not parliamentary. I would ask the Chair's guidance in terms of whether or not she is still bound by the rules of the House in terms of what excerpts she can read from those particular pieces of correspondence.

●(1315)

The Deputy Speaker: The general policy is that whenever a member is referencing or reading from either a newspaper article or a letter,—and we have to keep this in mind—that in the House we cannot do indirectly what we might not be able to do directly. That is why I rose a few moments ago in terms of a member's name being used.

I understood that it was an omission. Certainly, we have to recognize one another either by the name of the riding or by the portfolio that anyone might carry.

In terms of a word, a text, or an expression being unparliamentary, there is no greater liberty in doing things indirectly than there would be doing directly.

Supply

The Chair will continue to be attentive; however, I must confess that in the past few weeks there has been a great latitude. I hope members on both sides of the House will understand and remain judicious when they do have the floor.

Mrs. Carol Skelton: Mr. Speaker, the Prime Minister even voted against Canadian farmers in the House of Commons. The Prime Minister and his Liberals voted against providing an additional \$400 million in emergency assistance for Canadian farm families. The Prime Minister has worked against farm families for 11 years.

Another constituent, Monica, wrote a long, three page letter to me about the grim situation on her farm. In her letter, she raised an issue that has become one of the greatest concerns for me too. It is the cost of administration. She wrote:

I realize that urban people don't think things are that tough, and in a way, I can't blame them. I put a lot of the blame on the media. They hear on the news that the farmers are getting more money all the time, but they don't realize that administrative costs for these programs eat away a good chunk of these funds. I know. I used to work for them.

This letter is five years old. What has changed? The government has already had 11 years.

We need a change. The Conservative Party introduced its program this morning. It shows Canadians that we do have a plan.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I am interested in the member's closing remarks and I reject a lot of her allegations.

The government has been there for Canadian farmers in their time of need. We know that the industry is going through a difficult time now with BSE, potatoes and hogs.

However, there is the agricultural policy framework. Yes, more needs to be done and the Minister of Agriculture and Agri-Food is doing that. However, she said that the Conservative Party has a plan.

This morning I had the opportunity to meet with some of the supply management groups. The supply management industry is quite healthy. Part of the plan the member is talking about—and I will quote it from the Conservative Party website—suggests that the Conservative Party will shut down supply management. It states:

A Conservative government will ensure that any agreement which impacts supply management gives our producers guaranteed access to foreign markets, and that there will be a significant transition period in any move towards a market-driven environment.

Is the member and her party really willing to shut down the supply management industry and go to the open market in those industries? The supply management industries are the industries that are healthy. We should be promoting more of them, and that party wants to shut them down. That is what is hidden behind that party. We do not need that kind of policy.

Mrs. Carol Skelton: Mr. Speaker, it is interesting to listen to the hon. member over there. He has used that whole approach during his whole period in Parliament. It is fearmongering a sector of our agricultural industry. We are not intending to shut down supply managed groups of any kind. The hon. member should be above that.

● (1320)

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I want to ask the hon. member of the regressive Conservative Party a question regarding the Canadian Wheat Board?

She is from Saskatchewan. She knows how popular the board is in Saskatchewan, how it is supported by the overwhelming majority of producers, and how the NDP and CCF have long supported the Canadian Wheat Board. She knows all of that from her background.

I have been reading with dismay recently about a number of comments from members of the Alliance Party, now the Conservative Party, that used to be the Reform Party, that in Saskatchewan is called the Saskatchewan Party, that used to be called the Mulrone Conservative Party. I know that is kind of confusing.

Where does she stand on the Canadian Wheat Board? A lot of members of that party have been saying that they would like to get rid of the Wheat Board or that they would want dual marketing. Dual marketing is another code for getting rid of the Wheat Board, because it undermines the Wheat Board. Farmers want to know, where does this party of Brian Mulrone, Mike Harris and Grant Devine, stand on the Canadian Wheat Board?

Mrs. Carol Skelton: Mr. Speaker, I find it interesting when the hon. member gets up and quotes all the parties that we supposedly are, but he is the first one who always talks about the CCF.

As a former Wheat Board permit book holder, I can stand here and say that I used the Wheat Board. I also delivered grain to the free market. I used both. In order to survive, farmers today must use it. I do not think he should be questioning a former Wheat Board permit book holder about that.

Mr. Howard Hilstrom (Selkirk—Interlake, CPC): Mr. Speaker, regarding the supply management issue, from 1993 through to 1995 the Liberal government sold out article 11 at the World Trade Organization talks. It now requires that the very three pillars that support supply management must be negotiated and the tariff protection that was there before it signed the agreement must be reduced in this current round of trade talks.

Who sold out supply management? The former solicitor general from Prince Edward Island sold out supply management.

Mrs. Carol Skelton: Mr. Speaker, agriculture is my passion. It greatly disturbs me to hear comments from members, like the one who questioned me, who have never been involved in the agriculture industry.

If they do not live the life that we are living on the farm right now, they do not fully understand the despair that is happening in rural communities.

Mr. Gary Schellenberger (Perth—Middlesex, CPC): Mr. Speaker, I would like to thank my colleague from Saskatoon—Rosetown—Biggar for allowing me to share my comments today.

I rise to add to the debate concerning the supply day motion put forth by the Conservative Party of Canada. The motion reads:

Supply

That the government reallocate its resources from wasteful and unnecessary programs such as the sponsorship program, or badly managed programs such as the gun registry, to address the agricultural crisis at the farm gate across Canada.

Farmers in my riding of Perth—Middlesex are seriously concerned about their future. Farming is a billion dollar industry in my riding and it is a huge issue for us.

I have met with many commodity groups from my riding and I have listened to their concerns. They are worried about their future and whether the federal government cares about them. Based on the actions of the government, I cannot say I blame them.

The beef industry is suffering because of BSE. Too often we fail to consider that it is not just the beef industry that has been impacted by the crisis, but agriculture and the agri-food industry have been impacted as well.

I have met with representatives of the Perth County Federation of Agriculture to listen to their concerns. It has been a tough time for our farmers. I must let the House know that supply management was a big part of that. When I was at the WTO talks, we were strong on supply management. It is not something that this side of the House would get rid of.

One issue that has not received much attention from the current government is the state of rural Canada, specifically, its economy, infrastructure, and agriculture. The recent throne speech had very little about rural Canada. It further illustrated the low priority the Liberal government has for rural Canada.

Rural communities are concerned about their long-term survival. Rural residents prefer rural living but are concerned about their jobs and the lack of job prospects. Most youth growing up in rural Canada have no choice but to find work in urban centres.

The new Conservative Party, its caucus, and its candidates, know the importance of rural Canada. We have an action plan that will revitalize our rural communities. The current government has no plan.

Where is the plan to keep our rural communities competitive? Many manufacturing jobs, particularly those in the auto sector of southwestern Ontario, have been lost because of the high Canadian dollar and declining auto sales. The government has done nothing. There was nothing in the throne speech about that important sector of our economy and little on rural development.

The BSE issue has devastated the beef industry and has indirectly impacted our agri-food industries like trucking, seed companies, dead stock removal, farm implement dealers, and replacement heifers to name just a few. Thousands of Canadians work in these businesses and are being laid off because of the downturn. Still the government has taken no notice.

There is a crisis in rural infrastructure. This encompasses several areas, including health care, municipalities, water, sewage, bridges, housing, transit, schools, and rail transportation. Cuts in transfer payments over the years are starting to show. The provinces and rural communities do not have the financial stability to pick up the slack.

Farming and agriculture, in general, have not received the kind of respect and fair treatment that they deserve from the federal government. CAIS is not the answer according to many in the farm

community. Many farmers in my riding do not have the money to get into the CAIS program.

Our rural communities suffer when our farmers and their agri-food industries are suffering. The fact that farming received two sentences in the throne speech speaks volumes about the government's priorities. The future of rural Canada depends on a vibrant rural economy, solid infrastructure, and a healthy agricultural sector.

• (1325)

I will refer to an e-mail that I got on Thursday, February 5 about an article entitled "Cattle producers hail mad cow report". From Regina, it stated:

An international panel of experts reviewing the American discovery of mad cow disease said the U.S. should show leadership by stopping "irrational trade barriers," a comment welcomed by Canadian cattle producers anxious for trade to resume.

The report, authored by five scientists...says the mad cow case found December 23 in Washington State can't be dismissed as an imported case.

Wildeman said the panel's findings further Canada's position that if a country has adopted adequate disease prevention standards, trade can resume.

"Those people that are prepared for political reasons to stand up and say we shouldn't reopen the border put their credibility at risk...Who do they point to for evidence that trade shouldn't be normalized...[again]."

"Therefore the subcommittee recommends that the U.S...encourage the discontinuation of irrational trade barriers when countries identify their first case of BSE."

The report also recommended the U.S. increase BSE testing, but dismissed the notion that all cattle slaughtered for human consumption should be tested.

Here is something I have been thinking about. I have had various comments from some of my producers and some of the people around this. Part of this might be figured out through the reopening of the mothballed MGI plant in Kitchener, Ontario. I very much hand it to the Gencor people for taking over the plant and working toward rectifying some of the problems with the cull cow market. They intend to open in early April, I think, probably killing 200 to 300 cull cows per week with a total of 1,500 as time goes on. Unbeknownst to me, a lot of the cattle we do export from the country are brought back in as processed meat. We do not have the capacity to process it, so we feel there could be a market there.

One thing has crossed my mind as we keep hearing that the money the government puts out to help agriculture in difficult times does not get to the farm gate. I have to say that when the new Minister of Agriculture took his little junket to Japan to tell the Japanese that our science was safe and that our beef was safe, I think the Japanese said that they test all their cattle. By the time the minister had left and had said our science was good, the Japanese said they test all their cattle.

Supply

I feel that what we should do in that particular case, if we do want to get into that market, is test all our cattle that are for export. We should put some finances toward a good testing regime. We do not have to test our domestic market; Canadians have said that. They have increased the amount of their consumption. They know our product is safe. But if we are in a market, bidding for a contract, then we have to comply with the rules of contract.

There is one other thing that is an environmental issue in regard to the fisheries and oceans department. We have a tremendous problem in our area—and I think in the farming community—with fencing of water courses in flood plains. Some of these people have had cattle grazing on flood plains for years. Right now they are being threatened by the environment ministry and by the fisheries and oceans department. They are being told they have to shut down or fence. We cannot fence. It does not make sense. If we till it, we will cause more pollution.

These are some of the various things that the farm community is getting beat on very heavily.

• (1330)

Mr. Howard Hilstrom (Selkirk—Interlake, CPC): Mr. Speaker, those were good comments. The federal government has moved things along on the BSE issue in regard to regulations and working toward getting the borders open, but I know that at this point in the debate I should say that a major part of the credit for the advancement we have made should go to Neil Jahnke, president of the Canadian Cattlemen's Association, his wife Marilyn Jahnke, the president of the Saskatchewan Stock Growers, and Betty Green, president of the Manitoba Cattle Producers Association, who have been so instrumental in helping to guide the government and tell it what it needs to do in order to get this issue resolved. I would ask the member to reference his cattle representative if possible.

Does the member believe that it is fair on the part of the government to have given some farmers a much higher percentage cull rate of 16% for their herds but other farmers only 8%? Should it not have been 10% across the board so that all farmers would be treated equally and fairly?

Mr. Gary Schellenberger: Mr. Speaker, I think that fairness is an attribute and is something that everyone should look at. I have looked at so many things that have come down from the government, like the VIP, the veterans independence program, for veterans' widows. A date was set. I think it was May 20. If a widow's husband passed away on one particular day, she would not get the VIP, but if she was lucky enough that her husband passed away on the day after, she would get this VIP for the rest of the time. I would have given it at that particular time to all veterans' widows, maybe cutting it in half.

As for the member's suggestion of 10% for everyone, yes, in all fairness, a cull cow is a cull cow whether it is a beef cow or whether it is a dairy cow. The member is right on. That is fair.

• (1335)

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, it is just another member of the new Conservative Party over there, and I am just wondering if he too supports the new Conservative Party, the old Alliance, just a regurgitated old Reform Party, which always has spoken out against supply management.

An hon. member: But not old Liberals.

Hon. Wayne Easter: The Liberals are never old. They are always renewing themselves. We have a new leader. We have a new agenda. We had a tremendous throne speech and the member opposite knows it.

For the member opposite who just spoke, I am wondering what his position is on supply management. I just want to quote what the website for the Conservative Party is saying. It really means doing away with supply management, the policy implemented by the former Liberal government that has really brought a lot of economic health to a lot of the supply management industries: chicken, dairy, and eggs. The Conservative policy says:

A Conservative government will ensure that any agreement which impacts supply management gives our producers guaranteed access to foreign markets and that there will be a—

And here is the important part:

—significant transition period in any move towards a market-driven environment.

Really? When we read through that, we see that what they really mean is that they will do away with supply management and they know they are going to have to provide compensation in some way. Does the hon. member really agree with that kind of policy?

Mr. Gary Schellenberger: Mr. Speaker, I will reply to that. Of all of the parties that the member calls the new Conservative Party over here, I never heard him say Progressive Conservative Party. Is that not funny? I happen to know a little about that.

I do know that when I was in Cancun I supported and we do support supply management. Maybe we could get a few of the transcripts from that particular time. The member can read into it what he wants. We are supply management people.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I want to ask the former member of the Progressive Conservative Party about this. Now that the members have dropped the word progressive, I guess that means it is the regressive conservative party. It used to be Alliance of course, and Reform, and Saskatchewan's Saskatchewan Party, and maybe it will be cold porridge next, I am not sure.

I have here from the Conservative Party of Canada website a statement on the Canadian Wheat Board. Does the member agree with his former Reform and Alliance colleagues when they say, "The simple process of eliminating the monopoly powers of the Canadian Wheat Board will relieve most of the trade tensions in this area"?

As he knows, if we do that, we will get rid of single desk marketing and single desk marketing is the basic principle of the Canadian Wheat Board. Does the member agree with this new policy that is dominated by the former Reform and Alliance members since he was a Progressive Conservative, or is he now one of those regressive conservatives?

Mr. Gary Schellenberger: I am a very proud member of the new Conservative Party of Canada. I feel that the Wheat Board is a very important part of our trade agreements, but I also feel that it should be the choice of the farmer if he wants to deal through the board. That is where I stand.

Supply

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, it gives me great pleasure to use this opportunity afforded by this occasion to let farmers and their families know that the government and indeed all Canadians share their distress when trying times hit. More than this, I think I can speak for every Canadian when I say how much we admire and respect those who, in the face of unpredictable disasters, which could be anything from drought, flood, BSE, any number of calamities, continue to make the Canadian agriculture industry the best in the world.

However, as much as our sympathy and admiration might be appreciated, they are not enough when it comes to securing the future of Canadian farmers. In the face of serious challenges to the viability of farm operations, it is incumbent upon the government to offer support that will keep our farms vital and productive.

We know from the recently published 2003 *Farm Income Forecast* that, while not all farmers came out of 2003 with empty pockets, the story for many was not a happy one. Caught in the pincer of low sales and prices for cattle as a result of the BSE situation, a Canadian dollar that appreciated against the U.S. dollar and an ongoing drought in areas of the west, some farm operations saw their incomes squeezed painfully hard.

Not one of us can prevent acts of God or control the decisions of another country. What we can do, however, is manage the risks that are endemic to farming, risks like BSE or drought.

That is one of the key aspects of the new agricultural policy. With business risk management tools in place, farmers will have a buffer against the bad times that nature cannot help putting us through now and then. Instead of reacting to bad times, we are preparing for bad times.

The new Canadian agricultural income stabilization program, or CAISP, is specifically targeted to help farm income against small or large declines. This new program, developed with input from the industry, is a shift away from the ad hoc payments, which used to be the typical response when disaster hit, toward full time overall protection that is here before it is needed. CAISP is here in 2004 for producers.

Production insurance will replace crop insurance to allow for the inclusion of other commodities that were not covered under crop insurance, and there are other improvements that make this program more user friendly than its predecessor: average production periods are longer, payments are faster and it complements the CAIS program.

However we did not leave producers in the lurch by waiting until these programs kicked in. Program payments in 2003 were close to \$5 billion. That clearly demonstrates that the government was there to help reduce the impact of the past unfortunate year.

In addition to income support payments, last year we saw the government announce special funding specifically targeted to the BSE crisis; the BSE recovery program and the cull animal program, for example.

The record is very clear on all the ways that the government has financially supported the agricultural industry, nor is this support given begrudgingly. In fact, one might even say that it is self-serving.

Canada's agricultural and agrifood industry accounts for more than 8% of Canada's GDP and Canada's GDP is over \$1 trillion a year.

Keeping that number high means keeping our agricultural industry producing. I can assure everyone in the House that is the goal of the government. That is why we have the agricultural policy framework. That is why we back supply management. That is why we have financial farm programs. That is why we are working strenuously to convince our trading partners to open their borders to Canadian cattle and beef. That is why my colleague, the Minister of Agriculture and Agri-Food, is making every effort to listen to Canadian farmers.

● (1340)

Canadians have every right to be proud of the agricultural industry in this country. It is recognized worldwide for the safety and the quality of the food it produces. It is at the forefront of innovative production practices and products and makes sure that the environment gets mixed into the production equation.

We have a good thing going for us with our agriculture industry and we are going to keep it that way. There are bad times now and then, and that goes with the territory, but the industry and the governments working together can beat the bad times every time. The federal government, the provincial and territorial governments, and the industry are in the process of realizing the vision embodied in the agricultural policy framework.

Across the country, programs are unfolding to keep the industry moving on a course headed for prosperity: programs to enhance food safety and quality; programs to help science and innovation move agriculture forward; programs to protect the environment; programs to help farmers and their families deal with social and financial pressures; and programs to take up the financial slack when necessary. These programs will also be subject to an annual review to make sure they continue to respond to the needs of the industry.

At the same time, knowing that the success of our industry relies in part on exports, we are pushing hard in the international arena, at the WTO, to secure a level playing field for our farmers so that they can compete on a fair basis in the global market.

The government is doing all the right things to keep Canadian agriculture on track. We are proud to work with our farmers, to make sure they are ready to face a new day with confidence in themselves and in the system that they have helped create.

Supply

•(1345)

Mr. Howard Hilstrom (Selkirk—Interlake, CPC): Mr. Speaker, I have a couple of questions for the member for Dufferin—Peel—Wellington—Grey. Why did his government in 1995 negotiate and sign the agreement that has put supply management on the current round of negotiating table for trade talks in regard to agriculture, wherein the market access to Canada will have to increase and our tariffs will have to come down? Why did he and his government negotiate and sign that in 1995?

Mr. Murray Calder: First, Mr. Speaker, I hope the hon. member across the way gets his dates straight. It was January 1, 1994 when the WTO agreement was signed. Article XI, section (b) was the one that was in question. At that time 117 nations were part of the WTO and 116 were not backing supply management and article XI.

It was his former government, the Conservative government, that was leading us to brinkmanship. It was our government in 1993 that renegotiated TRQs that in fact protected supply management.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I thank the member for Dufferin—Peel—Wellington—Grey for putting some facts on the table instead of the kind of rhetoric that we are hearing from the other side.

I know the member was a member of the task force on the future of farming and I know he did good work on that committee. Could he outline for the House the kind of balanced approach that the government took at the time and the kind of response to that report that the Prime Minister had set up, the kind of response to put income into the farmers' pockets? If he could relate that to the House maybe the members in the Conservative Party would understand some of the facts.

Mr. Murray Calder: Mr. Speaker, the hon. member for Malpeque was also a member of the agricultural policy task force that the Prime Minister put forward at the urging of rural caucus, of which I was the chair at that time.

What we heard from farmers when we went across Canada was that they wanted policy and programs in place that they could rely on and take to the bank. That is crucial, to take to the bank. We in turn went back and dealt with the agriculture minister of the day and also with the agriculture minister that we have right now, who also was the chair of that task force.

I believe, through the agriculture policy framework, the CAIS program and the new crop insurance program that we have in place right now, these are not ad hoc programs. These programs are specifically designed to help keep farmers on the farm and can be reviewed and updated if the situation changes and it warrants a change in those policies.

•(1350)

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, of course the task force those members are talking about was a Liberal Party task force. As its fortunes in rural Canada dived down, it decided to go out and do some damage control by consulting with some farm groups.

I would like the member to explain to us why, of all the farm groups and provincial governments that his party spoke to, not one supported the APF magic bullet that the minister and his government

came up with? Not one supported the CAIS program and the business risk side of that.

If those members actually did their job as a task force and came up with that misdirected malpractice suit in waiting, how can the member stand in his place today and say they actually heard what producers were saying? When pen met paper, not one producer group and not one province supported that initiative. How can he stand there and defend that?

Mr. Murray Calder: Mr. Speaker, let me see, the APF provincial endorsements. Clay Serby in Saskatchewan, "Saskatchewan is signing the APF because we were able to achieve a number of significant improvements over the previous safety net agreement".

Steve Peters, Ontario minister of agriculture, "I am confident that this agreement will provide farmers with the resources necessary to build a stronger, more competitive agri-food industry".

Ken MacAdam in P.E.I., "This agreement will help support the strategic directions that we have established for the agriculture and agri-food industry in Prince Edward Island".

Quebec is signing the implementation agreement today because it is convinced it will receive its fair share of federal funding and this agreement will benefit its producers.

Rosann Wowchuck in Manitoba said "I am pleased to be here to ensure the continuation of the income stabilization program in partnership with the federal government".

The minister in Nova Scotia says "The agriculture industry constantly faces a number of challenges".

British Columbia, "Farming is integral to B.C. heartlands economy strategy".

Shall I keep going, Mr. Speaker? I think the hon. member is out to lunch.

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, I would like to say to the member opposite, after reading off all those provinces and stuff, that there is a sector of our industry that has been suffering for over five years and it has been neglected by the government. That is the cervid industry in this country. The government keeps saying that it will look at the BSE issue and it will go for the science base. The cervid industry has the science base but the government has not opened the borders to other countries for that industry.

If the government's agricultural policy is so good, could the hon. member tell us why it has not worked with the cervid industry?

Mr. Murray Calder: Mr. Speaker, the agriculture policy framework that we have is not ad hoc. It will pass the test of time and, as I said, it can be reviewed.

We will deal with the cervid industry. We can probably incorporate it into the agricultural policy framework, because I said it would be reviewed and be expanded.

Mr. Howard Hilstrom: Mr. Speaker, I recall that when those provinces signed on they were told quite clearly by the former agriculture minister that if they did not sign on they would not get any support money for the BSE issue. Farmers were so hurt that the provinces said they had to take what little miserly bit they could get from the federal government.

The member talks about the CAIS program and how happy he is that it has been set up and says that we can take it to the bank. I took mine to the bank the other day, because when we have a \$100,000 reference margin, we have to go to the bank and borrow \$24,000 so we can make our farmer's deposit in order to qualify for the program. The federal government does not deposit any money into any bank accounts. Why is the government being so hard on the farmer that the farmer has to put his money up front instead of just having a letter of credit from the bank stating that if he makes a claim on the program, the farmer's portion will be there?

• (1355)

Mr. Murray Calder: Mr. Speaker, on the hon. member's first statement about us forcing the provinces into this, I do not really buy that for a minute. I hope the hon. member is not telling me to send money where I have no assurance as to how it will be spent. On this side of the house, we take very seriously how money is being spent.

On the second part of the hon. member's question, we will respond to all instances within agriculture. He talked about the CAIS program. He better go back and talk with his accountant more. For instance, we said that a young farmer might have a hard time coming up with the \$24,000, so it was put into three payments. We even said that if the young farmer could come up with the first payment of the three over three years, then he would have 100% coverage on this.

I am sorry, but the hon. member better go back and talk to his accountant.

Mrs. Carol Skelton: Mr. Speaker, I would like to ask the hon. member if he can tell all the farmers in western Canada, who have had negative margins for the last three years, what and how effective this new program will be for those young producers who have had that situation.

Mr. Murray Calder: Mr. Speaker, that is one reason we went to the Olympic average, so it could be taken over five years because we heard the same thing the task force heard. If farmers made nothing for the last three years, how would they come up with what their income should be? Therefore, we took it to the Olympic average over five years.

STATEMENTS BY MEMBERS

[English]

HEALTH CARE

Hon. Gurbax Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, I would like to bring attention to the important issue of lineups and waiting times being experienced by Canadians seeking health care treatment.

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Since its inception by the late Tommy Douglas, time and time again Canadians voice the fact that universal and efficient health care is a cornerstone to Canadian society.

The Liberal government, under the present Prime Minister, remains soundly committed to the five principles of the Canadian Health Act: public administration, comprehensiveness, universality, portability and accessibility.

Within this commitment, there is the need for cooperation between various levels of government and the need for key investments are required to help reduce waiting times, by directing investment into developing ways for faster diagnosis, and the provision of more doctors and nurses.

I would like to congratulate the Prime Minister on his efforts, as it has been determined that the federal government will now be able to provide—

The Deputy Speaker: The hon. member for Prince Albert.

* * *

MEMBER FOR LASALLE—ÉMARD

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. Speaker, the Prime Minister has a serious case of amnesia. He does everything to escape his past and the Liberal culture of corruption.

He says that he is innocent. He says that as finance minister, he was out of the government's loop and he did not know. He blames public servants for the problem. He says that it is not his problem, that it is his predecessor's problem and his gang of Liberals.

The Prime Minister's own actions set the tone for the culture of corruption. In respect to his business interests, there never was a blind trust. The Prime Minister was in a conflict of interest, and a very strong case can be made that he used this conflict of interest to benefit his own business interest.

No, the Prime Minister cannot escape his past. He is very much a part of this corrupt and incompetent Liberal government.

* * *

• (1400)

FACES OF CANADA FESTIVAL

Hon. Shawn Murphy (Hillsborough, Lib.): Mr. Speaker, beginning today in Charlottetown, the Confederation Centre of the Arts, in partnership with the Government of Canada and Tourism Prince Edward Island, will host the second annual Faces of Canada Festival.

This event features four days of music, dance and storytelling, artwork, costumes and culinary delights.

Again this year, the festival offers a wide range of activities and events, including a multicultural brunch, an international tea house and live concerts featuring local, national and international performers.

The festival's first event, a citizenship ceremony, is taking place as we speak.

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The Faces of Canada Festival and events like it across the country strengthen the bonds between Canadians and provides an opportunity for us to experience and appreciate first-hand the multicultural nature of Canadian society.

I hope members will join me in wishing the Faces of Canada Festival a very successful weekend.

* * *

[*Translation*]

FORUM FOR YOUNG CANADIANS

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, the Forum for Young Canadians, a non-political organization that teaches young Canadians about the processes of government, among other things, is holding one of four annual sessions this week.

One of the students, Josiane Gosselin-Dubois, made a statement while taking part in the parliamentary simulation. She condemned the working conditions in numerous factories and plants in underdeveloped countries, especially Haiti.

In addition, she finds it unacceptable that children work in such places. She is demanding a legislative amendment regarding clothes labelling to inform consumers about the origin of the products they buy.

I want to congratulate this young Canada for her thoughts on a current trade and humanitarian issue, as well as for her approach.

I want to take this opportunity to say that Canada is aware of the problem and is committed to helping the least developed countries, including Haiti.

* * *

[*English*]

NO. 26 COLLIERY MINE

Mr. Rodger Cuzner (Bras d'Or—Cape Breton, Lib.): Mr. Speaker, February 24, 1979, is a date that weighs heavy on the hearts of many Cape Bretoners, for it was in the early morning hours on that day that 12 coal miners lost their lives in an underground fire in No. 26 Colliery in Glace Bay. Four co-workers were also severely burned.

This tragic accident, which rocked our community, serves as a harsh reminder of the dangers and hardships these men faced on a daily basis.

The bond between coal miners runs deep and true and the impact of this tragedy was shared by all. To the co-workers and brave draggers who risked their own lives in rescue and recovery operations, we say thanks.

I know colleagues on both sides of the House offer condolences to the family and friends, as they continue to deal with their loss. Our thoughts and prayers are with them.

* * *

EPILEPSY AWARENESS MONTH

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, March is Epilepsy Awareness Month. Epilepsy is one of the

diseases that affects all too many Canadians, yet is also one of the diseases that Canadians do not like to talk about. It is estimated that one in ten Canadians or 300,000 people will suffer an epileptic seizure in their lifetime.

Many people with epilepsy feel isolated, discriminated against and often ridiculed. Added to the emotional burden are the physical difficulties of having unexpected seizures and dealing with the sometimes devastating side effects of medication.

The Edmonton Epilepsy Association, working in partnership with Epilepsy Canada and the Canadian Epilepsy Alliance, has adopted the lavender ribbon campaign to bring awareness to this horrifying disease.

I am proud that the Edmonton Epilepsy Association is a national leader on the issue. I wish it the best in its endeavours to bring awareness and comfort to those who suffer from the disease.

* * *

OFFICIAL LANGUAGES

Mr. Eugène Bellemare (Ottawa—Orléans, Lib.): Mr. Speaker, linguistic duality is an asset for Canadians. It is part of the global knowledge based economy that means better access to world markets and jobs.

[*Translation*]

According to the Centre for Research and Information on Canada, 77% of anglophones outside Quebec believe it is important to learn to speak a language other than English. Of that number, 74% believe that French would be the language most important for their children to learn to speak.

[*English*]

Other findings in the study reveal that two out of every three Canadians agree: living in a country with two official languages is one of the defining factors of what it means to be Canadian.

[*Translation*]

We must continue to encourage linguistic duality.

* * *

FREEDOM TO READ WEEK

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, during Freedom to Read Week, I want to stress the courage of men and women here and elsewhere who have committed to fight for freedom of expression, often putting their lives, health or safety at risk.

2003 was a terrible year for freedom of the press. Forty-two journalists were killed, mainly in Asia and the Middle East, due to the war in Iraq. The memory of Zahra Kazemi, the Iranian-born Quebec photographer murdered in the line of duty, is still fresh in our minds.

The situation in many regions of the world remains of great concern. I am thinking in particular of Algeria, where, last Friday, several imams called journalists traitors and enemies of Islam.

Freedom of expression is a precious legacy we must defend doggedly. Even in a so-called free country, this right can be threatened. We need only think of the search at the office and home of Juliet O'Neil, a journalist with the *Ottawa Citizen*.

* * *

• (1405)

[English]

AGRICULTURE

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, on February 4 the United States department of agriculture report confirmed that Canadian and the United States beef industries are so highly integrated that “the first case of BSE in the United States cannot be considered in isolation from the whole cattle production system in North America”.

Yesterday North Dakota Senator Byron Dorgan issued a statement which read “Dorgan says keep ban on imports of Canadian cattle”. On January 27 Senator Tom Daschle issued a statement calling for the border to remain closed.

These statements ensure only one thing, and that is that farmers in Canada and the United States will continue to suffer. If Senators Dorgan and Daschle were concerned about opening markets for their producers, they would join us and tell the world together, based on science, that there is no BSE problem in North America.

The world community knows that we have a North American industry. Canada knows it. Mexico knows it. These senators are more concerned about playing politics than the well-being of their farmers or ours.

* * *

ADVENTURE TOURISM INDUSTRY

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, the decision by the former finance minister, now Prime Minister, to push for changes to the Marine Liability Act, which benefited his personal company, Canada Steamship Lines, created a crisis in Canada's adventure tourism industry.

Changes to federal legislation to limit liability insurance claims for Canada Steamship Lines has resulted in skyrocketing insurance premiums for small tourism operators who run tour boats, whitewater rafting, fishing outfitters, anyone who carries passengers.

They were never consulted about these changes that are putting them out of business. Even if small businesses can afford the premiums, insurance companies are refusing to provide coverage at any price for some of them.

The adventure tourism industry needs help now with waiver protection and legal recognition that individuals who participate in outdoor activities do so by choice.

If the federal government does not act decisively to change the Marine Liability Act, the adventure tourism industry is headed for the same demise as the family farm in Canada.

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[Translation]

LOUISE ARBOUR

Hon. Yvon Charbonneau (Anjou—Rivière-des-Prairies, Lib.): Mr. Speaker, we were very proud to learn that Madam Justice Louise Arbour of the Supreme Court of Canada has been named High Commissioner for Human Rights by the United Nations.

We are happy that the undeniable qualities of Madam Justice Arbour have thus been recognized by the international community. She succeeds Sergio Viera de Mello, who died in a terrorist attack in Baghdad. The task awaiting her is enormous.

Madam Justice Arbour has already shown her remarkable abilities as chief prosecutor at the tribunals that brought to trial those responsible for the Rwandan genocide and the atrocities in the former Yugoslavia.

Such a record suggests that the status of human rights in the world cannot help but improve through the competent and dedicated work of Madam Justice Arbour.

* * *

[English]

FREEDOM TO READ

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, February 22 to 28 is Freedom to Read Week organized by the Canadian Book and Periodical Council. This is the 20th year for this celebration of intellectual freedom in Canada. Each year, books and periodicals are challenged in our public schools, in our public libraries, at our borders and in our bookstores.

This week reminds everyone that our right to read cannot be taken for granted. Censorship of books is only one issue. In June 2003 the Haycock report on funding for school libraries asked, if children are denied books, are they not deprived of the freedom to read?

As National Librarian Roch Carrier has said, the library is the heart of a school. Too often, school libraries and the librarians who staff them are considered a luxury instead of a necessity. The result is reduced student achievement in reading, literacy and use of information.

To celebrate Freedom to Read Week, there are events happening all over Canada, including a reading that just finished here on Parliament Hill.

I ask all parliamentarians to join with me in supporting intellectual freedom in Canada, especially the freedom our children should enjoy to discover books in their schools.

S. O. 31

•(1410)

[*Translation*]

PAUL BERAL

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, yesterday morning, Paul Berval died at the age of 80. A native of Longueuil, Mr. Berval had been a singer, actor and humorist. He had a complete range of talents, and the main one was to make people laugh. For nearly 50 years, he was one of Quebec's leading comics.

My childhood soundtrack was the voice of Paul Berval. I still remember Alacazoo in *Passe-Partout* and Fred Caillou in *Les Pierrafeu*, the French version of *The Flintstones*. Several generations of Quebecers have laughed till they cried when they saw him in many productions, such as *Les Plouffe*, *Les Colombe*, *Le Matou*, *Chez Denise*, *Le Pirate Maboule* and, of course, with his comedy troupe *Le Beu qui rit*, among others.

This man who devoted his life to humour will receive one last, well deserved tribute at the Gala des Olivier this coming Sunday. It will be a special time for the public to bid him a final farewell.

And as for me, I salute and thank the great artist from Longueuil for the wonderful moments he gave us.

* * *

STRESS

Mr. Christian Jobin (Lévis-et-Chutes-de-la-Chaudière, Lib.): Mr. Speaker, Charles Aznavour wrote one of the most beautiful songs of the Francophonie on that theme, while Léo Ferré preferred to just watch it go by: time. Unfortunately, for most of us, time seems to be a rare commodity. Yet, it is a matter of organizing our lives to cope with a condition typical of the 21st century called stress.

I am pleased to announce to the House that, tomorrow, a seminar under the theme "Stressé...pas l'temps!", will be held in the riding of Lévis-et-Chutes-de-la-Chaudière. This event, which is organized primarily by the Lévis Chamber of Commerce, is an ideal opportunity to learn to manage time efficiently, to channel one's energy and to fully enjoy life.

I am proud to take part in such an event, and I congratulate all those involved in one way or another in making this event a success.

* * *

[*English*]

IMMIGRATION

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, the government says it does not have the money for migration security officers for the Saskatoon and Regina airports to continue the practice of meeting new arrivals when their flights land from other countries.

Are new arrivals from other countries going to be asked to report voluntarily to a downtown immigration office, unattended and on their own initiative? After business hours, are all new arrivals going to be detained at the airport until the next day? If they are, it will cost more money for security than it would cost to have the migration

security officer come to the airport. What about new arrivals who may have a criminal record? Will they report voluntarily?

Why do the Liberals always have enough money for their Liberal buddies, but not enough for the things that Canadians care about, such as immigration services, health care and agriculture? Why do Liberals give themselves first class treatment while the needs of the country are at the bottom of the priority list?

* * *

[*Translation*]

PAUL BERAL

Mr. Gilbert Barrette (Témiscamingue, Lib.): Mr. Speaker, we were saddened to learn of the passing of Paul Berval.

Mr. Berval made Canadians laugh over a period of several decades. As a multi-talented person, he found all sorts of ways to make people laugh. He first met with success in plays where his parody of classical lines made people roar with laughter.

Mr. Berval also entertained thousands of television viewers by doing the voice for characters such as Fred Caillou in the animated cartoon *Les Pierrafeu*. The younger ones will also remember him as the zebra Alacazoo, in the popular television show *Passe-Partout*.

I invite hon. members to join me in saluting the memory of Paul Berval, who won the hearts of many Canadians by putting a touch of humour in their lives.

* * *

[*English*]

SPONSORSHIP PROGRAM

Mr. Gerald Keddy (South Shore, CPC): Mr. Speaker, the Liberal sponsorship scandal is a grievous breach of the public trust and a serious waste of taxpayers' money.

Nova Scotia in the past year has faced several financial challenges as a result of storms, floods and hurricanes. The \$250 million wasted on the sponsorship scandal is roughly equal to the average annual taxes paid by 30,000 Nova Scotians. In other words, almost all of the taxes paid by 30,000 Nova Scotians last year simply vanished.

Other choices would have better served the South Shore. The sponsorship money would have paid eight years of salary for 20 new nurses in my riding. It would have hired 20 police officers for eight years and given each of them a new cruiser. It would have paid four years of university tuition for 360 deserving South Shore students, and that is only 1/25th of the money the Liberals gave to their friends. The money belonged to the citizens of Canada, not Liberal cronies.

From coast to coast, Canadians deserve better.

ORAL QUESTION PERIOD

•(1415)

[English]

SPONSORSHIP PROGRAM

Hon. Grant Hill (Leader of the Opposition, CPC): Mr. Speaker, the story is getting even tougher to explain now. The deputy minister of public works said today at committee, under oath, that there was a 1996 internal audit of the sponsorship program and the results were so bad that external auditors were called in.

How can the Deputy Prime Minister continue to say to the Canadian public that it was only in 2000 that this story started to get out?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, of course we know that there were internal audits done in relation to sponsorship. For example the internal audit that was done in 2000 indicated that there were administrative and management problems with the program and from that point on they were addressed.

I want to reassure the hon. member that everything this government has done speaks to our commitment to getting to the bottom of what happened here and putting in place mechanisms to make sure it does not happen again.

Hon. Grant Hill (Leader of the Opposition, CPC): Mr. Speaker, I am not sure the Deputy Prime Minister heard me on the first question.

This audit was initiated by a whistleblower who was part of the sponsorship program, and I say again, in 1996. I am going to give the Deputy Prime Minister another opportunity. How can she stand up today and say that this was not known until 2000 when this was contradicted today by the deputy minister?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the sponsorship program was approved on November 20, 1997.

Hon. Grant Hill (Leader of the Opposition, CPC): Mr. Speaker, that is the kind of nonsense that we are hearing. The deputy minister under oath today in committee said very plainly there was an internal audit and it was in 1996 and the results were so bad that external auditors would come in.

I want to simply ask the government, how can it stick to this foolish story that this was not found until 2000? It is nonsense.

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, it is my understanding that the sponsorship program that we have been discussing over this past number of weeks and the sponsorship program addressed by the Auditor General in her report of some two weeks ago in fact did not exist until 1997.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC): Mr. Speaker, my question is for the Minister of Finance.

Internal documents obtained through access to information reveal that officials in his former department, public works, knew of political interference and manipulation of the sponsorship program as early as October 2000. The public works communication branch

Oral Questions

was planning answers to deny systemic problems, political interference and criminal wrongdoing.

I ask the minister, did the former minister of public works, now finance, do a thorough investigation of his old department and if so, why did he not know about these documents?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the documents that the member refers to are the internal communication documents that were prepared for all people involved when the audit result was put on the website. The audit was put on the website and the documents were prepared to tell people it was up there and what the responses would be.

* * *

GOVERNMENT CONTRACTS

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC): Mr. Speaker, my supplemental question is for the Minister of Finance.

Will the minister confirm that in his former capacity in natural resources that he headed a trade mission to China and was accompanied by a video photographer who recorded that event? Will the minister confirm the cost of that video and will he confirm that it was sole source, an untendered contract?

The Speaker: The Chair has grave reservations about the propriety. The hon. member knows that questions cannot be addressed to ministers in their former capacities. Another minister may answer but the normal practice, it seems to me, would be to put the question to a minister who might have responsibility for the expenditure in question.

I see the government House leader is rising to answer.

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, I would be pleased to find out about the answer to the question that the hon. member just asked.

* * *

[Translation]

SPONSORSHIP PROGRAM

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, there were seven ministers at the cabinet communications committee meeting of June 10, 2002. Today, most of them say they do not remember which minister continued to defend the firms run by friends of the Liberal Party.

Since the Prime Minister says he wants to get to the bottom of things, can we know which minister continued to defend the firms run by Liberal Party friends one month after the Auditor General published her report on Groupaction, when everyone knew about the sponsorship scandal?

Oral Questions

●(1420)

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, we have made it very plain that we want to get to the bottom of this situation. That is why we have a public inquiry in place. That is why the public accounts committee is hard at work.

In addition to that, all ministers on this side of the House have indicated that they will, if called upon, appear before the public accounts committee or the public inquiry to answer any questions asked of them.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we have questions and we think that the House of Commons is as good a place as any to ask them.

The President of the Privy Council has no recollection. The former ministers of intergovernmental affairs, transport, fisheries and oceans and natural resources all have amnesia.

Unless he too is suffering from amnesia, can the Minister of Finance, who promised to clean up the Department of Public Works and Government Services, and who attended the June 10, 2002, meeting, tell the House from his seat, with certainty, if he is the one who made the comment in defence of the firms run by friends of the Liberal Party? He was there. Was it him or not? We want to know.

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, as we have indicated on this side of the House, ministers, if called upon, will appear before the public accounts committee and the public inquiry.

We have put in place an unprecedented set of actions to respond to the Auditor General's report. No one more than the government and the Prime Minister wants to get to the bottom of this situation.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, there is a limit. We are in the House of Commons. The cabinet meeting minutes indicate that a minister defended the communications firms in the sponsorship scandal.

Again, I am asking the finance minister who spearheaded a plan at the time to put an end to this scandal: Is he the one who defended the sponsorship companies? Could he be the one who defended the sponsorship companies during that meeting?

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): No, Mr. Speaker.

An hon. member: It is not him. It was not him.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, we would like the government to explain something. There were seven ministers. The minister responsible was not the finance minister; he just said he was not. That leaves six ministers—

An hon. member: Two of whom are still ministers.

Mr. Michel Gauthier: We would like to know something. Two ministers are still in cabinet: the Minister of Labour and the President of the Privy Council.

Could I ask the finance minister, since he recalls the meeting and he says it was not him, which of these two ministers, who are still part of cabinet, defended the advertising firms?

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, the leader of the Bloc Québécois and the Bloc Québécois House leader want answers in the House of Commons. Yet, for some time now, they have not stopped preaching about all sorts of things, including the need to have a commission of inquiry to get to the bottom of things.

There is a commission of inquiry. Let them make use of it. They should be consistent with what they wanted in the first place.

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*[English]***TRANSPORTATION**

Hon. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Minister of Transport.

It has to do with the report concerning the derailment at McBride last year where two railroaders were killed. There is a Transportation Safety Board report which states that “a number of bridge components were defective and determined that there were shortcomings in CNR's inspection and maintenance processes”.

I want to ask the Minister of Transport, what does the government intend to do about this or is CN going to get the same free ride that the Minister of Citizenship and Immigration and the Minister of Labour have been giving CN during the rail strike?

Hon. Tony Valeri (Minister of Transport, Lib.): Mr. Speaker, we certainly take this very seriously. The Transportation Safety Board is investigating the accident to determine the potential causes and make recommendations.

The department will continue to cooperate fully with the Transportation Safety Board in its investigation. The department is being kept informed of its progress. We do have a ministerial observer on site as well. Any safety deficiencies that might be uncovered through the Transportation Safety Board will be acted upon.

●(1425)

Hon. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I wonder who will actually be calling the shots here, the Minister of Transport or John Duffy, the former member of the Prime Minister's transition team. He is now a paid lobbyist for CN.

My question is for the Minister of Transport, perhaps the Minister of Citizenship and Immigration, the Minister of Labour and anybody else that has anything to do with CN. Does it not concern them that CN has more access to the Prime Minister than they do, and they are in the cabinet?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, that is an outrageous assertion.

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In fact, the hon. member should know that anyone involved with the Prime Minister's transition team followed strict rules established by the ethics counsellor. At no time were those people in a position of conflict of interest, nor are they now in a position of conflict of interest.

I want to remind the hon. member that it is this Prime Minister and this government that has committed to, and delivered on, a higher level of transparency and accountability.

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SPONSORSHIP PROGRAM

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, CPC): Mr. Speaker, cabinet documents made public today are imploding the Prime Minister's explanation that he really had nothing to do with this and did not know what was going on with the sponsorship program.

The documents show that the Treasury Board approved an additional \$40 million on top of what was already its set budget for the sponsorship program seven months after an internal audit found that there were all kinds of scandalous problems within the program.

Why was the \$40 million approved by the Treasury Board after it was known that there was a problem with this program?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, seven months after the internal audit exposed problems in the program, 37 actions were taken to correct the program and all of the problems.

[*Translation*]

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, CPC): Mr. Speaker, I would invite the minister responsible to look at the figures, because they show that the government approved an additional \$40 million for the program seven months after it had been established that there was something scandalously wrong with the program.

Why did the government approve \$40 million for the program when it knew that scandalous if not criminal activities were taking place? Why did it do that? That is a simple question. Why did the government put more money into it?

[*English*]

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Well, Mr. Speaker—

Some hon. members: Oh, oh.

The Speaker: Order, please. We have to be able to hear the answer from the hon. President of the Treasury Board. With all this noise, the Chair is unable to hear.

The President of the Treasury Board has the floor.

Hon. Reg Alcock: Thank you, Mr. Speaker. I appreciate the opportunity to respond to the member's question.

It is true that the money was approved after the fixes were put in place, but the—

Some hon. members: Oh, oh.

The Speaker: Order, please.

Hon. Reg Alcock: I am sorry, Mr. Speaker. There were two parts to the question, and I forgot one of them.

The member did say that after an audit that identified criminal activity was exposed, the government, knowing that, approved more money. If the member would like to table the audit and a statement about criminality, this is the audit that was—

The Speaker: The hon. member for Medicine Hat.

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, it is pretty clear that the fix was in. That is the whole problem.

Today, the public accounts committee revealed that even after the internal audit came down and all the problems were revealed—including activities that clearly were borderline criminal activities, perhaps even criminal activities—\$40 million more went into the program without any strings attached.

My question is: how can the Treasury Board president, the Prime Minister, and anybody involved in this, defend sending 40 million more dollars into a program that was involved in criminal activity?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the Auditor General pointed out in her report and detailed a number of years where money was put in the program. There was \$150 million in the first four years, where there were serious deficiencies, and another \$100 million afterwards once the program problems had been corrected. As soon as the problems were exposed by the audit, they were fixed and the program continued.

There have not been any complaints about the program. There have been complaints about the activities of some people who received money. Those complaints are the subject of a wide-open public inquiry.

● (1430)

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, either the Prime Minister was involved in this ad scam or he was completely incompetent.

Cabinet documents revealed today show that there were 13 Treasury Board meetings dealing with the sponsorship program. The Prime Minister was the vice-chair of the Treasury Board at the time. There were 13 meetings, but he only attended one meeting. That is 8 % of the meetings.

My question is: how can the Prime Minister justify not being involved in overseeing the proper use of taxpayers' money when he was vice-chair of the Treasury Board? Was he too busy undermining the former Prime Minister at the time to do his job?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, in the terms of this particular minister, when the finance minister is not signing the 252 million cheques of the government, he is doing other things that are important to the country.

If the President of the Treasury Board is there, the vice-chair does not have to be there. The vice-chair attends meetings when the chair is not present.

Oral Questions

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we now know that the Minister of Finance is not the person who defended the firms that were friends of the Liberal Party during that June 10, 2002 meeting.

My question is for the Minister of Labour, who held the same office back then and who attended the June 10, 2002 meeting. To this day, she is the only one who has not answered the question. Can she tell us with certainty, from her seat, if she is the one who defended the firms that were friends of the Liberals and that were involved in the sponsorship scandal, at the June 10, 2002 meeting?

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, in cabinet, a wide variety of matters are discussed and colleagues offer their views. This line of inquiry, on the part of the hon. member, is not particularly fruitful in this place.

As I have said before, there is a public accounts process and a public inquiry process. Ministers have indicated that they will appear before both those processes, if requested. At that time, members of the public accounts committee, for example, can ask individual ministers questions that they might have.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we can also ask questions here in this place. The minister's silence speaks volumes. By contrast, the Minister of Finance was not afraid to answer from his seat. With the President of the Privy Council, who attended the June 10, 2002 meeting, there are the only two ministers who are still here. Unless they both spoke at once. Since the minister is refusing to answer, it may be that she is hiding something.

I am asking the President of the Privy Council if it was him who, on June 10, 2002, defended the firms that were friends of the Liberal Party. We know that the Minister of Finance rose to the challenge and was not afraid to answer. Now, I am putting the question to the President of the Privy Council.

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, as I have said before, there are unprecedented processes put in place by the government to find out what happened and to ensure it does not happen again.

Ministers on this side of the House have indicated that, if requested to do so, they will appear before the public accounts committee to answer questions. They will appear before the public inquiry to answer questions.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, there are limits. This is the House of Commons. I hope the Prime Minister considers that transparency also means answering questions in the House of Commons.

I want to give the Minister of Labour a second chance to answer. She is one of just two ministers still on the job. She attended the

meeting. Did she, yes or no, intervene to protect and defend the communications firms involved in the sponsorship scandal? I ask her to answer from her seat. My question is clear and it deserves a clear answer.

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I will continue to answer the hon. member's questions, and I hope in a respectful way.

We have put in place a number of processes to get to the bottom of this situation. Ministers have indicated that, if called upon, they will appear before the public accounts committee and the public inquiry.

Again, we will be as forthcoming as possible. We on this side of the House want to get to the bottom of this. On behalf of Canadians, we want to know what happened. We want to put in place mechanisms to ensure it does not happen again.

• (1435)

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, how can the Deputy Prime Minister justify the fact that the interest in transparency the Prime Minister claims to have means that the government and the ministers do not answer questions in the House? The Minister of Finance had the courage to answer.

I ask the Minister of Labour and the President of the Privy Council to show the same courage and sense of honour and to answer the question. Which of them protected the communications firms?

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, let me remind the hon. member that this Prime Minister and this government have taken unprecedented steps.

He refers to the release of cabinet documents. In fact, what the Prime Minister did in relation to the release of those documents is unprecedented. There could not be any greater evidence of the Prime Minister's and government's commitment to openness, transparency and accountability.

* * *

LOBBYISTS

Mr. Chuck Strahl (Fraser Valley, CPC): Mr. Speaker, here is what the Prime Minister wrote in the red book, and I quote: "The integrity of government is put into question when there is a perception that the public agenda is set by lobbyists exercising undue influence...".

Unfortunately, undue influence is what Earncliffe Strategy Group has with the Prime Minister. His campaign manager is from Earncliffe, his leadership campaign was headquartered in Earncliffe, his transition team came from Earncliffe, and Earncliffe has millions of dollars in contracts from the government. Talk about undue influence: does it really all come down to they know who to sniff at Earncliffe?

Oral Questions

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I think it is most unfortunate that some hon. members in the House think it is appropriate to call into question the integrity of well known firms, in this city and in this country, that carry on business, be it in relation to lobbying or communications.

Let me reassure the hon. member that the ethics counsellor, using principles established by the Supreme Court of Canada, indicated in his 1998-99 annual report to Parliament that as long as there was a separation between activities such as lobbying and communication, that in fact a firm can—

The Speaker: The hon. member for Fraser Valley.

Mr. Chuck Strahl (Fraser Valley, CPC): Mr. Speaker, if Howard Wilson gave it a clean bill of health, we should all be very worried.

Here is another thing. Earnscliffe was also fingered by the Auditor General as one of the firms that failed to provide proper reports on publicly funded polling, apparently because the Prime Minister demanded verbal reports so that the public would never see it. Now we see Earnscliffe is back at it. It is scooping up untendered contracts again, only three days after the Prime Minister took office.

The question is, will the Prime Minister table all the contracts, tendered and untendered, that Earnscliffe has had from this government since 1993?

[*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, I think people ought to be very careful when attacking the credibility of recognized firms in our country. These are private companies that play an important role in our society.

In fact, contracts were given that were under the \$25,000 limit. Why were contracts given to Earnscliffe? As far as Industry Canada is concerned, Earnscliffe is a firm that has had expertise in biotechnology since 1998. The firm is on the research team for the Canadian Biotechnology Secretariat.

[*English*]

Mr. Gary Lunn (Saanich—Gulf Islands, CPC): Mr. Speaker, this is not about the integrity of firms. This is about the integrity of the government. It is well known that Earnscliffe was set up in the early 1990s as a front for the Prime Minister when he overthrew Chrétien and it has been a pretty good 11 years for Earnscliffe. It got \$6 million off the backs of taxpayers. Since this Prime Minister took office, Earnscliffe got two contracts under \$25,000. Why? So they would not have to be tendered.

What is the Prime Minister trying to hide? Will he not table in the House all documents with respect to all government contracts to Earnscliffe since 1993? What is he trying to hide?

[*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, if there has been anyone who could be described as the most transparent during this entire process, it is certainly our Prime Minister of Canada, who has

set up a series of procedures to account to the House for what has gone on.

With respect to the Earnscliffe contracts, they were contracts given by Industry Canada to a firm qualified as an expert since 1998, that works with the research team for the Canadian Biotechnology Secretariat, and that is an expert in the field, to support all biotechnology activities in the country. This was done in accordance with all the rules approved by the Treasury Board.

● (1440)

[*English*]

Mr. Gary Lunn (Saanich—Gulf Islands, CPC): Mr. Speaker, they talk about being open and honest. Let us just look at the facts. It took the Prime Minister only three days after taking office to open the vault to Earnscliffe. The Prime Minister wanted verbal reports, not written reports, with respect to Earnscliffe. Why? Because he did not want any paper trail. This was confirmed by the Auditor General: no tendering of contracts for his buddy.

What are they trying to hide? Why will they not release this information? If it is so open and transparent, give it to the Canadian people. Table it in the House. Give us the information on every single contract to Earnscliffe since 1993.

[*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, first, the Prime Minister of Canada was not involved in awarding these two contracts. They were awarded by Industry Canada.

Second, Industry Canada followed the Treasury Board policy that for contracts under \$25,000 a competitive process is not required.

Third, this is a firm with expertise, that has been working since 1998 within a research group for the Canadian Biotechnology Secretariat. I think that covers all the reasons that justify the awarding of these contracts.

* * *

[*English*]

HUMAN RESOURCES DEVELOPMENT

Mr. Dominic LeBlanc (Beauséjour—Petitcodiac, Lib.): Mr. Speaker, for over 14 months, seasonal workers in my riding have lived under the shadow of an HRDC investigation into employment insurance. This has caused considerable stress and anxiety among employees in the fish processing industry. Could the minister inform us as to any conclusions of these investigations?

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I want to thank the hon. member for his continued and ongoing interest in this issue. Of course we have been looking at this problem. My officials have now begun a process whereby they will engage the employers with them and discuss the issue of overpayments.

Oral Questions

As the member knows very well, the employment insurance department is a national program and what we need to do is maintain the integrity of that program in this process. I will be pleased to inform him and the House of the progress of such discussions as they proceed toward a resolution.

* * *

AGRICULTURE

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is for the Minister of Agriculture and Agri-Food. We are now in a farm income crisis in Canada. In fact, Statistics Canada reports that realized net farm income in our country last year was a negative, at minus \$13.4 million, the lowest since statistics started being kept in the 1920s. On top of that, the livestock industry, because of BSE, is in turmoil. Farmers need help immediately.

I ask the minister whether or not he will consider introducing legislation that would have a program of interest free loans for livestock and grain farmers in this country so they can pay some bills and stay on the farm.

Hon. Bob Speller (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I agree with the hon. member that in fact this is a crisis out there in agriculture across this country today. That is why the Prime Minister and I and many members of the cabinet have been out talking with farmers and farm groups across the country to see what more we, plus the provinces, can do to help. I am presently meeting with a number of different groups, the Canadian Federation of Agriculture, which I met today, and the Canadian Cattlemen's Association, to see where we as governments can move further.

* * *

TAXATION

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, in 1969 the United States changed its internal revenue code to disallow the deduction of any fine or penalty paid to the government for the violation of any law. Yet in Canada, the Liberals continue to allow this outrageous tax loophole for businesses fined for pollution, unsafe working conditions, even sponsorship scandals.

Now I ask the Minister of Finance, just like I have asked three previous ministers of finance, is he going to allow another tax season to go by letting his corporate buddies get a tax deduction for breaking the law?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, to the best of my knowledge I have no buddies in that category, but I would assure the honourable gentleman that the issue he raises is one of serious concern to me and that I have the issue under active consideration, both in the nature of the problem and in the proper way to deal with the problem so that unfair tax advantages are not in fact provided.

* * *

● (1445)

GOVERNMENT CONTRACTS

Mr. Greg Thompson (New Brunswick Southwest, CPC): Mr. Speaker, the new political boss of Ontario is none other than the HRDC minister. Unfortunately, he is already exercising his new role at the expense of the openness, transparency and integrity as

promised by the Prime Minister. The minister now routinely determines who receives government legal contracts and who does not.

Is this not just another example of the culture of Liberal corruption creeping into the hiring practices of the government?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as Minister of Justice I have authority with respect to the selection and appointment of legal agents. Shortly after my appointment, I asked for a review of the process so that it comports with principles of transparency and accountability and so that those chosen have the qualifications of professionalism, merit and competence, and that is what we are doing.

Mr. Greg Thompson (New Brunswick Southwest, CPC): Mr. Speaker, I would love the minister responsible, the political boss, to get up and justify why he would circulate a memo to 40 of his Liberal colleagues requesting names that might be approved. If they are not approved politically, maybe we could come up with some more names as long as they are Liberal. Why would the HRDC minister circulate that memo? Why would he do that to 40 of his colleagues if he was not looking for the politically correct names?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the decision was mine as Minister of Justice. I took the advice of my officials who made recommendations and those recommendations were followed.

* * *

FOREIGN AFFAIRS

Mr. Deepak Obhrai (Calgary East, CPC): Mr. Speaker, the sponsorship scandal has established without doubt that this Liberal government is now tainted with a culture of corruption.

Next week the Prime Minister is planning to visit Secretary General Kofi Annan at the United Nations Headquarters. Canada has refused to sign the UN convention against corruption, which was adopted on October 31, 2003, at the United Nations General Assembly. Why is Canada refusing to sign this convention? Why?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, Canada is not refusing to sign the convention. Canada has been a leader in trying to eliminate global corruption around the world.

Every convention raises complicated domestic legal issues as well as international legal issues. We will continue to pursue this, as the Prime Minister did when we were in Monterrey, to bring the American states together around anti-corruption. We work with members of the opposition and parliamentarians who are against corruption. We are extremely active on this file.

We welcome the member's question because we want to pursue this. This side of the House is determined to eradicate corruption around the world.

Oral Questions

Mr. Deepak Obhrai (Calgary East, CPC): Mr. Speaker, let me tell the minister that he has not signed this convention and that, according to Transparency International, Canada has been slipping in terms of its perceptions of the degree of corruption as seen by business people, academics and risk analysts.

The first step toward restoring confidence would be for the political players to accept responsibility for the sponsorship scandal. Where is this accountability? Why is no one owning up to responsibility on the front bench?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, I admitted that we had not yet signed that convention, but we are examining it. The Minister of Justice and I consider all avenues open for ways in which we can fight corruption.

I invite the hon. member to join GOPAC, which is a parliamentary committee of members of the House, started by a member of his own party, and which was designed to work with governments around the world to eliminate corruption.

We are taking measures in the Americas. We are taking measures in Africa. We are taking measures in Asia. We take measures globally. We will examine that convention. We will work on it. When the legal problems around it are resolved, we will of course adhere to it.

* * *

[Translation]

SPONSORSHIP PROGRAM

Mr. Odina Desrochers (Lotbinière—L'Érable, BQ): Mr. Speaker, the Deputy Prime Minister has told us that the ministers will be able to answer questions before the Standing Committee on Public Accounts.

Since the Minister of Labour will be able to answer questions before the committee, why not clarify things right away and tell us whether she was the one who defended the sponsorship companies?

• (1450)

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, as I have said before, no minister on this side of the House has any concern about appearing before either the public accounts committee or the public inquiry committee if called upon to do so.

Therefore I encourage hon. members of the public accounts committee. If they have questions for myself or for other colleagues, they have a means by which they can ask us to come forward and share what we know with them and the Canadian public.

[Translation]

Mr. Odina Desrochers (Lotbinière—L'Érable, BQ): Mr. Speaker, we know why they refuse to answer here and are putting everything off until they appear before the Standing Committee on Public Accounts. It is because they are hoping this will not happen until after the election.

I am asking the President of the Privy Council to take his responsibilities now, and not wait until after the election, and tell us whether he was the one who defended the sponsorship companies.

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I want to be very clear about something. That hon. member talks about taking responsibility. This government has taken responsibility for this sponsorship situation.

As of December 12, we cancelled the program. Within minutes of the Auditor General's release of her report, this government announced a package of measures unprecedented in terms of a response and in terms of finding out what happened and trying to make sure it never happens again. This government has taken responsibility.

* * *

AGRICULTURE

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, what is really scandalous is the 10 months that have sneaked by when we were waiting for the Liberal government to recognize the evidence of the increasing hurt faced by our livestock producers. Like any business, farmers need market certainty and cash flow to survive. Any farm group would have told the minister that yesterday.

Why does it continue to be so impossible for the government to design a plan that works for our producers? Get it done.

Hon. Bob Speller (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, in fact we have responded. We responded with a \$520 million program on BSE. We responded with a \$200 million program on cull cow. We also responded with a \$600 million transition program to help transition from the old programs to the new program.

We are working very closely with the Canadian Cattlemen's Association, the Canadian Federation of Agriculture and our provincial colleagues to address some of these concerns.

I invite the hon. member to sit down with the cattlemen. Maybe they would tell him about the approach—

The Speaker: The hon. member for Battlefords—Lloydminster.

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, all those farm groups are telling the minister to get off his duff and get it done. We need cash flow today.

All these big programs that the government talked about, the dollars never went to where they were intended. They did not get there.

CFIP paid out 70%. That is the government's answer to the solution.

Why are families who produce our safe quality food never a priority for the Liberal government?

Hon. Bob Speller (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, they are a priority for the government. The Government of Canada, my cabinet colleagues and indeed the Prime Minister recognize the situation of farmers and farm families across the country. That is why the Prime Minister has taken such a large lead in terms of dealing with the BSE situation.

Oral Questions

I can assure all hon. members and indeed farmers and farm families across the country that the Government of Canada does take this issue very seriously. We are working very hard in terms of opening up the border. We are working very hard with our provincial colleagues, along with the farm groups in order to make sure that the money that is—

The Speaker: The hon. member for Thornhill.

* * *

MIDDLE EAST

Hon. Elinor Caplan (Thornhill, Lib.): Mr. Speaker, my question is for the hon. Minister of Foreign Affairs. It is about the events taking place in The Hague.

The Palestinian authority is currently challenging the legality of Israel's security fence in the International Court. Israel does not recognize the jurisdiction of the International Court to rule on matters of its internal security.

Many constituents and individuals would like to know, what is Canada's position regarding these proceedings?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, I would like to thank the hon. member for her question. I would like to thank her for her interest in the security of Israel and in attempts to find a fair and just solution to the terrible problems that we face in the Middle East.

Canada has made its vote known in the United Nations with respect to the security fence. It is clear that Israel must take actions to protect itself and its citizens. However we have serious reservations about the placing of the fence, where it is going, and we have raised those with Israel and internationally.

That said, we strongly believe that this matter can only be resolved by negotiation between the parties as authorized by the Security Council. We encourage the parties to do that. We do not believe that legal proceedings are correct at this time. We have raised those convictions in our submissions.

* * *

•(1455)

SPONSORSHIP PROGRAM

Mr. John Reynolds (West Vancouver—Sunshine Coast, CPC): Mr. Speaker, the use of tax dollars from the sponsorship scandal as a Liberal slush fund raises concerns about the integrity of the government.

We have information that one or more officials, past or present, of the Liberal Party of Canada in Quebec were involved in the creation of, or were aware of, certain private trust accounts into which some of that money was deposited.

Has the Prime Minister frozen these accounts pending all investigations of this scandal?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Once again, Mr. Speaker, we have what I believe is third hand hearsay. If the member has a fact to put on the table before the inquiry, please do so. Put it down there.

The Prime Minister has said over and over again that the judge will go wherever he needs to go to get to the bottom of this and see that the people who are responsible are dealt with.

If the member has a fact, he should put it on the table.

Mr. John Reynolds (West Vancouver—Sunshine Coast, CPC): Mr. Speaker, in fact I did put it on the table. I turned it over to the chairman of the public accounts committee two days ago in a brown envelope, so they have it in that committee.

We have further information that certain federal Liberal Party officials are involved in some sort of negotiation or arbitration concerning the tax dollars sitting in these accounts.

I ask the question again. Has the Prime Minister ordered Liberal Party officials to assist in the investigation by coming forward now with any information they have on these trust accounts and this scandal?

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, the Liberal Party of Canada has done everything according to the law.

Anything the member has to put forward in this regard should be put forward before the proper authority which has been set in place to deal with the matter. The rest is pure speculation and I refuse to answer speculation.

* * *

[Translation]

AGRICULTURE

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, the statements by the Minister of Agriculture and Agri-Food about supply management are confusing. On the one hand, the minister is reaffirming that he will defend supply management, but he recognizes at the same time that there will be opposition around the table and even added, "We do not have much support". The minister's hesitations weaken his position.

Does the Minister of Agriculture and Agri-Food intend to eliminate all ambiguity and clearly reaffirm his commitment to defending the supply management system, as it currently exists in Quebec and Canada?

[English]

Hon. Bob Speller (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, from back in the days of the hon. Eugene Whelan through many ministers of agriculture within the Liberal Party of Canada, we have stood firmly behind supply management. I would question if there is that stand in other parties in the House.

* * *

MULTICULTURALISM

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, my question is for the government.

In 1993 Conservative attack ads ridiculed those overcoming physical disabilities. In 1997 we saw ads about no more prime ministers from Quebec. Now there are Caribbean attack ads.

Does the Minister of State for Multiculturalism agree with me that these ads are stereotyping negatively Canadians of Caribbean origin, are harmful to our country and are even harmful to our relations with other nations of the region?

Hon. Jean Augustine (Minister of State (Multiculturalism and Status of Women), Lib.): Mr. Speaker, the new Conservative ads reinforce racial stereotypes and are unacceptable in a modern multicultural society. We are working so hard to ensure that we speak to diversity, that we speak to inclusion.

The pattern that we see from the reformed Conservatives is a pattern that is very painful and very hurtful to members of our multicultural community.

* * *

● (1500)

MARRIAGE

Mr. Jim Pankiw (Saskatoon—Humboldt, Ind.): Mr. Speaker, the Liberal government's action plan for democratic reform is hollow and devoid of integrity.

Since March 2003, all private members' bills have been voted on in Parliament. However, the right of MPs to vote on my Bill C-450, which uses the Constitution to protect the legal definition of marriage, has been revoked.

Why is the Liberal government so afraid of democracy that it is resorting to undemocratic tactics to prevent MPs from voting on this important issue?

[Translation]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, I am extremely pleased that our party, in collaboration with the rest of the House, agreed to make all private members' bills votable. Criteria were established regarding these bills which are votable by default but which would not be votable if the criteria were not met. All the parties in the House agreed to these criteria. If he has a problem, it is not with us nor with democratic reform, but with himself.

* * *

HAITI

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, while the French minister of foreign affairs described President Aristide's government as a government that is now at an impasse and no longer has constitutional legality, and asked for his voluntary departure, yesterday, the Canadian Minister of Foreign Affairs continued to say that he needed appropriate political conditions to act in the Haitian crisis.

Could the minister tell us today under what political conditions he is prepared to take part in an intervention to prevent a bloodbath in Port-au-Prince?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, we are prepared to take action. We have worked with all our colleagues from the Americas, and also with our European partners, including France, to ensure that there is a political condition that is legitimate under both international law and the Haitian constitution.

Business of the House

Obviously, there must be an agreement in Haiti to have a government or a union, so that we can help the Haitian people resolve this crisis.

We are working with all the members of the international community. We are pursuing our efforts. Of course, should Mr. Aristide decide to leave—

[English]

The Speaker: That will conclude question period for today.

I believe the hon. member for Saint John is rising on a point of order.

* * *

POINT OF ORDER

COMMENTS BY MEMBER

Mrs. Elsie Wayne (Saint John, CPC): Mr. Speaker, during the debate yesterday with regard to the marijuana bill, it was inappropriate for me to put the question which I did. If any member took offence to the question I asked, I apologize to each and every one of them.

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BUSINESS OF THE HOUSE

Mr. Loyola Hearn (St. John's West, CPC): Mr. Speaker, in asking the government House leader what business we will be conducting for the rest of the week and into next week, perhaps I should also ask when we will see some new legislation from the government, because everything we have seen to date is recycled information.

Let me also ask him a supplementary. The leader of the government in the other place outlined a new policy that he promised to use for the appointment of the Senate ethics officer. Members of the Senate have been promised wide consultation prior to any appointment, and this also includes independent senators. However the agreement of all parties will also be necessary before the governor in council will make the appointment.

Is the government House leader going to bring in a statement that will outline the procedure that we will follow here in the House? Will it be the same as introduced in the Senate?

[Translation]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, I will begin at the end, to be completely logical.

These are Senate matters. They do not concern the House in any concrete way. I would need to know what the Senate was going to decide before I could answer the question.

Also, regarding new bills, I am assuming that a bill that is good for the people is a bill that is good for the people, whether or not it existed previously. That is what we are working on. I hope to have the cooperation of our colleagues across the way to continue this process.

Supply

As to the plans for the coming week, as you know, this afternoon, we will continue debate on the opposition motion. Tomorrow, we will begin debate at third reading of Bill C-18, an act respecting equalization and authorizing the Minister of Finance to make certain payments related to health, including transfer payments of \$2 billion to the provinces. Then, we will consider Bill C-10, an act to amend the Contraventions Act and the Controlled Drugs and Substances Act, followed by Bill C-15, an act to implement treaties and administrative arrangements on the international transfer of persons found guilty of criminal offences, and finally Bill C-12, an act to amend the Criminal Code (protection of children and other vulnerable persons) and the Canada Evidence Act.

On Tuesday, March 9, at 10 a.m., the Secretary General of the United Nations will address both houses of Parliament in the House of Commons. As you know, all parties have agreed that the Wednesday schedule will apply that Tuesday, in order to leave the morning free in honour of the Secretary General.

Finally, Thursday, March 11 will also be an allotted day.

GOVERNMENT ORDERS

•(1505)

[English]

SUPPLY

ALLOTTED DAY—AGRICULTURE

The House resumed consideration of the motion, and of the amendment.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, I will be splitting my time with the member for Blackstrap.

As the member for Renfrew—Nipissing—Pembroke, which is the second largest cow calf producing county in the Province of Ontario, this debate is of particular significance to the farming community in my riding.

Last week the farmers in my riding had a meeting to discuss the ongoing crisis on the family farm, which has resulted from this single discovery of bovine spongiform encephalopathy, BSE, or as it is now popularly known, mad cow disease.

On relatively short notice we had 400 to 500 farmers packing the Opeongo High School auditorium looking for answers and I have to congratulate Douglas area dairy farmer Preston Cull for taking the initiative in organizing the meeting that included speaker Ron Wooddisse, president of the Ontario Cattlemen's Association.

Farmers need cash in their hands right now. Leaving the announcement as to whether or not there will be any assistance as an election promise, rather than doing something now, only will be seen as a very cynical move on the part of the government. Waiting for the election is just too late.

Farmers do not want their livelihoods held hostage by an election. They know what the Prime Minister's record is on keeping election promises. In fact farmers as well as all Canadians are still waiting for

the Prime Minister to keep his 1993 election promise to eliminate the GST.

Let us be clear. Even the Liberals' provincial cousins in Queen's Park are saying that Ottawa lacks the leadership in providing support to our farmers and it needs to do more to help the farmers. That is the Ontario Liberals saying the same thing. These words are right from the mouth of the Ontario provincial agriculture minister, which considering how little his government has done, seems to be practising the same Liberal policies at the provincial level as well.

Farmers, like all Canadians, listen to the news and read the papers. What farmers in my riding say, and I would expect cannot understand why, is that when it comes to money for such things as \$2 billion for the Liberal gun registry, or \$250 million for the sponsorship program, or \$161 million for the Prime Minister's private, personal companies, or \$500 million to cancel the helicopter contract only to turn around and spend \$700 million to buy the same one, or \$50 million to cancel the Pearson airport contract, why, when it comes to wasting taxpayers dollars like this, the former finance, now Prime Minister, was so quick to sign cheques. Yet, when it comes to helping save the farming industry, the government claims the cupboards are bare.

It is not right that the farmers are put into a position where they literally have to beg the government, especially considering what an important role in our economy that agriculture plays. No farmers means that we do not eat. Canadians are smart.

At the beef meeting held in my riding last week many farmers questioned the spending priorities of the government.

Phyllis Hartwig of Killaloe, who had the experience of the great depression, likened today's plight with farmers as worse than the dirty thirties. The prices of the cattle right now are about the same as they were in the 1930s. She also made the connection that the very money that has been wasted could have been used to help the farmers right across Canada.

•(1510)

All farmers are asking the very same thing. Why does the government always have money to waste on foolish things, but when it comes to something as important as our food supply, Ottawa has to be pushed, yelled at or shamed into doing the right thing and even when it does it, it usually gets it wrong?

Mr. Wooddisse, the president of the Ontario Cattlemen's Association, made the observation that there had been no shortage of meetings between the government and the farm organizations. Yet each time a financial package was agreed to, the farming organizations would leave the room only to find that when the government announced the details of a compensation package, it was completely different from the ones the farm organizations had agreed to with the government. It is time the government started listening to farmers. Farmers want answers.

Supply

Why is there such a huge difference between what our beef farmers are receiving at the farm gate and what consumers are paying at the store? At the auction barn on Tuesday, cattle went for less than 10¢ a pound. Yet even for regular ground beef, we are paying \$2.00 a pound. Who is making all the money?

Farmers in my riding are also saying, and a show of hands was asked for by farmers at a public meeting, that if Canada needs to test every animal to gain the confidence of our trading partners, then let us just simply get on with it.

The time for talking about it is over. Farmers need action, and they need it now. Farmers are tired of the government telling them that it does not have any answers to this problem. It will be a year in May that the single case of BSE was found, and farmers are no further ahead in seeing an end to the crisis on the farm.

It is also interesting to note that while politicians were invited to attend the farm meeting last week, they did not want any of the Liberal politicians to stand up and speak. Such is the frustration in the farming community with some politicians.

I am pleased to confirm that the new Conservative Party of Canada does have a plan to help farmers. In the short term it is our intention to top off the farm income program. While the federal government has paid out only 60% of claims, we would pay out 100% of the accepted claims.

The BSE crisis has demonstrated the fact that we need more processing capacity in Canada and a new Conservative Party would budget \$75 million to help build up that capacity. Before the crisis, we sent our animals to the United States only to purchase the meat in our own stores. A new Conservative government would help build the processing capacity right here in Canada.

A new Conservative government would provide \$400 million to help cull herds to support the reduction of the excess mature cattle to restore the economies of scale on the farm. A new Conservative government would top up the CAIS program to deal with the deficiencies that the business risk component of the agricultural policy framework program recently introduced by the federal government.

The new Conservative Party would provide an additional \$300 million to address the cash-on-deposit section of the CAIS program, as well as bolster the federal contribution of the crop insurance. We need to review the regulations on negative reference margins, and a new Conservative government would reinstate sectors like woodlot owners who were dropped from the coverage of the CAIS program.

• (1515)

Of particular interest to the cattle producers in my riding, a new Conservative government would provide interest free cash advances, primarily directed to cow-calf producers, at approximately \$300 per calf-cow pair, and the loan would be repaid on the sale of the calf.

A new Conservative government would earmark \$25 million to cover the interest on the loan guarantees to backgrounders and feedlot operators and for replacement of dairy heifers. The loans would be valued at approximately \$200 per animal.

These are the short term measures a new Conservative government would undertake on behalf of farmers of Canada.

Mid and long term, we would be looking into implementing a number of other measures as the next government of Canada. The time for action is now.

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, CPC): Mr. Speaker, I was very pleased to listen to my colleague. What we are hearing is a short term fix, also perhaps a more mid term solution and long term perspective, fulfilling a real need for the agricultural sector. We need to re-emphasize that it is not always just complaining about the shortcomings, but it is providing a positive alternative.

Would the member summarize what those three perspectives really mean and what is the commitment that she is putting forward for the short term and mid term solutions and in the long term perspective?

Mrs. Cheryl Gallant: Mr. Speaker, on the short term, just to recap, we would pay out 100% of the accepted claims, as opposed to 60% of the claims. We would budget \$75 million to help build up the capacity for processing meat so we would not have to rely upon other countries that currently are not even accepting our cattle. Right now, farmers are left with shooting the animals and not having any money come back from processing them because there are no processors that can handle them.

We would provide \$400 million to help cull the herds to support the reduction of the excess mature cattle.

There would be a loan program, with no interest, so farmers could borrow money to help feed the animals. The loan would not have to be repaid until the animals were sold. There would be \$25 million earmarked to cover the interest on those loans. The loans would be valued at \$200 per animal.

On the mid and long term, we would be looking to implement other measures as the government of Canada, but I am running out of time.

Mr. Loyola Hearn (St. John's West, CPC): Mr. Speaker, when we talk about the overall problem, especially with BSE, a lot of people think it is just a western problem, an Alberta problem. It is not. It is a Canadian problem. The member who just spoke represents an Ontario riding.

A lot of people perhaps do not know that not only do we have an agriculture problem, certainly a BSE problem, in Ontario, we have that problem in parts of Atlantic Canada as well. Anybody in the business, whether it be the dairy business or whether it be the beef business, is affected by this.

How does the member see this affecting her province, so more and more people understand this is not just a western problem? This is a major problem and the economic downturn is having a drastic effect on all our provinces, and on the country generally.

Supply

● (1520)

Mrs. Cheryl Gallant: Mr. Speaker, we have people in the farming business now who are pulling out their life insurance policies, looking at them and coming to the conclusion, in some cases, that they are worth more dead than alive. It is coming to that.

They have no money left. They cannot spend any more money to feed the animals they currently have because they have no money coming in. They will have three times the number of calves after the spring births. They have had no income for the past year. They are at an impasse. It has been a terrible blow to the economy of the farmers themselves.

Then we have the feed stores, the equipment dealers, the car lots which sell vehicles to farmers, and grocery stores. Everyone in the service sector who service our farmers are being affected by this as well.

In summary, it is having a devastating effect in Ontario, and I know this devastating effect crosses the Ontario-Quebec border and out into the Maritimes as well.

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, I am pleased to rise in the House today to address my party's motion on misplaced priorities.

The waste perpetuated by the government has been tremendous. The sponsorship scandal, the gun registry and the other mismanaged government programs should not exist and should not have been allowed to continue once they were known to have gone askew.

The waste is bad enough in the best of times but the problem is compounded because this is not the best of times for Canadians. Our health care system has been slashed and hospitals have been closed. We have a shortage of doctors, long waiting lists for life-enhancing surgeries and access to diagnostic equipment is limited.

High tuition fees and the prospect of an overwhelming debt load is discouraging our young people, the people who will take care of us, from pursuing higher education.

Our cities and municipalities, struggling to deliver services passed on to them by other levels of government, cannot provide the essential infrastructure, such as roads, public transit and affordable housing, that would allow them to prosper.

Our armed forces personnel risk their lives serving in hostile areas in the world without the protection of modern equipment.

Police and other authorities are fighting a losing battle to make our streets safer from sexual predators, guns, drugs, gangs and organized crimes. They do not have the resources or the manpower to eliminate crime, and when they do overcome these obstacles, our justice system often sends the offenders back out into society with the most minimum of penalties.

Agriculture has been battered from a series of problems: drought, grasshoppers, subsidy wars, trade disputes and the ongoing mad cow crisis. Our agriculture sector is in ruins.

No, this is not the best time for Canada, and that makes the blatant squandering of our financial resources even worse.

The motion before us today, that the government reallocate its resources from wasteful and unnecessary programs, such as the sponsorship program or badly managed programs, such as the gun registry, to address the agriculture crisis at the farm gate across Canada, is an important and timely suggestion.

Canadians are tired of the waste and of no one being accountable. They are tired of seeing the need all around them, yet not having the government respond in a meaningful way.

Today's motion is not about asking Canadians to shell out more money to help save the industry, rather it demands that the government make some common sense decisions about programs that are not working but are eating up vast amounts of resources. This is not rocket science. Ordinary Canadians do this every day when managing their own resources and budgets.

I am from Saskatchewan, the heart of the prairies, where agriculture is an important way of life. The west has been hit hard by this crisis, as has every region across the country. It is a national problem requiring a national solution, a solution that takes regional differences and needs into consideration.

According to the dictionary, agriculture is a science. It is an art or practice of cultivating the soil, producing crops and raising livestock and, in varying degrees, the preparation and marketing of the resulting products. This is a basic definition. However, in Canada agriculture means much more than that. In some cases it represents a long held family tradition passed from generation to generation. Agriculture is a business, one that affects thousand of workers and transcends our borders into the global marketplace.

Agriculture is still a developing field. Innovation, science and initiative have resulted in novel best practices that have improved production and allowed us to circumvent some of nature's obstacles.

In Saskatoon, for example, we are known for research into the field of agricultural biotechnology.

Finally, agriculture is also part of our identity as Canadians and has a direct influence on our quality of living.

Let me cite some facts. The agriculture and food sector in Canada is the third largest employer. It accounts for more than 8% of our national GDP. It is clear that a healthy agriculture sector is vital to a healthy Canada, yet we find ourselves in a position where 2003 realized net farm income is expected to hit negative \$13.4 million nationally.

● (1525)

In Saskatchewan the number will be negative \$465 million, a drop of 177% from 2002. I ask you, Mr. Speaker, what would you do if your income went into the negative margins 177%?

Government aid programs are not designed to handle such an influx of problems this serious, let alone a situation like BSE where we are cut off from trade with the United States.

It should have been clear that more needed to be done after we saw the fallout of the discovery of the first case of mad cow last May, yet reports say that Health Canada scientists warned that proposed measures to curb the disease were inadequate. The warnings went unheeded and that reveals a level of arrogance that goes beyond being unprepared.

It is easy to lay blame and point fingers but that is not what our farmers need right now. What they do need is action, not a year from now, but today; not months from now, but today. They need help and they need it now.

As we have heard from my colleagues, we have a plan that would address short term needs as well as future considerations. The member for Battlefords—Lloydminster has itemized what needs to be done to help save this industry. For the short term it means topping up the 2002 Canadian farm income program payouts from 60% to 70% to a full 100% coverage; increasing processing capacity for mature cattle as well as all other livestock sectors; establishing a mature livestock rationalization program; creating a Canadian agriculture income support program top up for BSE affected farm operations; supporting interest free cash advances; and, convincing lending institutions that the Canadian government will support producer cashflow. Those measures would cost about \$900 million, less than half the cost of the gun registry program.

In the mid-term an additional \$100 million could help us continue to press for North American trade, particularly with the U.S., to return to its normal state; establish testing regimes for all non-North American markets; work toward integrated continent-wide rules on processing with regard to identification, handling and disposal of specific risk materials rendering protocols and trace out programs; and, support educational and promotional programs for domestic consumption of home-grown livestock.

Canadians have been extremely supportive of the beef industry during the BSE crises and it is imperative that we remain and maintain that confidence. In the longer term we can work to expand our market base by increasing our presence in countries, such as China and Russia. Like any industry, agriculture will prosper from growth in developing new markets.

All this could be accomplished at no cost to Canadians. It is a simple matter of directing money from programs that are not garnering appropriate results to ones that will show immediate and long lasting returns.

By essentially ignoring the crises, our government has put not only the agriculture sector at risk but also the many spin-off industries that rely on agriculture. Doing so, while continuing to waste money on ineffective programs, such as the gun registry, which is widely acknowledged as a complete failure, is insulting as well as irresponsible.

It is our duty as parliamentarians to ensure that government is doing all it can as efficiently as possible for Canadians in need. The need of farmers across the country could not be more apparent.

On behalf of the farmers and the agricultural producers in my riding, I ask my colleagues here in the House to support the motion. I ask my colleagues to send a signal to Canadians that we will not let the agriculture industry sink any further.

Supply

• (1530)

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I wish to give my support to the motion put forward by the Conservative Party, asking, and I quote:

That the government reallocate its resources from wasteful and unnecessary programs such as the sponsorship program—

Some \$100 million went up in smoke or lined the pockets of friends of the Liberal government. It continues:

—or badly managed programs such as the gun registry—

Again, hundreds of millions of dollars were misallocated.

—to address the agricultural crisis at the farm gate across Canada.

We can only agree with the motion before us. I have a question about it for my colleague.

What is the most shocking to Quebeckers and Canadians today, is it not the fact that they work hard for their money and paid taxes to the government and there are urgent needs such as the farmers' needs? In Quebec, the farm problem concerns both cattle and dairy farmers. People who earned 20% to 25% of their income selling cull are in a situation where the survival of their farm is in question.

Is the true issue not the public's lack of confidence in the government? Is it not the fact that people would like to see the money they pay in taxes being used properly? People are willing to pay taxes, provided that this money is used properly. Does the public not feel swindled by the current government?

[English]

Mrs. Lynne Yelich: Mr. Speaker, I have to agree with the hon. member when we talk about taxes. The farmers have very little control over selling their own products and have nowhere to pass on their costs and yet they foot the tax bill for so many farm inputs. In our area for operating expenditures there are hidden taxes for everything from fuel to fertilizer to pesticides. There are all sorts of hidden taxes to seed. Farmers are paying taxes but they have nowhere to pass on their costs. They have little control over the price of their products. When we talk about taxes, farming, which is one of the most capital intensive industries, is indeed paying a lot of taxes.

Yes, it is a sad day for us in Canada when we see what is before us across the floor with the scandals that have unravelled. Yet we have not seen any action for an industry that is so vital, which was mentioned earlier, from coast to coast. We have a serious problem.

Hon. Bob Speller (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, it is a pleasure for me to have an opportunity to address the motion today.

Supply

I understand, as the Government of Canada understands, that agriculture today is having some very difficult times. I recognize, too, that as I have travelled across the country talking not only to farmers, farm leaders and farm families but to other Canadians, that indeed all Canadians recognize the struggles being faced by Canadian farmers and farm families today.

Not only I but the Prime Minister and other cabinet ministers have been out talking to farmers and farm groups to hear from them what they feel the approach of the Government of Canada should be. Not only are we talking with them, we are taking action. We are acting on many elements of the problem. We are also trying to deal with and solve some of the critical issues that face agriculture today.

One of the hon. members across used this opportunity to put forward a proposal from the Conservative Party. As I looked through that proposal, I recognized that in fact the Government of Canada had already acted on most of it. It was not until word was out in the farm community that we were acting and working toward something to help bridge farmers, from now until when the new CAIS program came in, that we finally received a response from the opposition as to how it feels the governments could best spend their money.

Just last week, I had a very productive meeting with the national safety nets advisory committee, which is a group of farmers from across this country who are involved in different parts of agriculture. They talked to me about where they felt the Government of Canada could best serve farmers with its safety net programs. We said at that time that some changes needed to be made to the Canadian agricultural income stabilization program, or CAIS program, and we have done exactly that.

At that meeting, we also talked about an annual review of the business risk management portion of our safety nets. There is concern in the agricultural community that with the bringing in of this new program farmers do not understand the program. They are not sure whether or not it will actually help them out.

What I have done is ask members of the farming community and my provincial colleagues to provide names of some people I could put on an advisory committee, which could in fact review this program to see whether or not it is working for farmers.

In fact, we went further. I asked them to get together a group of individuals who could review the new agricultural policy framework. This is the new framework that sets the relationship between the Government of Canada and farmers across this country for the next number of years. I want to make sure that program is working, so I have asked these groups to give me names so that I can draw together a group of people who could then look at the APF to see whether or not it is doing what we feel it should be doing for Canadian farmers across the country.

As was said earlier, the 2003 income situation for farmers was bleak. There was no question that Canadian farm income in 2003 was negative. We have not seen that in this country. We have never seen negative farm income.

We are responding to that. We hope the new safety net program we will be bringing in will be able to respond to the situation. In terms of funding, this program will not have some of the barriers that the old program had. We will be able to respond to this situation.

There are other dollars out there for farmers. Dollars have been put out to cattle producers, farmers who are feeling the negative impact of the border closing. We brought in a \$520 million program for BSE.

● (1535)

Later on, we recognized that certain parts of the industry were not being helped by this program so we brought in another \$200 million cull cow program. We also have brought in what is called a \$600 million bridge funding program, which helps farmers move from the old safety net programs over to the new one. These funds are being funnelled to farmers now. Applications for farmers are being sent out. The process is ongoing.

I have asked my department to look very closely at those dollars that farmers are now eligible for to see if there are ways in which we can get them out more quickly. Unfortunately, I have to say that I wish we could do these things more quickly. I have asked my department to review the process with which we do this, because it is critically important that farmers who are eligible for these funds actually get them as quickly as possible. I have asked my department to look at ways in which we can do that, perhaps by designing programs.

I want the new safety net review committee to look specifically at this to make sure that the new program we have in place will indeed address the concerns and the problems being faced by Canadian farmers and farm families across the country.

I also want to say that we had negative income at a time when safety net dollars from the federal government and the provinces were at a record high. In fact, close to \$5 billion in safety net dollars went out to farmers in the past year and we still had negative income, so we can imagine how difficult this situation is.

I believe that governments need to do more. That is why I have been sitting down with the members of the Canadian Cattlemen's Association and the Canadian Federation of Agriculture to work with them on how government can address the problems in the industry today. It is a different industry across the country. It is an industry made up of different types of farmers. Under the old program, some farmers were impacted in a better way by the dollars that went there.

I want to make sure that all farmers across the country are treated fairly. That is why I had meetings again today and yesterday with farm leaders to make sure that the design of any new program reflects the reality of the difficult situation that is being faced by farmers.

I want to talk a little about the border. It is critical that we get the border open. One of the reasons why Canadian farm income is so low is the BSE situation.

I have worked very hard with my provincial colleagues. I want to say that provincial colleagues across the country have come together on this issue, which we do not generally see. It always seems as though the provinces are blaming the federal government and the federal government is blaming the provinces. We have worked very hard to make sure that we have a coordinated approach on this issue. We have worked very hard in cooperation with farm groups, too, to make sure that the responses we are putting out are reflective of what really is needed within the industry.

I had an opportunity in the past month to speak on a number of occasions with U.S. Secretary Veneman. I had occasion in Costa Rica to mention the issue to U.S. trade ambassador Robert Zoellick. I know that the Prime Minister has spoken to President Bush about it and has also talked to President Fox of Mexico about the issue.

In the past few weeks our officials have gone to Washington to talk to the United States about how we might coordinate in an effort to, first and foremost, resume trade in North America in beef, and second, to work together at the OIE to get a coordinated approach and to get recognition at the OIE that in fact the situation of beef in Canada, in the United States and in Mexico is different from that in the European Union and in countries where there have been a number of cases of BSE.

● (1540)

As for cases, we have had one cow. The United States has had one cow. The international peer review panel, when it reviewed both Canada and the United States, said that particularly here in Canada the response we took to this one case of BSE was in fact a response that could give Canadian consumers, and indeed consumers around the world, the confidence that not only is Canadian beef some of the highest quality in the world but it is indeed some of the safest in the world.

We are working with our American colleagues, and our Mexican colleagues too, to work together to market North American beef around the world and to move into these countries such as those in Asia and other countries that have taken North American beef in the past, to work with their governments and also to work with their consumers to give them the confidence that the international review panel gave Canada: that in fact our beef is some of the safest beef in the world.

We will continue to work to get these borders open. The Americans have indicated to us that in fact there will be a review period. Based on this new case of BSE in Washington state, that review period with regard to live cattle going into the United States will more than likely be 30 days.

After that 30 day period is done, once that legal period is done, we have an argument that I believe is based upon science and is one that recognizes the fact that the risk factors between the United States and Canada are no different. In fact, these risk factors, which frankly are based upon some of the responses we have taken with regard to tracking, tracing, surveillance and testing of animals, are the same. There should be absolutely no reason why the U.S. border should not be opening to all live cattle once that legal process now in place is done.

Supply

We will be working with the Canadian Cattlemen's Association, with our provincial colleagues and with other countries around the world to make sure that we get that message out loud and clear to those decision makers in the United States who will decide when the border will open.

It is not a question of whether the border will open; it is a question of when. I believe, as I said, that we have the arguments in place to give the United States the opportunity to work within the international protocols of the OIE and to recognize in fact that the border should open.

Finally, I want to bring hon. members' attention to the hard work and the dedication of public servants across this country, within my own department and within the Canadian Food Inspection Agency. They have been working very hard on this issue and have been in meetings for hours at a time, working with countries around the world. They have been in Japan, in Korea, in Russia, and in China. They are going to these countries, telling them and showing them exactly what it is that we have been doing in Canada to try to give them the confidence they need to open their borders. We have been somewhat successful. We have opened borders a lot more than anybody else ever has when they have had a case of BSE. We will continue to work on that.

I want to give Canadian farmers and farm families my commitment to work with their leaders and with them to bring in programs and provide the necessary safeguards they need to continue to farm.

It is difficult. We have a group of young Canadian farmers in Ottawa today who are meeting and I know how difficult it is for a young farmer to start out in this industry. We have, I believe, within the agricultural policy framework, the tools that are necessary to help these farmers in fact do that.

In Canada, we need to move beyond this crisis-driven approach to agriculture. Not only do we need to deal with the crisis that we have today, but we also need to look to the future.

Mr. Speaker, I know you have read the task force report that I chaired with the Prime Minister and which talked about moving agriculture beyond crisis-driven agriculture.

● (1545)

I think we have some of the solutions and I want to use that to work with farm leaders across the country to bring in the programs that meet the needs of Canadian farmers and not just meet the needs of the public servants who put them together. I have asked the people in my department to go through the document to make sure the voices I heard as I travelled across the country were heard and that as a government we take the action necessary to address their concerns.

In terms of the motion, I think we need to move beyond motions like this in the House. We need to move beyond the name calling across the floor. We need to work together as a Parliament with the focused goal of helping farmers, farm families and communities across the country.

Supply

I believe there are opportunities in agriculture. I believe Canadians recognize how critically important the food they eat is to the future of our country. If we do not deal with the international challenges that we will be facing, then we will be importing food into this country and Canadians will not know what type of food they will be eating.

We do get cheap food. There is no question that over the years there has been a cheap food policy. There is concern among many farmers and farm families that their share of that food dollar is not what it should be. In fact their share of the food dollar has been going down over the years.

I believe there are some structural problems within the industry that need to be addressed. One of the ways in which we can do that is to work through value added chains that we have set up in our department to get the producers, the processors and the retailers in the beef industry sitting down at the same table and recognizing that if they do not resolve their own problems, the challenges that they have are not within the Canadian industry itself but are from outside, and that if we concentrate too much on the day to day problems we will miss the fact that there are other countries out there willing to challenge us internationally, including countries like Brazil and China that have a lot of low cost ability.

Those are countries around the world that in fact used to be net importers of Canadian products. Now they are net exporters and we need to recognize that. If we do not, then we will fall behind. This is where I believe the agricultural policy framework can work best. It contains provisions which can help farmers and farming communities address these challenges internationally. Over the next number of weeks and months ahead I will be working with farm groups to ensure they are able to work with the programs within the agricultural policy framework and to ensure these programs are actually working for them.

I will leave with one note. The Government of Canada, from the Prime Minister on down, has recognized the difficult situation our farmers and farm families are facing today. We are working with the provinces and the industry to address the needs. I can give the farm families the assurance that we recognize that there is a problem out there, but at the same time we want to make sure that the programs we bring in are the best to suit their particular problems. These are problems that have challenged us for many years and the Government of Canada and my caucus colleagues will continue to work toward resolving them.

• (1550)

Mr. Philip Mayfield (Cariboo—Chilcotin, CPC): Mr. Speaker, I was pleased to hear the minister commenting on the government taking measures to assist farmers.

I come from an area in British Columbia where many of my constituents are cattle producers. It is most disheartening to hear these people tell me that the cost of selling their cattle is higher than the return they get from the sale. Some of these people are hanging on and wondering if they will make it through to the season when they sell their cattle, probably in the fall of the year.

First, could the minister tell the House how many farmers are on the threshold of financial failure because of current market conditions?

Second, could the minister tell us how many of those farmers facing loss will be saved because of the measures the government is putting in place?

Hon. Bob Speller: Mr. Speaker, given the negative farm income, I am sure many farmers across this country are having a difficult time.

In the past few weeks I had an opportunity to sit down with the heads of the Canadian banking groups to get a better sense from them as to how they saw the farm income problem, whether their branches down at the grassroots level were having a difficult time in terms of dealing with the situation.

The Canadian banks gave me the assurance that in fact they recognized that this was a problem of particular concern and one that they felt would resolve itself over the next little bit. They gave me their assurances that they would work with these farmers at the local level to make sure the credit they needed would be available to them and that the programs available to them would be available.

In terms of the meeting with these banks, I gave them my assurance that I would continue to monitor the approach that the banks were taking to these farmers and farm families, and that I would continue to address the needs as those needs came about.

There is no question that Canadian farm families are having a difficult time. We believe that the dollars we put out will help address some of these needs. Right now I think there is a need to bridge some dollars between now and when the border may open. There is a need to bridge before we get into the full dollars that will be coming out of the CAIS program, which will probably be in the fall.

I think more needs to be done, and, as I said, I am working with farm groups across the country to work on a program that might help do exactly that.

• (1555)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I agree readily with the Minister of Agriculture and Agri-Food that farmers are having a very difficult time right now. Debt loads are high. The mad cow crisis is causing similar problems for both dairy producers with cull cows and cattle producers.

There are also problems for young people going into farming. A few weeks ago, the leader of the Bloc Québécois and I met with about fifteen young students at the Institut de technologie agricole de La Pocatière. They told us about the major problems they see for the future and the difficulties dedicating their lives to this industry. What they find most frustrating is that these problems are occurring at a time when the federal government will have a \$7 billion surplus for this fiscal year. These young people had great difficulty understanding this. One of them was extremely frustrated and upset.

Supply

Some \$100 million was wasted on sponsorships. I want to ask the Minister of Agriculture and Agri-Food if he would not have preferred to see this \$100 million allocated according to needs and the demand for programs for suffering farmers. The same is true of the millions that went into the extremely poorly managed firearms program.

The minister says that we must move beyond this motion and move forward. To do that, should trust not be earned and should this government not change its current behaviour? Ultimately, people get the impression that they are paying taxes, that they are not getting a return for their money and that money is being spent on futile things so that friends of the system can put money in their pockets, while groups need this money to survive a crisis. The money is not there, and they are told there is none, when there will be a \$7 billion surplus.

What can the minister tell us about this to restore confidence and ensure that we can all work together?

[English]

Hon. Bob Speller: Mr. Speaker, I would have hoped the hon. member would have told those young people that the surplus was not \$7 billion. It is nowhere near that. I also would have hoped the hon. member would have told them about the response the Government of Canada has had to this issue.

We heard the hon. member say that \$100 million or so has been stolen. We heard that about the \$1 billion boondoggle. The opposition members claimed that at the end of the day a \$1 billion went missing. Does anyone know how much went missing? It was \$6,500. I could not believe it myself.

Day after day we sit in the House and listen to the responses that come from the hon. members and they have absolutely nothing to add to the debate, except to sit there and scream and yell and call into shame the names of hon. members. These members say absolutely nothing. They have no new evidence. All they do is call Liberals and hon. members names.

I hope the hon. member told these young Canadian farmers that what they were hearing from the opposition was not true.

I also hope he told those young Canadian farmers that through the agricultural policy framework, the Canadian government has recognized that we need to do more to encourage young people to get into farming.

If we were to look at the age group that is farming today, we would see that it has been rising over the last number of years. Young people are not getting into farming. We must do more to encourage young Canadians to take up farming or at the end of the day we will have no more farmers.

I would ask all members in the House to let all Canadians know that the Government of Canada has responded to the needs of young Canadian farmers.

•(1600)

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, speaking of young Canadian farmers, four young farmers from P.E.I. are waiting outside to see the minister and have a quick chat with him.

I am pleased with the minister's remarks, especially the fact that he has recognized that there is a serious problem out there, and that he emphasized that the government is willing to work as a whole to address the immediate shortcomings of the current farm crisis. I am pleased that the minister is willing to seriously look at the crisis.

However, in terms of today's motion, what the Conservative Party, the former Canadian Alliance, has put forward is that it is complaining about money. However what the Conservatives do not tell Canadians is their long term vision for agriculture. When we go to their policy statement we find that they want to undermine the Canadian Wheat Board and supply management. These are industries that are stable. Reluctantly, the Conservatives do not tell Canadians that information.

Where does the minister stand, relative to the \$6 billion farm cash receipts that is in supply management, in terms of that industry and its future, and where does he stand with regard to the Canadian Wheat Board from this side of the House?

Hon. Bob Speller: Mr. Speaker, the hon. member knows that the Government of Canada is in full support of the Canadian Wheat Board, particularly after the changes we made to ensure that the Wheat Board was controlled by Canadian farmers and not government.

It is important for all hon. members to recognize that the decisions being taken by the Wheat Board are decisions taken by farmers themselves. It is critical, in terms of marketing of wheat in Canada, that farmers themselves have control on how they market their wheat.

The hon. member knows that I have just returned from the Cairns Group of meetings regarding supply management. This is a group of countries that probably does not have the same ideas of the importance of supply management as does the Government of Canada. I made it very clear to the Cairns Group, to the head of the WTO and to the head of the agriculture committee at the WTO that the Government of Canada was committed to keeping our system of supply management as we worked through these international negotiations.

We feel that countries, such as Canada, that have sensitive industries, should be protected and should continue to be able to protect them within their programs with regard to their commitments at the WTO.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, as a Conservative Party member, one certainly needs to respond to some of those spurious allegations across the way from the former agriculture minister. Maybe that is why he is no longer in that role. He needs to get his facts straight on a few things because we do have some very concrete proposals and policies.

We are in support of supply management. We think we can actually strengthen the Wheat Board, or at least make the provision for it to be strengthened by way of our approach on this whole matter.

Supply

We do need income support programs for farmers. Our party does support the use of safety net programs to assist producers struggling with conditions outside their control. For things they do not have any control over at all, we certainly want to stand by them in those times of need.

We would have those measures in place to assist people across our country, whatever agriculture production capacity they are in, but in a way that it would not distort trade. It would need to be consistent with Canada's international trading obligations. We have something very specific. The members across the way should be here to take careful notes so they do not make those false allegations in the future.

In respect of the Canadian Wheat Board, we have said that we are on the side of farmers. We want to support farmers. We want to have a strong Wheat Board but our priority obviously in all of this is for the good of farmers.

A Conservative government would give farmers the freedom of choice to make their own marketing and transportation decisions and also to direct, to structure and to voluntarily involve themselves in those producer organizations. That is for the good of farmers and it can be for the good of the Canadian Wheat Board as well, as they adjust, as they flex, as they are in sync with the various things in our international markets.

In respect to supply management, we have said, going back to our former Canadian Alliance days, those of us from that particular side, but confirm these days as the new Conservative Party, that we believe it is in the very best interests of Canada and Canadian agriculture that the industries under the protection of supply management remain viable. A Conservative government would support the goal of supply management to deliver a high quality product to consumers for a fair price with a reasonable return to the producers.

Reading that particular statement, without question, we have no problems with support of supply. In fact it is very crucial. These are the only farmers, in my neck of the woods, in my constituency, who do not have some of the other pressing issues that agricultural producers have had in the last number of years. However they are in hard times now because of the BSE crisis.

I want to interject, Mr. Speaker, to say that I want to split my time with the member for Cypress Hills—Grasslands.

The Minister of Agriculture mentioned that we have to go beyond the motion today. We agree with that and are quite prepared to do that as the new Conservative Party with some very specific and concrete proposals. They are very explicit, not like some of the nebulous stuff that there is which is not helpful in the long term to farmers, at least not when they have to hire accountants and lawyers to figure out how to fill out the forms for the various programs that are dreamed up by the government.

Without question we must go beyond this. This is the starting point but we certainly need a government in place that would reallocate the resources and get away from the wasteful and unnecessary programs, and all the spending. We need to get away from the scams that we have had in Quebec, the sponsorship scandals, the billion dollar HRDC boondoggle, the almost \$2 billion

and mounting gun registry, and so on. We need to get away from that waste so that we can address the agricultural crisis at the farm gate with specific and concrete proposals and specific dollar amounts. I want to spend my remaining time by addressing them very specifically.

It has been unveiled and is on the public record, our commitment, our word, upon forming a government in 2004. The Conservative Party of Canada has very specific and concrete good news for farmers. It would be an improvement of things for them, if we were given the mandate to implement the Conservative Party plan of action for agriculture.

● (1605)

In the short term at least \$900 million would need to come in by way of topping up the 2002 Canadian farm income program from the current 60% right up to payouts to the full 100% coverage. It would take approximately \$75 million, I understand from the calculations, for that to occur.

There is the matter of increasing the processing capacity for mature cattle as well as all other livestock sectors. There is about another \$75 million calculated for that. There is also the mature livestock rationalization program estimated to be about \$400 million. These are the specific figures as asked for by the members across the way. We are quite prepared to put them on the record today.

Then there is the Canadian agriculture income support program or CAIS as it is becoming known in common jargon. I talked to an accountant last week and he has concerns with many of these programs, and with this one to a certain degree as well.

A number of good heads have to get together, accountants and all the farm players have to get together to figure these programs out. Accountants get involved. They are very complicated programs.

There would need to be the top up of the CAIS program for BSE affected farm operations. That would take about \$300 million. That is no insignificant sum of dollars that would need to be put into that. It is a very difficult time for those affected by a somewhat inadequate handling of this crisis by the present government through not looking down the road such that we could head off this thing by international protocols that were followed in our country.

We need to provide interest free cash advances of approximately \$25 million. An advance on calf value aimed at cow-calf operators would be helpful to beef operators back in the Saskatoon—Wanuskewin constituency and all across the country.

We need to provide confidence to the lending institutions so that when farmers walk in and have particular needs they can know that they are backstopped by the Government of Canada, a Conservative government, that is supporting producers in respect to cashflow. We need to provide interest free loan guarantees for backgrounders and feedlot operators of some \$25 million.

There will be more in future days, but these are specific concrete proposals that we are not shy to put on the record, in contrast to the rather nebulous plans of the government on the opposite side.

Supply

I think the minister is quite right. The beginning point is to stop the waste, stop the scandalous squander of dollars that has been occurring on the gun registry, the sponsorship scam, HRDC, and on and on it goes. There are probably more things that will turn up in the days ahead. We need to stop that and begin to redirect and get the priorities right, and focus in the particular way that we have talked about here. It is on the record. Members of the government can analyze it and do the calculations.

My question for the minister and those opposite today would be, are they prepared to live up to that? Can they deliver that kind of a program with specific concrete proposals? We would urge them to make that kind of commitment to farm families across the country.

That is our plan of action as a new Conservative government in 2004. That is what we would do for agriculture producers. It is how we would stand with them in the days ahead.

• (1610)

Mr. Art Hanger (Calgary Northeast, CPC): Mr. Speaker, I want to put the members on the opposite side of the House on notice because there have been several comments made in reference to our staying on topic on this side.

The motion reads:

That the government reallocate its resources from wasteful and unnecessary programs such as the sponsorship program, or badly managed programs such as the gun registry, to address the agricultural crisis at the farm gate across Canada.

The Prime Minister put the House and the media on notice that he was going to collect back those dollars that were illegally distributed. Has my colleague from Saskatchewan heard anything from any minister in the House as to the reallocation of those moneys to the farm crisis?

Mr. Maurice Vellacott: Mr. Speaker, indeed my constituents are outraged and it is palpable. We hear it in conversations with people in terms of the dollars that we will probably never get back. The money has gone down a dark, black hole, down a drain where we probably will never be able to get it back. At least those with a more pessimistic side would say that.

Certainly we should pursue everything with full force and to the full extent of the law because there are people who are culpable. Maybe small amounts can be brought back. Certainly we want to send a strong signal in the days ahead that nobody in a public office should be using and abusing the public trust in that manner.

Our farmers are going under and there are people on the take, if you will, who are squandering hard-earned tax dollars made by the sweat of the brows of farmers and other hardworking people who pay taxes. They are using it for these kinds of things. People want to be done with the gun registry and the mounting costs in respect to that. They want to be sure that there are no more scams like that in Quebec or anywhere in the country for that matter. They want to be sure that HRDC scandals do not ever occur again.

We need to have things in place. We want to have those dollars retrieved but I have to confess I am not very optimistic about it because with some of the individuals the paper trail is not there. It was all verbal, there was not even a handshake. I do not express a lot of optimism, but certainly we should learn the lessons for the future as this should never, ever happen again.

It has put other programs in jeopardy, such as health, education, and certainly as we are speaking of today, agriculture. For beef producers in my friend's province of Alberta, it is the most distressing time of their lives.

• (1615)

Mr. Howard Hilstrom (Selkirk—Interlake, CPC): Mr. Speaker, earlier the member from Qu'Appelle, which is in Saskatchewan, was speaking about his opposition to the Firearms Act and registering rifles and shotguns. We need to have a little clarification. Perhaps the member could correct me, but Jack Layton, the leader of the NDP, has quite clearly stated that he is going to ensure that all rifles and shotguns are registered, and that is the official NDP policy.

I would like the member to comment on whether or not an individual member can change things in the House, or whether he has to have the backing of others, at least in his party, to make that change. Could he contrast the NDP position on the Firearms Act to the Conservative Party's position?

Mr. Maurice Vellacott: Mr. Speaker, obviously Mr. Layton first needs to have a seat in the House and that has some question and doubt. There is no guarantee of that. He can make all the pronouncements he wants, but very clearly he is on the record as wanting to register long guns and the whole thing.

We stand very clearly in terms of scrapping the long gun registry, to be done with it. That is where the waste has been. There have been various other pistols and so on for the longest time, and there has been legislation with respect to them, but we would scrap the registry. There is no question about it.

There is a bit of a contradiction within the NDP because the leader is saying one thing and there are individuals out in my province who say another. They are speaking out of both sides of their mouths, if you will. It is really hard to know where they stand when in fact their leader, who is the one who kind of runs the show, or at least one would think that would be the case, is saying one thing in terms of support for registering all law-abiding duck hunters and so on across the country. He comes from downtown Toronto, an urban centre, and does not understand. Therefore he has a bit of a problem with his rural members who realize that their electoral chances are not real bright if in fact they do not indicate that they are opposed to the long gun registry.

The Conservative Party would scrap the long gun registry, no question.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Mr. Speaker, as my colleague for Calgary Northeast was speaking, I was thinking that the motto for the government seems to be “give a nickel, steal a billion”, and then expect people not to say anything.

We are here today to talk about agriculture, which is in a crisis situation as many of us who have rural areas in our riding know. I am glad to see that once again the opposition is leading the way on this issue. We have a government that is saying very little about it. It does not seem to understand the crisis we are in. It is hard to find government members in the House who are even concerned about agriculture. The opposition has carried the day and it has been good to see that.

Supply

We all know the story about BSE and what happened in this country. One cow was found in Alberta and the CFIA was able to trace it back to its source. We thought the industry was going to get back on its feet after having the border closed for months. Just when it seemed the United States was going to open the border, a second cow was found in the United States and it was traced back to Canada.

Our industry is being driven into the ground and it is frustrating for ranchers. I have received a lot of calls over the last month as people have realized that this is not going to be a short-term problem. It will last longer than they expected. They are almost at the end of their first year of trying to deal with this situation.

This is not just affecting ranchers. A lot of other people are being affected as well such as truckers and auctioneers. Up until Christmastime, retailers did not seem to be affected that much, but in talking to them since Christmas, a lot of them have expressed concern.

Farmers do a lot of shopping in the fall. They buy machinery and that kind of thing. Ranchers tend to do a bit more of it in the spring. When the season stopped for farmers, there was nothing, and ranchers did not pick up the business. A lot of the agricultural implement dealers are feeling the stress and strain as well from this crisis. There are others as well such as farmers who grow feed wheat. They find themselves in a situation where ranchers cannot buy that wheat from them. It is tough.

Over the last few weeks I have noticed that more people are calling and the calls are more desperate. Before, they were concerned, but now, we are getting to the situation where young people are starting to look at losing their property. Young ranchers are being told to go back to the oil patch and to work there in order to save their ranches. That is not the long-term answer for these folks.

One of the problems that I have had through this whole situation is the fact that the government has completely failed to plan or to lead the ranch and farm community through this problem. They have received many promises from the government. We heard again today from the minister. He is good at saying how much he feels our pain, but he is not so good at getting anything done.

The government has failed in a whole number of areas. One area I can think of is feed regulations. The government has refused to deal head on with the issues of what to do with feed, how to regulate it, and how to regulate the companies that are making it. The government has not taken the initiative there.

Opening the border is obviously a very important issue. The government seems to be doing nothing. Something may be going on behind the scenes, but ranchers do not understand what it is. The government is not talking about it in the House. That is unfortunate because the border needs to be opened quickly for ranchers to do well.

I had a big concern last summer with the government's commitment of \$500 million to ranchers and the ranching community. That money seems to have evaporated into thin air. I know it was spent. The problem is that none of the ranchers I know received any of it. They are paying the biggest price. They are

suffering the most and they needed that money. It disappeared into thin air. Someone received it, but it was not the ranchers.

The government now has a \$200 million program with regard to feeding culled cows through the winter. In my part of the world, that has turned out to be a disaster too because the provincial government cannot come to any agreement with the federal government about how to administer the program. As of the end of January, farmers were not able to get access to the money from the federal program.

It is unfortunate that there is an NDP government in Saskatchewan because it seems to be drilling our province into the ground. Our province is getting in worse shape. The Saskatchewan government is unable to cooperate with the federal government. And we have a federal government that is not able to put a plan or program together that will work for farmers.

Another area the government has failed is in setting the regulations for testing in Canada. Farmers and ranchers do not have any idea what the government plans for the future. I honestly do not think the government has any idea what it wants to do either.

We have heard from the minister. Producers have been very patient with him so far. He seems to be saying the right words, but producers are going to get impatient very quickly and will get tired of hearing promises and nothing else.

• (1620)

It is not just the ranchers that are in trouble. The grain industry is in a deep hole as well. The prices are at not all time lows but they are very low right now. There are shipping problems with the railway strike that is going on, but also a lot of problems with the whole grain marketing system in western Canada and most of it is focused on the Canadian Wheat Board.

Farmers have not recovered from the disaster that they had in 2002 and 2003 when they pulled out of the market when it was at its highest because they did not want to sell grain to the board. It had not done any planning for the future. It had not locked in any futures, missed the high, came back into the market at the low, and set the initial price too high and ended up with an \$85 million deficit in the pool accounts. Thankfully for the farmers but not so for the taxpayers. The taxpayers had to make it up.

It was incompetence on the part of the marketing done by the Wheat Board and it ended up costing a lot of money.

The Wheat Board, as we know, limits opportunities for grain farmers in so many ways. We have organic farmers coming to us now that are protesting the buy-back. In the past, they have been allowed to sell their own wheat and they have been able to do that very well. As soon as they started developing a successful market and a successful industry, the Wheat Board stepped in and said that it needed its share, and that it had to take a cut too. Now it is starting to drive the organic farmers into the same situation as it has done with the rest of the farmers.

Supply

My biggest concern with what is happening in western Canada in the grain industry, and it is tied again to the Wheat Board, is the fact that farmers are not allowed to process. I have a lot of small communities in my riding. The people want to survive and thrive. They would love an opportunity to process the product that they grow the most of and that is grain.

Unfortunately, even though we have 125 speciality crop plants in our province because people can process their own products there, we have less than 20 flour mills in the province that mill grain and most of those are owned by two American multinationals.

I heard members on the other side say that they were on the side of farmers, but they were defending the millers and the Wheat Board more than they were the farmers when they insisted that the system stay the way it was.

The sad part of it is that farmers do not have control of it. The minister still has control of the Canadian Wheat Board. If farmers had control of it or had control of their own destiny, many of them would be marketing their own grain and doing well at it, as eastern Canadians farmers have been doing over the last year. Once they got the freedom to go into the Ontario Wheat Board or stay out of it, it is interesting that they have done very well going into the United States with their own wheat.

Therefore, we look for some opportunities. Unfortunately, in many ways the government is restricting those farmers, particularly in western Canada.

I want to speak a little about CFIP, the farm income program and what a disaster that it has been. Unfortunately, from 2002, the government paid out about 75% to many of the farmers. Now it is clawing money back from the producers saying that it needs to claw some of their money back, so that it can get everybody up to 60%.

It is the position of our party and our agriculture critic that we would commit to ensuring that 100% was paid out. The government will short the farmers by 30%. We are not prepared to do that. We would like to see farmers get what they are supposed to receive. We would step forward and certainly do that for producers. It is unfortunate that the government does not do that as well.

The new CAIS program does not look like the answer that everyone thought it would be and that is unfortunate.

One of the other things I want to talk about is an issue that we thought there was a lot of hope for. We had an application for an ethanol plant from Shaunavon which is in my riding. The guys put a lot of work into the project and put a good proposal together. They waited patiently to see if the government would approve their project. Ten days ago the government informed them that they were not going to get the funding.

Instead, one of the projects went to a multinational company that made \$350 million in earnings in the fourth quarter and made \$1.8 billion last year. It apparently needed that \$14 million from the federal government for its project, while our local community group, that could have used that \$14 million to get the project up and running, did not get the funding.

It is unfortunate to see once again that it looks like the backroom boys who have been in charge of the political connections received

the money. Meanwhile, people in our small communities are not able to move ahead because the government is restricting them.

• (1625)

I would like to see the government support agriculture as much as it has supported our Prime Minister as he continues to pay 2% taxes while the average Canadian pays 50%. The government does not seem to be willing to stop that.

The government has supported the EI program as it has taken \$7,000 per family in extra premiums over the last 10 years. The government has also supported the gun registry to the tune of somewhere between \$1 billion and \$2 billion.

I wish the government would support agriculture with that same kind of enthusiasm.

Mr. Garry Breitkreuz (Yorkton—Melville, CPC): Mr. Speaker, I have been following the debate all day.

I have also been attending the agriculture committee meetings that have been taking place regarding the BSE crisis. At the last agriculture committee meeting that I attended, the value added processors that came to the committee were upset with some of the issues surrounding this.

In probing this further, I point blank asked them, what is the key problem when it comes to resolving this in Canada? They told me that there was a lack of leadership in dealing with this. I asked them what they meant by that? Who is not providing this leadership? The processors said there was only one person in the whole country who could provide that leadership and that is the agriculture minister. It is our government that is responsible for bringing it together.

They explained that we must bring together the various sectors of the industry. We must have a strong representation at the international negotiations, especially with our American neighbours in promoting beef around the world and developing other markets. They said that is not happening.

This was an extremely serious indictment of the government when the processors pointed out that there was no real leadership here. We see the Americans defending their farmers. The Canadian government does not do the same.

The Conservative Party has put forward a proposal. People know that I have been working here in Parliament on the gun registry. People also know that the gun registry has been ballooning now to not just \$1 billion but is now approaching the \$2 billion mark.

I would ask the hon. member for Cypress Hills—Grasslands, what kind of support would he like to see farmers getting? What kind of changes should the government be making to our agricultural programs? What positive suggestions has the Conservative Party made regarding farm programs, especially in relation to the BSE crisis? I would appreciate an answer to these questions.

Supply

• (1630)

Mr. David Anderson: Mr. Speaker, the issue of value added is an interesting one. Over the last few years I have found that the leadership on this issue is coming from our small communities. The leadership is coming from local people who have the gumption to get up and get together, and put companies together and go out and do something.

Unfortunately, these people have waited years for the government to do something and it has not happened.

Regarding the BSE crisis, there are a couple of places where the government could show some real leadership in this value added area. One area where the government could show leadership is in the area of slaughtering animals and packing. We have sat here for almost a year now. We have last year's group of cull cows that are not marketable. The government has sat and waited. This group of cows is still out there.

We have now come to the second cycle. We now have two years of cull cows. The government has not taken the initiative and put a couple of plants in place to deal with those cull cows. The government has not insisted that the Canadian fast food companies use those cull cows. The result is that we have two years of cull cows.

There is also a problem with the feeders. The slaughter companies have decided that they do not know if they can put extra packing lines in place. They do not know what the future is and how long those lines would be operational. The slaughter companies are hesitant about investing money when the government has not given them any direction about how long they will have to wait to recover their investment. These are a couple of areas.

We must move those cull cows out of the system. It looks as though we will end up having to rationalize those animals. I do not think there is anyone who wants that to happen. If it happens, it will be because the government has completely failed to show leadership over the last year.

It would be a terrible situation if we lost the market for those younger animals as well. One fact that has not been mentioned too much today is that the border is still open to animals that are 30 months and under, as long as they are packed and in boxes.

There is an opportunity for us to move some of that beef through the slaughter plants, freeze it and ship it to the United States. We have a market for it. However, we need that extra slaughter capacity and we need it quickly, or we will lose that market. We will lose our feedlots. Those people are on the edge of a bad situation right now.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I appreciate the opportunity to participate in this debate. I want to thank my colleagues across the way for putting this important matter, agriculture, before the House of Commons. I may disagree with much of their policy on the other side and the way they have phrased this motion, but in any event I recognize their concern, as I know they recognize mine, over the situation that Canadian farmers find themselves in.

The past year has certainly been a challenging one for Canadian farmers and farm families. There is no other job like farming. If it is

not the vagaries of the weather, it is a worldwide downturn in prices. If it is not high subsidies from other countries, it is the closing of borders, and we have experienced both those points in the last while in dealing with the United States.

We recognize, and I think everyone should recognize, that both the United States and the European economic community, in terms of the agricultural subsidies they put into their industry, really have not abided. They have met the law with respect of the World Trade Organization agreement, which replaced GATT, but they really have not met the spirit of the negotiation in reducing subsidies, as we have done in Canada. When it comes to the United States closing the border, it certainly has used "any old excuse will do".

We have experienced that many times in my home province of Prince Edward Island. We have had the experience of potato wart. We have had the experience of the mop top virus—

• (1635)

[*Translation*]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, I am truly sorry to interrupt the hon. member, but I would like to rise on a point of order.

I do not want to mislead the House and I am trying to avoid any misunderstanding or confusion. Today, during oral question period, I answered a question from the hon. member for Roberval.

When I checked the transcripts, I realized that the question was not exactly what I thought I had heard. Therefore, my reply was not the appropriate reply to the question that was asked.

My answer to the question that was actually put is that it is up to the inquiry commission to deal with this issue.

The Deputy Speaker: This is not a point of order, since it clarifies a situation that the government House leader wanted to correct. Since the correction has been made in the House, we will now resume debate.

The hon. member for Malpeque.

[*English*]

Hon. Wayne Easter: Mr. Speaker, sometimes the House leadership will do that on us, but we take it in stride.

As I was saying, in my home province of Prince we have experienced this absolutely unnecessary closing of the borders by the Americans several times. There was potato wart, PVYn and mop top virus. When it comes to dealing with the United States, one difficulty is we have the scientific reasons for why those borders should reopen. It is right in the first instance usually to close them down when there is a quarantinable pest or whatever. However, the United States drags that out and causes untold damage to our industry in Canada as a result.

Supply

We have to find a way of making sure that science at the end of the day determines the movement of products across borders and not the political gamesmanship that we so often see by the United States, as it uses those levers to keep the border closed, and plays politics with the industry.

What other industry, other than the agriculture sector, has to contend with these kinds of issues? I doubt any have to contend with them the way we do. There is no question that the forecast for net income in 2003 is a record low. The average net income in Prince Edward Island for the year 2003 is at 1926 levels, and that is not acceptable.

In my view the Government of Canada and the provincial governments across the country have to stand with the industry in its time of need. Through the remarks of the Minister of Agriculture and Agri-Food, who just spoke a moment ago, we can see that the Government of Canada is doing that. We are doing everything we can to stand with our industry. I will come to BSE in a moment.

Several factors have contributed to that low income such as the drought, the oversupply in some commodities and the ongoing subsidy war with the U.S. and the EU. The rapid appreciation of the Canadian dollar has certainly hurt our ability to export. One of the biggest culprits has been BSE in the beef industry.

BSE is a case in point. The Americans have used this issue very extensively in damaging the Canadian industry. We have seen senators in the United States publicly asking the secretary of agriculture to continue to ban of Canadian beef to the United States. That is not necessary.

The fact of the matter is, the science is on our side. We had the traceability system in place. We have had one case of BSE in Canada and one case of BSE in the United States. The Americans will argue the cow originated in Canada. Where the cow originated has nothing to do with BSE. It is the kind of food products that the animal ate which would end up being BSE, and we have the safeguards in place. Our food safety system is secure and safe in the country. Not a bit of that BSE animal got into the Canadian food system. However, on the U.S. side, it has had to recall some of its product because it operates on a different system.

The North American beef industry is basically fully integrated. We move cattle down to the United States and it moves cattle up here. If we are going to get out of this dilemma and get our product moving around the world again, we have to work together. We have to be seen as a North American industry.

● (1640)

In my view, if the Americans would come to their senses, they would recognize that. They would recognize that the rest of the world knows this is a North American integrated beef industry. They should be saying "Let us work together. Let us show how safe our products are in Canada and in the United States and move them abroad".

Instead of the U.S. senators playing politics, they should cease and desist, make decisions based upon science, allow our product to move across to the United States, as it should, and work with the rest of the world to get world borders opened up to North American beef products so the market can work as the market once worked.

This BSE issue has absolutely not been an easy issue to deal with, but the Government of Canada and ministers have been working with Canadian farmers. There have been endless meetings, including meetings held by the Prime Minister. I believe there was \$520 million in one program. However, I ought to say that absolutely too much of that \$500 million, which was really targeted for the beef industry, was bled off by others in the system. When the program was designed, we hoped that that would not happen, but it did. I personally believe that there are some, be it the packing houses or at the retail level, who have been ripping off the beef industry, the primary producers, by capturing more profits for themselves and not doing their best to hold up beef prices at the primary producer level, and that is sad. We have to criticize the packing and processing industries for that.

Members will note as well that even with these ridiculously low prices at the farm level, the prices of beef products at the retail level have not dropped substantially, as one would expect them to do. I believe the middlemen are ripping off both primary producers and consumers as well. We should state that clearly and if we can, we should revolt against it.

Farmers are also faced with challenges related to increasing demands by consumers who are seeking greater assurances about the safety and quality of their food and how it is produced. The agriculture sector is also concerned about new advances in science and increasing international competition.

The federal government intends to make sure that Canadian farmers have every opportunity to keep their businesses viable and to build a strong sector that can meet the challenges it faces. In fact the Minister of Agriculture a moment ago spoke of some of those challenges and spoke of what we were doing as a Canadian government to meet those challenges on behalf of Canadian producers.

The current Minister of Agriculture chaired a task force on the future of farming, and I was a member of the task force. We went out and met with farmers across the country to try to design a new program that would meet the needs of farmers better than the current policy was.

With all this in mind, the federal government, along with the provinces and territories and in consultation with industry, has developed the agricultural policy framework. This future orientated approach to managing risk, looks at the farm's potential, takes into consideration all activities of the farm business and actively encourages innovation, diversification and value added production.

New funding of \$5.2 billion over five years has been dedicated to the APF in helping our farmers and farm families strive for greater profitability.

Supply

•(1645)

As I said a moment ago, that partly comes as a result of the work of the Liberal task force on the future of farming. I want to thank my colleagues and I certainly thank former Prime Minister Jean Chrétien for his efforts in seeing the work we did and coming up with the funding to put those kinds of dollars in place to partially—not totally—meet the needs of the Canadian agricultural industry. As things change so rapidly in that industry, there are always needs that we are not meeting as well as we would like to see them met.

The APF is designed to make Canada's agriculture and agrifood industry proactive instead of reactive and to make us known throughout the world as innovative, both in our production methods and in our products. And we are innovative, as the best producer of safe, high quality food and as environmentally sustainable producers.

We do not want to have to see our agriculture and agrifood industry sustained by subsidies. It is difficult for Canada because we cannot match the treasuries of the United States and the European Community, but whether we can match them or not, I certainly believe that we have to be there for the farm community in their time of need. I think we are showing that we are, and yes, there is more we have to do. Wealth and growth instead must come, to the greatest extent possible, from the market, we believe. In a country with a population of only 31 million or so people, we rely on trade and, it is to be hoped, fair trade.

Developing countries are getting into the game more as well. They are producing at a rapid pace and in some cases for much too cheap a return. I submit that if we are really going to deal with the full extent of this agricultural crisis, we have to do more internationally.

I would even go so far as to suggest that instead of just leaving it up to the trade ministers to have the discussions in terms of the agricultural policy issues—I know the Minister of Agriculture is often there—maybe it is time for agriculture ministers around the world to come together themselves in the interests of primary producers to try to find a way of putting a bottom line, a floor, under agricultural prices. This dog eat dog approach we are taking to agriculture internationally, where we are all driving prices down, is driving everybody out of business and creating rural devastation in many areas.

Yes, we are trying to backstop it through the APF and other programs, but I think that over the long term we are going to have to try to do more internationally. We are all farmers and we want to feed a hungry world. We want profits for ourselves. We want to have thriving rural communities. We may have to take that approach and do more internationally.

In order for our agriculture industry to grow and prosper, either our productivity has to grow faster than any other country's, or we must find additional value in, for example, new and value added products or we must have a premium reputation that commands higher prices.

The agricultural policy framework provides an organized framework, one that looks ahead into the 21st century with a broader agenda. The APF creates a more cooperative relationship between

governments and with industries. It provides a solid foundation on which to build.

For Canada to achieve growth, it requires competitive success, as I said, beyond our borders. It requires both the right tools for farm business, such as risk management tools, skills and capital, and a bankable reputation for quality, delivery, innovation and market responsiveness.

The APF integrates a set of elements for success. Food safety and quality, innovation and environmental stewardship will be our mark and our brand of excellence.

We are providing the industry with the tools to get the job done. That is why there is a renewal component to the APF to assist family farms with their planning and management requirements. Yes, there have been consultations with industry and there no doubt will be more.

•(1650)

The CAIS program provides permanent stabilization and disaster coverage and is available to producers across the country.

If I might ask for my time, Mr. Speaker? My goodness, I cannot tell members everything the Government of Canada is doing in the one minute that is left.

CAIS helps protect farm businesses against large and small fluctuations in farm income margins. It can also provide assistance to producers who have experienced a loss of income because of extreme circumstances such as BSE or other factors.

CAIS will deliver significant payments in 2004. As well, there is \$4.1 billion in the NISA accounts. These funds are available for withdrawal in 2004 as the program winds down to make way for the CAIS program. Crop insurance has been changed to production insurance.

As part of the \$5.2 billion in new federal investments to implement the APF, the Government of Canada provided \$1.2 billion over two years to help farmers make the transition. We are there for the current farm community. We intend to be there in the future for the farm community.

That is what the Minister of Agriculture and Agri-Food indicated just a few moments ago and I think Canadians and members opposite as well ought to recognize that.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Mr. Speaker, the hon. member and I disagree on a few things to do with agriculture, but I think we both agree that it and farm families are important. On that we can agree and see eye to eye.

I want to ask him a question about packing facilities. The border is partially open. It is not open totally, but it is open to boxed beef for animals under 30 months of age. One of the things that the government has failed to do is really take the initiative in developing the capacity that we have in this country.

Does he think the government should be taking an active role in developing slaughter capacity for that boxed beef under 30 months that goes to the U.S., in order to protect our packing industry but also to protect our feeder industry in Canada?

Hon. Wayne Easter: Mr. Speaker, I think that is a very good question. In fact, we met with some of the packing industry the other day. I really do not believe and I do not think that the Conservative Party would encourage us to build packing and processing plants ourselves as the Government of Canada, but there certainly are programs in the country that can assist.

In fact, in the province of Prince Edward Island at the moment there is a new packing plant being built that hopefully will assist the industry. At the moment in Prince Edward Island, cattle are being shipped to Cookstown to be slaughtered; it has been mainly Ontario since the U.S. border closed. That plant is going to be available for the Atlantic Canadian industry. Certainly ACOA is helping in some respects in terms of that plant with the waste management treatment side of the plant. It is important for that to be there for the industry in its time of need.

Yes, we need a greater slaughter capacity in this country, not only for the animals under 30 months but also for the aged animals. But not only is the slaughter capacity crucial, so is opening the border, just getting that border open. I certainly congratulate the Minister of Agriculture and Agri-Food, the Minister of International Trade, the Minister of Foreign Affairs and others for their efforts in trying to get that border open.

It is not easy dealing with the United States. The president could even be on side, but Congress and the Senate, playing political games, as they are showing they are doing, do not recognize the science and they keep the political pressure on that the border to stay closed. That is wrong for Canadian producers and I believe it is wrong for American producers as well, because we are an integrated industry and we have to get out of this dilemma together. We have a safe food supply and the Americans are going to have to recognize that.

•(1655)

Mr. Howard Hilstrom (Selkirk—Interlake, CPC): Mr. Speaker, I am pleased that the agriculture critic for the Conservative Party of Canada put forward this supply motion today to talk about agriculture and in particular to talk about BSE. The devastation that cattle farmers find themselves in at this point is really tragic and it is a situation that should be determined a full disaster and dealt with as such.

I would like to talk for just a minute about the income situation on our farms and ranches across the country. This applies to non-beef farmers as well. The realized net income on farms has hit a negative dollar figure. This is the first time since 1920 when statistics were first kept that Canadian agriculture as a whole has been in such a serious negative financial situation.

This is not a day to go hammering on the government too badly. Liberals have been in charge of this agricultural policy and the regulations since 1993, and we find that not totally through the government's fault we have gone from crisis to crisis to crisis in agriculture. The government in power, just like a company president or CEO, has to have responsibility and this government is holding the bag for what has gone wrong. It is certainly quick to take on what has gone right, but in this case things have gone wrong.

In 2003, BSE did not occur until approximately May 20. Before that, many cattle had been sold so those incomes were there.

Supply

Between May and December, prices were deep in the tank and some farm programs were brought in.

When I say farm programs, we have to be careful with our definitions. There are the packing plants, the feedlots and the farmers, or what most people would call the producers. All three of those entities produce meat or beef for the table.

When the government puts out the fact that it has spent so many millions of dollars on the beef producer, what it is really talking about is putting money into the packing plants and into the feedlots. While that is helpful, I would like to point out that the majority of cow-calf producers, which is the basic farm that provides the raw material for the rest of the people up the chain, has not received a cent to this point. That has been a major problem for the cow-calf operator: not having this cashflow.

As for the cull cow program, or cull animal program, which is what it is supposed to be, brought out by the federal government, what it tried to do was say that herds had to be culled, which is true. It is a natural process; so many are done every year. Somehow a dairy herd would be culled at 16% and a beef herd would be culled at 8%.

This is a fairness issue. The dairy farmer fortunately still has the income from the sale of milk from those animals whereas the beef farmer does not have any of that additional income.

As a result, this application of a percentage of the cull should have been at least equal, whether it was 16%—and maybe it would have been the ideal if that would have been given to the beef producer also—or the government could have split the difference and said that everyone gets 10%. That would have actually made the beef producer, someone who is strictly beef and not dairy production, feel a lot better. That kind of unfairness leaves a sour taste in the mouths of many people who are in just the beef operations.

•(1700)

Another part of the cull program which is wrong is that bulls and animals under 30 months of age should have been included if they were breeding stock. I know one case where there are about 75 bred heifers. Of that 75, by the time they calve out this spring, 15 or 20 of them that will not have a calf and will have to be sold. However, they will already be 30 months of age by the time that happens, but they are not counted as part of the cull program. Therefore, there are some deficiencies in the program.

We have yet to see how the CAIS program will play out. It is supposed to pick up some of the slack. There is some expectation that there will be a substantial amount of money coming from that. However, remember what I said. In 2003 many farms will not have a real claim under CAIS. When BSE hit, they made their sales before or in December when the prices were good, before the Americans had their case. As a result, we will not see a lot of CAIS money move in 2003.

Supply

However, in 2004 we will see a drain on that CAIS program like we have never seen. We will be drawing ahead. Who knows, it could be one, two or three years ahead that we will be sucking money back out of that budget to pay the claims that will come up in 2004. I say that because feeder calves that were selling in December 2003 for anywhere from \$1.06 to \$1.15 for a 700 pounder are now down around 50¢ to 60¢. That kind of drop means that it will be reflected in the income figure for farms and they will have a large drop down into the disaster component of the CAIS program.

We might as well talk about the CAIS program in general because it will be around for a few years. If farmers have \$400,000 reference margins, they will have to put \$90,000 into a bank account. That is an awful lot of their cash flow tied up in a bank account that they cannot access because the government says that it has to be on deposit in order to participate in the program. Any business will tell us that they cannot afford to have that much money tied up in a non-productive bank account, but that is what the government is forcing them to do, and it is really unfortunate.

I was speaking with young farmers who were on the Hill today. I know of many cases in my own area, but one young farmer said that he had a structural change in his farm. He is obviously only in his thirties, but has been in business about seven or eight years. Now he has expanded it. His reference margin is very low. I told him that I thought there were structural change forms that he could submit. He said that he tried to put them in, but he could not because they were not available.

Why the government would bring out a program and not have the details worked out and agreed to with the provinces before it is actually released and announces it just does not seem to make a lot of sense.

Getting the U.S. border open is of course our main issue. Earlier on today we heard members from the NDP say how they wanted to play hardball with the U.S. I gave a dissertation at that time as to why that would not make a lot of sense and why it would not help the issue by slamming a border shutdown.

However, the member for Malpeque also has this idea that somehow we can kick the stuffing out of the American elephant. We are pretty small to be doing that. I am surprised he said that because Prince Edward Island is a great beef producing place. The people of Prince Edward Island are great beef eaters. They also live by trade, whether it is on the beef side within the Atlantic region or in the American northwest.

The member said that we had science on our side, yes, but that he firmly believed that we had to play hardball on this issue with the U.S. and that we had to restrict American imports here the same as they were restricting our exports into the U.S. He said that he knew that was not based on science.

• (1705)

What the government and the agriculture minister's position has been all along is that based on science, the borders of other countries should be open to Canadian exports. As soon as we in Canada, the agriculture minister in particular and the Prime Minister, make decisions that are not based on science, then we are shown up for what we are on the world scene. We are a country that is saying one

thing and doing another. That is what is wrong with threatening the Americans, saying that we are going to close our border to them.

I have an example of how this is negatively impacting our producers. The Subway food chain has what it calls a steak sandwich. I have not actually had one, but Subway is a great company. It uses 100% Canadian beef. That is great for our farmers and the company. It takes the beef, ships it down to a central processing place in the United States where it is cut to the exact size. This is a value added technical thing about the food sold out of their Subway franchises. That same Canadian beef is processed to Subway's specifications, then brought back up to Canada. Science says that there is nothing wrong with that steak which is going back to Canada for those sandwiches.

However, what does our CFIA do on the advice and instructions of the Prime Minister and the agriculture minister, and people like the member for Malpeque? They shut the border and do not let any of that steak come in. What happens at the Subways? People who go to a Subway franchise are unable to order and buy Canadian beef because our government made decisions, not based on science, but based on politics. That is exactly what is wrong. Canada should be showing leadership.

In regard to the world situation, up until we had our first case of BSE, Canada was the most hard-nosed country in the world on other countries that had one case of BSE. I use Denmark as an example. We even slapped a ban on Brazil that did not have an official case of BSE. Again, our Liberal government is saying one thing and doing another. It is basing decisions, not on science but on politics. We as beef producers are trying to get away from that and the Canadian cattlemen would like to see us get away from that.

Therefore, we have this terrible situation where our government of the day has such little rapport in the United States, Japan or Korea to get those borders opened up. It is partly because relationships cannot be built at the last minute.

You know yourself, Mr. Speaker, where you live you are known as a great friendly fellow around the area, but there is always a neighbour that tends to be the one that irritates the other neighbours and does not really get along. Then all of a sudden his garage gets blown down in the wind and he cannot fix it himself. He needs a hand. When he goes around to his neighbours, who he has kind of ticked off over the years, they say that they are busy and cannot help him fix the garage. That is exactly what the they Americans have been telling us, in essence. They have said that Canada wants to be so hard-nosed, that it wants to abuse their President and be anti-American in a lot of ways. That has been a negative influence in getting the borders open.

Another example is that for years, particularly in western Canada where this is more of an issue, but I have also heard it in Ontario, we have been trying to get year round access for feeder calves from the United States so we in Saskatchewan, Manitoba and Alberta could buy American feeder cattle and bring them up to Canada year round. We could fatten them. They would never leave the feedlot. They would go from the feedlot to the packing plant or maybe even be shipped back to the United States to be slaughtered.

• (1710)

Science has said that there is nothing the matter with these cattle coming up from the States. The anaplasmosis and blue tongue, which are the two diseases that are of concern from some parts of the United States, are very easily handled. If an animal happens to have that in a feedlot, it can be treated with antibiotics. It is a non-issue.

What we have here is another case of a government not using science to make decisions. What the government wants to do is keep those feeder cattle out so we can feed our own, et cetera.

The government has to realize that we are in a continental market of livestock and farm products. We are also in a global market. A global market is making Canada richer. A global market pays for health care, education and many other things that we as Canadians enjoy.

I hope the other parties in the House follow the lead of the Conservative Party and myself in becoming better world citizens.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I am really surprised with the member for Selkirk—Interlake. He above all people is saying that we should go soft on the Americans. The Americans are destroying our beef industry. The Americans are destroying the livelihood of primary producers in Canada, and the member sits there and says “go soft on the Americans”.

We do have science on our side. We have to get a message to the Americans. If the Americans understand anything, they understand hardball and they respect it. Perhaps the only way to get the Americans to show us some respect is to play a bit of hardball with them. That is what we have to do. I am surprised, I am absolutely shocked that the member for Selkirk—Interlake—

The Deputy Speaker: The best I can do is give equal time to the hon. member for Selkirk—Interlake.

Mr. Howard Hilstrom: Mr. Speaker, let us assess how the American reacted to our case of BSE. The first country in the world ever was the United States, including President Bush, that recognized Canada was a country in trouble and that the producers were being financially hurt. It was the first country in the world to open its borders to boneless beef.

The Americans did it, and that is the kind of friends I want to have in this world.

The Deputy Speaker: It being 5:15 p.m., pursuant to order made earlier today, all questions necessary to dispose of the business of supply are deemed put and the recorded division deemed requested and deferred until Tuesday, March 9, at the expiry of the time provided for government orders.

Private Members' Business

Hon. Joe Jordan: Mr. Speaker, I rise on a point of order. I think if you sought it, you would find consent to see the clock as 5:30 p.m., so we could begin private members' business.

[*Translation*]

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

The Deputy Speaker: It being 5:30 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

• (1715)

[*Translation*]

WORKPLACE PSYCHOLOGICAL HARASSMENT PREVENTION ACT

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ) moved that Bill C-451, an act to prevent psychological harassment in the workplace and to amend the Canada Labour Code, be read the second time and referred to committee.

She said: Mr. Speaker, first, I hope you will allow me to dedicate the second reading of this bill to the victims of harassment. I can name some of them: Robert, Christina, Roger, Paule, Jean-Paul, Diane who came close to suicide barely a month ago, and many others. I would also like to offer it to the people of my riding who support me in the work I do and who help me financially to provide assistance to people dealing with psychological harassment in the federal public service.

The bill I am introducing does, in fact, aim to prevent psychological harassment in the workplace and would amend the Canada Labour Code.

Psychological harassment is not new; it has been around since the world began. Since 1990, however, it has become more significant. Reorganization of work, job instability, and the fact that more and more is constantly being demanded of employees and employers, these are all elements that produce stress in the workplace. This opens the door to harassment, intimidation and the abuse of power.

Right now, Canada has a policy entitled Policy on the Prevention and Resolution of Harassment in the Workplace. It is a Treasury Board policy that came into effect in 1994 and was amended in June 2001. Nevertheless, we have seen that this policy has had no effect whatsoever on all the abuses of power and all the ongoing cases of harassment in the federal public service.

Private Members' Business

In the 15 minutes at my disposal, I would like to explain the difference between the bill and the policy, to show just how much the policy resembles Swiss cheese and how necessary it is to have a bill.

The hon. members will understand that I am basing my statement on facts, on all the people I have just named and many others who have sent me anonymous letters complaining of being victims of harassment. These people have told me their stories. They are also able to prove that the policy currently in effect in the federal public service provides no protection and does not guarantee the physical and psychological safety of our workers.

First, the policy is an empty promise. It contains words and expressions such as “employees can expect”, “employees can do such and such”. The policy in no way requires the administrator or the manager to do anything to stop the harassment. However, the bill, as he said, requires the federal public administration to provide public servants with a workplace free of psychological harassment.

Furthermore, Bill C-451, which I am introducing, establishes rights and responsibilities. Every public servant has a right to a workplace free of psychological harassment. Public servants therefore have a responsibility to inform the delegated manager, meaning their immediate supervisor, of any action that may cause them psychological harassment.

Why am I saying have a responsibility? Because, often, our employees dare not speak out. Psychological harassment is so insidious that the persons themselves doubt that it is happening. They are not sure that they or their work is not at fault.

• (1720)

When we are not sure of ourselves, we can endure harassment, intimidation and abuse of power for a very long time. However, the employer is required to ensure that no public servants are subject to psychological harassment. When I say that the bill puts the responsibility on the employer, it also sets out the process for registering a harassment complaint. I will explain what I mean.

Currently, employees subject to psychological harassment must realize that this is the case and disclose this to their immediate supervisor. This individual, who does not know what psychological harassment is, who is not aware of it, who is caught up in his problems as a section or unit manager, is not always aware that harassment exists.

Consequently, it can take one or two months, and sometimes as long as six months before the delegated manager takes action to put an end to the harassment.

The bill states that, as soon as a complaint of harassment is filed, managers have a responsibility to act. The manager has five days in which to act. Why? Because the person experiencing the harassment is living in an environment so negative and so harmful to their health, that it can lead to other problems for which there is no cure.

The bill also ensures the confidentiality of the complaint. Currently, the immediate manager who receives the complaint often ends up saying, “There is no problem. I will talk about it with my colleagues”. This should never happen. A harassment complaint is

confidential because it is something that deeply affects the individual.

When an employee makes a complaint to the immediate manager, and the complaint is not well received, or not accepted as harassment, often the employee feels isolated. The employee will withdraw and continue to endure different types of harassment. At some point, the employee may decide to take the complaint to a higher level.

If that is the case, in our public service, the employee will go to the regional level. The regional manager will contact the immediate supervisor to ask what is going on, to find out whether harassment is occurring in his section. The immediate manager, who did not acknowledge the harassment complaint in the first place, will not acknowledge it now either.

This becomes a vicious circle in which the harassment complaint is never acknowledged. The intent of the bill is to ensure that within five working days of a harassment complaint being filed, something is done, someone steps in, measures are taken to separate the victim and the harasser, or some other approach is taken, such as mediation.

Again, under Treasury Board policy, mediation is practically mandatory. In the bill, mediation is not mandatory for the simple reason that it is very difficult for a victim of harassment to be in mediation in front of their harasser. The bill gives the victim the choice to face the harasser, to choose mediation or not.

• (1725)

The bill also provides for the appointment of a commissioner of the public service who would know about harassment, about how terrible it is, and about its physical and psychological impacts on the victim. The commissioner would have the authority to take action, not only through recommendations, but also through measures requiring the employer to act.

The commissioner would be assisted by a psychological harassment complaints committee. Why a complaints committee? Simply because, according to Treasury Board figures, 20% of the members of the federal public service are, or have been victims of harassment. According to our own figures, this proportion is more like 30%, if not more. This means one worker out of three. And we are talking about the public service, not about workers who are governed by the Canada Labour Code.

We can assume that, in the first few years following the implementation of the legislation, there would be a large number of requests to review files. Many public servants would ask to have their case examined because they are victims of harassment. A commissioner alone would not be able to do this and, also, it takes people to go and investigate on the premises. This is more or less what the commissioner at the ethics office—I am thinking of Mr. Keyserlingk—is currently doing by providing some help to victims of harassment, whenever he can.

So, the commissioner would have the authority to examine written complaints, investigate, report and submit a report. Consequently, he could report to the House once a year on the processing of the harassment complaints received by his office.

Private Members' Business

The commissioner and his committee could exercise recourses against public servants who do not effectively manage harassment complaints. The bill mentions recourses because currently, there are managers who, in all impunity, continue to be both employee and manager in the federal public service. They are currently the cause of harassment, physical problems and psychological problems experienced by employees, as well as former employees who have left their jobs and find themselves out on the street. The managers continue to work and to do well while their victims have lost everything.

The legislation sets out fines of up to \$10,000 if managers do not do their jobs properly and do not effectively resolve a complaint. Additionally, there are recourses for victims of harassment who have lost everything. At present, there are some who are barely surviving and whose complaints have been yet to be dealt with after seven, five, three or two years.

This bill also amends the Canada Labour Code. The International Labour Organization just published a report saying that Canada is the number five country in the world for psychological harassment at the workplace. The rate here is 19% higher than in the United States. A recently published book indicates that psychological harassment in the federal public service is a federal crime in that the federal government knows it exists, but is not doing anything about it.

This is an extremely important bill. This is a non-partisan bill, even though it is put forward by the Bloc Québécois.

• (1730)

This bill will put justice back in the hands of the victims of harassment. It would be terrible if any party in this House opposed this bill.

[*English*]

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I am pleased to speak to this issue. First and foremost I want to congratulate the member opposite on the intent of her bill. The bill's intent and objectives are right, but from the government's perspective, we believe they can be handled in another way.

Concerns about violence in the workplace have been growing for some time, not just in Canada's public service, the group the bill focuses on, but throughout society in general. As a result of this increasing violence, the government and other stakeholders have increasingly focused attention on the question of workplace violence, both physical and psychological. Over the past decade, a good deal of work has been done to gain a better understanding of the potential for violence in the workplace and how to recognize and prevent it.

For example, in 2001 in Montreal, Canada's minister of labour jointly hosted with her counterpart in the Government of Quebec an international conference on workplace violence. It was an excellent conference. It was held under the auspices of the NAFTA agreement on labour. Delegates came from Canada, the United States, and Mexico.

Presenters from diverse backgrounds spoke about workplace violence in their areas. The speakers came from the public and private sectors. They represented both employers and employees and they included experts from several jurisdictions, including Quebec.

Psychological violence, the subject of Bill C-451, was one of the key issues discussed. We learned a lot from that conference. For example, we learned that there is a linkage between psychological and physical workplace violence.

One expert, Mr. Di Martino, a consultant based in France and author of the International Labour Organization's report "Violence at Work", spoke about psychological violence. He noted that its impact can be as bad or even worse than physical violence. He identified a need to focus on the long-lasting negative consequences that psychological violence can have in our workplace.

He also said that issues of physical and psychological violence should not be looked at separately. He pointed out that while focusing on psychological violence is important, we should not lose perspective of the link that exists between psychological and physical violence. Mr. Di Martino said, "Any act of physical violence impacts enormously on psychological well-being, and any act of psychological violence has a physical effect on people. They cannot be separated".

This is wise advice. It says to me that we should not be separating workplace psychological harassment for special legislative attention as Bill C-451 does. Like Mr. Di Martino, I believe we would need to work at both psychological and physical violence as being linked in the workplace. I would argue therefore that any legislation we bring forward in this area should consider that linkage.

Part II of the Canada Labour Code gives us the ability to do that. That part of the code deals with workplace health and safety. Clearly, the issue of workplace violence, whether physical or psychological, is an issue of health and safety. I would suggest we could address the legitimate concerns of the member opposite in the context of part II of the Canada Labour Code, the part that focuses on health and safety in the workplace rather than part III as the bill proposes.

Before I continue, I must clarify that part III of the Canada Labour Code does not apply to the Public Service of Canada. As such, amendments under this part of the code would not be relevant to the target group of the bill.

• (1735)

The federal public service is instead governed in this area by a Treasury Board policy on prevention and resolution of workplace harassment. However, part II of the code already applies to Canada's public service, the target of the member's interest, and it already provides for regulations on workplace violence.

A few years ago, part II of the code was the subject of an extensive review that included a broad range of stakeholders in the federal jurisdiction. This was the most comprehensive review of the legislation that had ever taken place. It included representatives of employees, unions and employers in the federal jurisdiction, as well as from the federal public service and Treasury Board Secretariat.

Private Members' Business

Among other issues, the review looked at the issue of workplace violence. Among other amendments, the new law included a provision to require employees to take prescribed steps that would “prevent and protect against violence in the workplace”.

Those prescribed steps were to be developed in the form of regulations. Those regulations are now being developed by a tripartite working group of individuals representing employers and employees in the federal jurisdiction, as well as government officials.

This background leads me to make two points. First, the work to develop these regulations is being done by a representative group of employers and employees in the federal jurisdiction, the same stakeholders who will be governed by the regulations. Second, they are doing this work under part II of the code.

That in turn leads me to make two other observations. One, the proposed regulations will result from a consultative process that includes the stakeholders themselves. Hopefully there will be broad acceptance of those regulations. Two, it appears these key stakeholders themselves see workplace violence as a health and safety issue, one that should be dealt with under part II of the code and not under part III as Bill C-451 proposes.

There are two conclusions. One, the government is on the right track in its approach to address the issue of workplace violence, including both physical and psychological harassment under part II of the code. Two, instead of looking for new ways to deal with workplace harassment such as Bill C-451 proposes, we should be looking to the forthcoming regulations of the tripartite working group.

In other words, I do not see the need for the bill at this time. The intent and the need to address it is right but it can be addressed by other means, as we are moving forward to do.

It is also important to keep in mind that members of Canada's public sector are already protected from discrimination or harassment by the Canadian Human Rights Act as well as by the Treasury Board policy to prevent and protect members of the public service from workplace harassment.

The Canadian Human Rights Act already protects all employees under federal jurisdiction, including the public service of Canada. There is a longstanding public service policy against harassment that was introduced over 20 years ago and was updated in 2001.

Can we do more? Of course we can. We can always do more. I look forward to the regulations from the tripartite working group to see what more can be done. Can we also do more for workers outside the public sector? Indeed we can and working through part II of the code is the way to do that.

When I look at what the government is already doing to address issues of workplace violence, including the issue of psychological harassment raised in Bill C-451, I am convinced the government is on the right track.

● (1740)

I do not see the need for this legislation at this point. I do not agree with the approach presented in Bill C-451 and therefore, I cannot support it at this time.

An hon. member: You are doing nothing. You close your eyes and you do not want to see the reality in front of you.

Mr. Loyola Hearn (St. John's West, CPC): Mr. Speaker, I do not blame the member for Terrebonne—Blainville for being a little upset, because the usual response we get to an issue raised in the House is how it could be handled in another way and the government is going to do something about it. Had the government done something about it, we would not have the problem.

I congratulate the member for bringing in this bill and drawing attention to an extremely serious issue. In commenting on the bill, the former solicitor general basically said that everyone appreciates this concern but there are better ways of handling it. That might be the case. If this is so, perhaps we could incorporate the present bill by the member for Terrebonne—Blainville into what is happening, if collectively we agree there is a better way. However, the question we would ask is why something has not been done.

The member mentioned a meeting that was held in Montreal. He talked about a guest speaker who spoke about the link between physical and psychological violence, that if we have one, we have the other. To a degree that might be fair to say.

Physical violence undoubtedly has a psychological effect and psychological harassment certainly has a physical effect to some degree. One can easily identify physical harassment. It is seen. It is witnessed. It is physically evidenced. However, psychological harassment on its own may be held within the person and never known by anybody else, and therein lies the problem. It is something that many people do not even want to talk about.

In our system of large corporations and large agencies, government being the largest, there are a tremendous number of people who, for want of a better word, manage others. We refer to them as managers. Unfortunately, too many people with that title think it is their job to drive others, to deal with people in condescending ways, in order to get production. They think, “If you are under me, I have to make sure you are subservient to me”. That is very unfortunate.

The highest productivity seen in any workplace is where those at the top create an environment in which others can work in peace and harmony and cooperation. Good leaders can always create that type of environment. We do not always have good leaders and therein lies the problem.

The former solicitor general mentioned that this can be handled and it is being looked at, but how many things have we heard about that the government is looking at? It is constantly navel gazing. Show me a few things that the government has done.

Here we have something which affects more people than we know about, because psychological harassment is not something people want to talk about. It is done by people who want to harass others, who want to take advantage of or belittle others, or to try to show their superiority over others. It is a great way to get that message across when nobody else can witness it and there is no physical evidence. That is where I disagree with the statement about the link. There is not always a link.

Psychological harassment has a tremendous effect on the individual. That victim, for all kinds of reasons, may not have any chance either internally or externally to deal with the burden that has been put upon him or her by the perpetrator.

● (1745)

I fully support the bill put forward by the member. I am not sure if anything will ever be done about it, but perhaps by her coming here and creating awareness for the need to have something done will get government to speed up its action and deal with it in a way where it will have some clout.

Words on paper mean actually nothing. If we cannot enforce the intent then it is useless. Perhaps the remarks made today by members will entice the government to do the right thing. Whether it be this bill or whether we incorporate it into the Canada Labour Code, it does not matter as long as it is done properly and can be properly enforced for the benefit of those who are suffering because nobody pays attention to some of the psychological harassment that goes on in the workplace.

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, it is a pleasure to speak today to Bill C-451, a bill that would prohibit psychological harassment at work. It comes to the House at a time when we are hearing daily about senior managers abusing the public trust when it comes to sponsorship programs.

The public service integrity office, or PSIO, has the task of being a neutral entity to encourage the disclosure of wrongdoing in the public sector. That office found that few employees were willing to come forward with stories of wrongdoing activities. I have a quote from the public service integrity office that I think is very important to this debate, and I will quote it at length. I think it explains the need for this legislation, which I support the legislation. The PSIO report states:

These activities have great implications for the public service because they are serious in nature, often have a detrimental effect on the interests and functions of a group of public servants or a whole department, and subvert the delivery of programs or services to the public. Some cases brought to the PSIO during the past year involved alleged conduct that was obviously within that category. All involved long and complicated investigations, whether or not wrongdoing was found. These cases most clearly fall within the mandate of the PSIO.

Yet, relatively few such disclosures were made to the PSIO. As was noted earlier, it is impossible to know how much serious wrongdoing actually takes places in the Public Service. We do know that serious instances have been uncovered by the police and the Auditor General. Also, serious instances of wrongdoing have been alleged by Parliamentary Committees. And many accounts of serious governmental wrongdoing have been widely reported and discussed in the media and other public forums. The question is: Why did the employees who presumably know about these activities not go to the PSIO?

While some may believe that such disclosures are being made by internal departmental channels, this does not always appear to be the case. In fact, departmental Senior Officers designated to review disclosures of wrongdoing say they seldom receive reports of serious wrongdoing.

Private Members' Business

In my view, much of it has to do with balancing the likelihood of job reprisal with the hope of personal benefit. For example, if I believe I am the victim of an employment-related wrong, I may be willing to risk reprisal in the reasonable hope of personal benefit if the problem is addressed and fixed. But if I am not the victim of the actual wrongdoing, I am unlikely to benefit if the wrongdoing is fixed. Therefore, I may be less likely to risk reprisal by reporting the wrongdoing. Also, many do not want to risk being labelled a squealer, a rat or a disloyal employee by superiors or colleagues.

Clearly, it requires greater courage and commitment to the public interest on the part of public servants to report serious wrongdoing, especially in light of the fact that they may risk real or perceived reprisals without chance of personal benefit. Surely, the institution concerned has a duty to provide incentives and recognition for the public service being rendered, including effective protection against job reprisals.

Clearly, skepticism about the ability of this Office to provide effective protection is directly related to doubts about the effectiveness of policy versus legislation, as well as uncertainty about the independence and powers of the PSIO. As such, the fears of reprisal—and doubts that a policy-based agency can withstand those determined to practise reprisal—may constitute yet another reason to recommend a legislatively supported agency.

This is a long quote but I think it is a telling quote in terms of why the legislation is imperative at this time and why I believe the House should support it. As the quote from the public service integrity officer explains, public service employees do not believe that sufficient support or protection for them to risk disclosing wrongdoing is in place.

● (1750)

I think the kind of comments that were made by the minister across the way on this issue only fuels the belief that they are not being protected at this point in time by the government in office.

Our public servants deserve better support from us than they have received. Who can forget the pictures of the privacy commissioner employees standing outside the office last summer wearing gags as a symbol of how they felt silenced by a culture of intimidation in their department? If they had felt more secure, we may have learned of George Radwanski's excesses much sooner. This bill moves us in the right direction to support public servants at this point.

By laying out an explicit definition of psychological harassment and its implications on public service employees, the bill clearly supports and protects the workers who have had to implement decisions made by managers right up to the ministers of the Crown. The bill states that hostile, inappropriate and unwanted conduct, comments, actions and gestures are all psychological harassment. It also goes on to talk about the abuse of authority, including intimidation, threats, blackmail or coercion that a person in a position of power might use to endanger an employee's job, undermine their performance or interfere with an employee's career, as another form of psychological harassment. It makes clear that just one incident of this behaviour that had long term effects on an employee would in fact be considered harassment.

This legislation is a small step toward some protection for whistleblowers since it would penalize an employer or manager who retaliates against an employee disclosing incidents of psychological harassment.

Private Members' Business

The NDP has called for protection for whistleblowers for years. Any time employees come forward, like the veterinarian at Health Canada who talked about pressure from managers to fast track drug approvals, they risk not just their current jobs but also any future employment, especially if their career happens to be linked to the public service.

Surveys of public service employees show that over 21% of employees report experiencing psychological harassment at work. That is just an unbelievable figure. Over 20% of people are identifying with this problem right now in our public service. Overwhelmingly, the harassment came from people in positions of authority. Seventy-four per cent of employees who reported being harassed identified their supervisors as the people responsible for the harassment.

We clearly need legislation at this point to protect our public service employees from intimidation and coercion from their supervisors, managers and others. The fact that the government at this point is saying that it is not necessary speaks volumes about the people who are in charge of the government.

In closing, this bill, while protecting employees, will also protect the interests of Canadians by ensuring public service employees are protected from job loss and censure if they make a disclosure of wrongdoing. I am pleased to support the bill at this time.

• (1755)

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, I am pleased to join the debate on Bill C-451, an act to prevent psychological harassment in the workplace and to amend the Canada Labour Code.

The member has identified an issue that is also of deep concern to us on this side of the House. Violence in the workplace, how to identify it, how to control it and how to respond to it when it does occur, is a policy area that the Minister of Labour and her officials in the labour program are engaged in very closely.

Some recent high-profile cases have drawn public attention to the issues related to workplace safety and have highlighted the importance of having appropriate legislation and procedures in place to protect employees from harmful situations.

Naturally we are concerned when events occur that put workers at an unusual risk, and we are firmly committed to responding to these kinds of situations with all means at our disposal, but creating a healthy and safe work environment where all employees are treated with respect and dignity all of the time is among the most fundamental objectives of this government. Workplace safety is a matter of ongoing interest to this government and we are working on it on a number of fronts.

In this context, the Canada Labour Code is one of the key instruments available to us. As members of this House will recall, there are three parts to the Canada Labour Code. Part I deals with industrial relations matters such as work stoppages, arbitration, conciliation and so on. Part II deals with workplace health and safety and matters like workplace violence and harassment, including the issue of psychological harassment that Bill C-451 raises. Part III deals with workplace standards such as vacation entitlements, family benefits like maternity leave and so on.

A few years ago, when this House approved changes to part II of the Canada Labour Code, the part that deals with workplace health and safety, the changes included the authority to introduce regulations that would require employers to “prevent and protect against violence in the workplace”.

As a follow-up to that change, a working group, including representatives of the public service unions and the Treasury Board secretariat, was set up to study the situation and to make recommendations to the Minister of Labour on regulations that would give substance to that authority.

The working group drew its members from three sources: representatives of employers in the federal jurisdiction, representatives of employees, and officials of the federal labour program. In other words, its membership is drawn from all three stakeholder groups in the federal jurisdiction. In fact, the group is called the tripartite working group to reflect its representation from all three parties in the federal jurisdiction.

The working group has met a number of times. Much of their early discussion revolved around the physical aspects of workplace violence, but their discussions eventually broadened out to include the psychological dimension of violence in the workplace too. This means that the expert working group has been studying and discussing the very same issue, psychological harassment, that Bill C-451 is raising.

It is interesting to note that the working group is looking at this issue as it relates to part II of the code, the health and safety perspective, but Bill C-451 asks us to amend part III of the code, the part that deals with workplace standards, not health and safety issues.

Since other experts see this as a health and safety issue, and since the House already agreed to deal with the issue of workplace violence under part II of the code when the act was last amended, it does not make sense to start to confuse the issue by bringing it in under part III, as Bill C-451 asks us to do. Moreover, it is part II of the Canada Labour Code that applies to the federal public service, the target group of this bill, not part III.

• (1800)

Instead, the Public Service of Canada falls under Treasury Board policies on workplace harassment. In fact, Treasury Board introduced this policy to protect its employees from harassment more than 20 years ago. At that time it was the first employer in Canada to include personal harassment and abuse of authority as forms of harassment in its policy.

That policy was updated in 2001 when a revised policy on prevention and resolution of workplace harassment was announced. The updated policy defines harassment as “any improper conduct by an individual that is directed at and offensive to another person or persons in the workplace, and that the individual knew, or ought to reasonably have known, would cause offence or harm”.

Private Members' Business

The policy goes on to describe any objectionable act, comment or display that demeans, belittles, or causes personal humiliation or embarrassment, and any act of intimidation or threat as harassment. It also includes harassment within the meaning of the Canadian Human Rights Act. Therefore, the government is engaged on a number of fronts to address the issues that were raised by Bill C-451.

Another concern about the bill has to do with timing. Given the activities of the tripartite working group, as I have mentioned, and the expectation that the group will report to the minister soon, the timing is very bad for bringing forward a new bill.

The expert working group has been discussing the development of new regulations covering workplace violence for some time. These discussions have included consideration of the same issue and psychological harassment which are raised by Bill C-451.

Since this consultative group is expected to report in the near future, I personally want to wait to see what regulations are recommended to address the concerns that are raised by Bill C-451. It is also important to note that the Canada Labour Code is not the only vehicle the government has to address the issues like workplace harassment.

Another instrument is the Canadian Human Rights Act. This federal legislation is already in place to protect employees from discrimination or harassment because of their personal characteristics or beliefs and that applies to all workers under the federal jurisdiction in Canada.

Like others who follow the workplace issues closely, we have seen a growing concern about the potential for violence in the workplace over the past decade or so. There is now a much greater awareness about the potential for violence in the workplace and its impacts. We know that workplace violence can be psychological as well as physical, but whatever the form, it creates fear, stress and anxiety, and that is damaging to both individual employees and to the organizations.

Those of us on the government side are as concerned about the implications of these developments as anybody else.

The potential for physical and psychological abuse are of particular concern to the government. Federal labour program officials are actively engaged in a process to develop new regulations to deal with these issues.

I share the concerns of the member opposite. I know that we are equally interested in addressing them in a forthright manner; however, I cannot agree with either the substance of the approach being proposed in the bill, nor the timing.

Thus, while I support the underlying objective, I cannot support the bill.

• (1805)

Hon. Joe Jordan (Parliamentary Secretary to the President of the Treasury Board, Lib.): Mr. Speaker, I wish to congratulate my colleague from the Bloc for bringing this motion forward. We are seeing a rejuvenated private members' process. As someone who was on the committee that discussed at great length for years on how to improve the private members' process, I think we are seeing the fruits of that labour here today.

This particular bill is interesting and I congratulate the member who brought it forward. These types of workplace issues have not been addressed seriously for a long time.

Quite clearly, the costs associated with employees who were harassed and the costs associated with workers who were not feeling secure in their environment were not quantified for a long time. They were not considered. We need to take a very serious look at anything that we can do to improve the environment for workers in the country and for workers of the Government of Canada specifically.

Some of my colleagues have picked up on the technical reasons why they have concerns about the bill. I do not intend to get into that here today. It is clear that the issue of psychological harassment, as the political language of the day would suggest, is on the radar screen of government. It is being looked at by various stakeholders.

This is the first hour of debate for the bill. I hear the member heckling me. Rather than heckling me, I would suggest to my colleague that she wait for the report, which I understand is imminent, to see where this fits and how this is addressed. I would suggest to my colleague that she take a look at the order of precedence and perhaps trade down her second hour because if we can get the document of the stakeholders and their final report, it may fit nicely with the second hour of debate on this particular initiative. That may be something that she would want to consider.

On the surface, the issue of psychological harassment and how that is handled was articulated in an extremely logical and intelligent way by my colleague from the NDP. It is a complex issue, but we should not let the potential complexities of the issue drive us away from having to deal with it.

I agree with my colleague that it is a real threat. I am a little concerned when it gets put under the umbrella of health and safety. It is a different kettle of fish. We must have a certain understanding of the dynamics of a workplace, and a certain understanding of the human interaction that takes place in a workplace. In some cases, where traditional health and safety flaws result in accidents and leave people with injuries or scars, the fallout from psychological harassment is not anywhere near as easy to spot.

I say that with a caveat. We should not let the complexities—that I think we probably have in the past—keep us from putting our best efforts toward coming up with a solution.

As I started off by saying, we must look at the costs of not acting. We must look at the costs of having a workplace where this type of harassment goes on and is not addressed. The problem with that is it permeates throughout the workplace.

Even if individuals are not directly affected, they may see a co-worker who is subjected to working conditions that are completely unacceptable and nothing is done. Or, in the case of the public service prior to whistleblower legislation, some individuals may decide that they are witnessing a circumstance that is unacceptable and try to take action.

Because we do not have the proper processes in place, the person who brings the issue forward, whether it is the person who has been harassed or not, does not get a satisfactory resolution.

Private Members' Business

•(1810)

In a situation like that, clearly we have not resolved the harassment, but I would argue that we have a much larger problem, that is, we have a culture and a workforce where people do not feel it is worth their effort to bring these situations to light.

I understand that the Quebec government has taken very progressive steps. Like many of the social reforms in the country, they find their legs at the provincial level. I think there is an onus on us to watch and monitor extremely carefully what is going on in the province of Quebec with regard to this legislation. I congratulate my counterparts in Quebec for their steps in this regard.

At the end of the day, the government does take this issue very seriously. It is already well under way in terms of a process of defining where it fits and how we deal with it.

I am not going to go through technical objections, because I think they have been addressed, but I think the government has to do a number of things. We have to sort out exactly our approach to what is an extremely complex issue. That is under way. We are looking at it.

As I say, I have expressed my own view that simply putting this as an addition to health and safety does not do the issue justice. I think it is more complicated than that.

We also have to make sure that as we raise the bar in terms of the standards we expect to be in existence in a workplace, we also, in a

parallel and complementary way, put in place processes and structures so that if abuses of that high bar exist, employees feel comfortable coming forward. Nothing will work against the intent of this bill more quickly, as the hon. member from the Conservative Party said, than if we set a very high bar and have no capacity to enforce it. In fact, if that is the approach we are going to take, then I would argue that it is a giant step backwards.

I think the government has laid out a process of consultation with stakeholders. It is very close to tabling its report.

As I said, in the truest spirit of this place I would suggest to the member, as someone who has not yet up their mind on this issue, if she could perhaps trade her second hour and move down, if that report were to come to light, that information put together with the hard work she has done on this bill may result in moving this agenda forward.

[*Translation*]

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.

It being 6:15 p.m., the House stands adjourned until tomorrow at 10:00 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:15 p.m.)

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