



CANADA

# House of Commons Debates

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VOLUME 140 • NUMBER 049 • 1st SESSION • 38th PARLIAMENT

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OFFICIAL REPORT  
(HANSARD)

**Thursday, February 3, 2005**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Thursday, February 3, 2005

The House met at 10 a.m.

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*Prayers*

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• (0955)

[*English*]

## HOUSE OF COMMONS

**The Speaker:** I should point out to hon. members that the wooden mace is on the table today in celebration of the fact that there was a fire in this place 89 years ago today.

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## ROUTINE PROCEEDINGS

• (1000)

[*English*]

### COMMITTEES OF THE HOUSE

#### INDUSTRY, NATURAL RESOURCES, SCIENCE AND TECHNOLOGY

**Mr. Brent St. Denis (Algoma—Manitoulin—Kapuskasing, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Industry, Natural Resources, Science and Technology in relation to Bill C-29, an act to amend the Patent Act.

[*Translation*]

#### FINANCE

**Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Finance on Bill S-17, an act to implement an agreement, conventions and protocols concluded between Canada and Gabon, Ireland, Armenia, Oman and Azerbaijan for the avoidance of double taxation and the prevention of fiscal evasion.

[*English*]

#### GOVERNMENT OPERATIONS AND ESTIMATES

**Mr. Leon Benoit (Vegreville—Wainwright, CPC):** Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Government Operations and Estimates.

The committee has studied Bill C-8, an act to amend the Financial Administration Act, the Canada School of Public Service Act and the Official Languages Act, and has agreed to report it with amendment.

• (1005)

## PETITIONS

### MARRIAGE

**Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC):** Mr. Speaker, I have the honour to present three petitions this morning on behalf of the good people of Dauphin—Swan River.

The first petition calls upon Parliament to immediately hold a renewed debate on the definition of marriage and to affirm, as it did in 1999, its commitment to take all necessary steps to preserve marriage as a union of one man and one woman to the exclusion of all others.

### AGRICULTURE

**Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC):** Mr. Speaker, the second petition calls upon the government to take immediate action to develop internationally recognized protocol designed to restore confidence in Canadian beef products and to open international beef markets to Canadian producers.

### FIREARMS REGISTRY

**Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC):** Mr. Speaker, the last petition calls upon the government to freeze further spending on the implementation or privatization of the national firearms registry and to repeal Bill C-68 in its entirety.

\* \* \*

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

**Hon. Dominic LeBlanc (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 Speaker:** Is it agreed?

**An hon. member:** Agreed.

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## GOVERNMENT ORDERS

[*English*]

### SUPPLY

#### OPPOSITION MOTION—AGRICULTURE

**Ms. Diane Finley (Haldimand—Norfolk, CPC)** moved:

### Supply

That, in light of the numerous recent disasters affecting agricultural communities across Canada and the government's failure to deliver timely financial relief to struggling farmers, whether by the Canadian Agricultural Income Stabilization (CAIS) program or other programs, the House call on the government to immediately drop the CAIS deposit requirement and honour the commitments it has already made to Canadian producers.

**Mr. Jay Hill (Prince George—Peace River, CPC):** Mr. Speaker, there have been consultations among the parties and I believe you would find unanimous consent for the following motion. I move:

That the time provided for the first speaker on the supply motion before us today be divided between the member for Haldimand—Norfolk and the Leader of the Opposition, and that the Leader of the Opposition be permitted to speak first.

**The Speaker:** Does the hon. member have the unanimous consent of the House to propose 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)

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, my thanks to the House for permitting me to speak first.

I rise today to support the motion put forward by the member for Haldimand—Norfolk, which calls on the government to immediately drop the CAIS deposit requirement and honour all of the financial commitments it has made to Canadian agricultural producers.

Many who will speak are much more technically knowledgeable on this subject than I. Let me just put this debate in context. The context is that we have, for a dozen years now, a government that has been in power, and during the period of that government's rule, notwithstanding its constant bragging about its financial and economic achievements, we have seen disposable family income in this country that has barely improved at all.

Throughout that period, the more serious problem has often been, particularly through neglect, the declining disposable income we have seen throughout rural Canada and many sectors of the rural economy. Families have been hit hard and probably no families have been hit as hard as those who operate family farms.

The family farm, in our judgment, remains a critical institution not just in this country's past, but hopefully will remain so in its future, because no institution so thoroughly represents all of the values that built this country: hard work, enterprise, cooperation, community, and of course the family itself.

Now I know these are not Liberal values, they are not the real Liberal values, but they are the values of real people and I constantly remind the government of that.

For two years now our agricultural sector, on top of the backdrop of declining farm incomes, has been decimated by a series of unprecedented and far-reaching crises. Obviously, one is BSE in the cattle industry, the effects of which have spread not only to other ruminants but in particular to the dairy sector. We have had sustained and cruel drought through grains and oilseeds, not just in western Canada but in other parts of eastern Canada as well. Of course we continue to have an international subsidy war in which our farmers find comparatively little assistance.

Let us take the cattle industry. Cattle and grain producers have historically required very little government support. They thrived in unfettered markets, but through circumstances that are beyond their control they need help today.

The economic effects of BSE have been devastating. Unknown numbers of livestock producers have been foreclosed on. Some have completely pulled out, salvaging what they could. We have experienced this and I have experienced this even in my own family. Others are faced with low land values and cannot bear to cut their losses.

● (1010)

[Translation]

The entire farming industry in Canada has been hard hit by these crises, including the BSE crisis. All our farming communities in every region need help in one way or another.

Recently, the president of the Union des producteurs agricoles said that the BSE crisis has had a huge impact on Quebec, where 25,000 farms, or half the farms in the province, have been affected.

We currently have a government that thinks only about the big cities, where it believes it can get the most votes. It is a government that is insensitive to the problems in the regions. This was obvious in the disdainful refusal by the government, as represented by the Minister of Transport, to bring justice to the people of Mirabel whose land was expropriated, even after the complete closure of the airport to passengers and after 40 years of injustice, incompetence and insensitivity.

[English]

Everywhere I go in rural Canada I hear the same thing. I hear it over and over again. I do not know how the government can miss it. The CAIS program is not working.

There are all kinds of ways in which it does not work. It is complicated. It requires an army of accountants for people who can barely afford the normal burden of government paperwork. It is backlogged. The cheques never arrive. It does not pay out. It is like so many of the agricultural promises from this government.

But there is a more fundamental structural problem to CAIS. The problem is simple enough. We cannot effectively combine an income stabilization program with a disaster relief program. That is why this program has been so dysfunctional and why it has been getting more dysfunctional over the past two or three years and is fast approaching a crisis.

I say to the government members that they are going to have to find a better solution in the long term. This is not going to work. I know that there are some in the government who approve a review of this, but that is not good enough. We are going to have to take some action now.

I think this motion takes the action required. The motion calls for the elimination, for this year, of the deposit requirement contained in the CAIS program.

We are looking at severe problems on top of what we already have as we approach this year's planting and seeding. This problem has to be addressed now. This motion is the quickest way and the best way of addressing it.

Then we have to find a longer term solution. Members of our caucus, led by our agricultural critic from Haldimand—Norfolk, others such as our critic from Brandon, our critic from the Battlefords, the vice-chair of the committee, our members for Lethbridge and from Swift Current, all our members, have for some time been putting their minds to developing alternatives to this CAIS approach.

What we propose is that a Conservative government would implement a whole farm production insurance program based on a 10 year average of value and production costs for a commodity. The program would be funded on a tripartite basis one-third by the federal government, one-third by provincial governments and one-third by producers.

And we propose that a second level of support would exist, but would only be required in extraordinary circumstances such as that of BSE when normal markets and market access collapse. Our plan would include a bankable business risk program directed at primary producers and funded principally by the federal government. Unlike CAIS, this second level of support would not require producer cash on deposit.

For most producers, CAIS is not and certainly has not been a source of hope and comfort. In fact, it is becoming a supplementary cause of the anguish and uncertainty that exist in the agricultural community. The reliability and affordability of the program are primary concerns. CAIS is failing on both counts.

Frankly, having a program so dependent at critical junctures on producer pay-in, when there is so little payout, is hampering our producers as they try to compete worldwide with treasuries across the world that appear far more generous to their agricultural sectors than ours at home is.

As important as this motion is, let me end by saying there remains a lot to be done to restore predictability, stability and long term profitability to the Canadian agricultural industry. One need in particular is obviously the immediate needs of the cattle industry and the damages inflicted by the BSE crisis.

I will say what I have been saying repeatedly for the past few months: there remains a need, and it is not part of this motion, but there remains a need in my judgment for a cull cow program. It does not matter if the border finally does get opened; we all have our fingers crossed. It does not matter if it finally gets opened: we have an enormous older herd and that problem is going to have to be dealt with. I cannot believe the Liberals as recently as December voted against that notion.

•(1015)

[*Translation*]

Before Christmas, the Liberals voted against a cull reduction program. However, the problem still exists and the government has to assume its responsibilities.

### *Supply*

[*English*]

What is needed most urgently and what has been lacking in so many rural sectors, not just in agriculture but in softwood and in the fisheries, what has been lacking, cruelly lacking, is political will and, frankly, a balanced political perspective from this government. Agriculture and agrifood, fisheries, mines, and forestry, these are economic sectors that sustain a large number of Canadians and a large number of Canadian communities. Rural Canada still contributes significantly to Canada's GDP and contributes 40% of our exports.

I remind the House that in rural Canada our most fundamental values are preserved and protected and passed from generation to generation, the values of solidarity, family and honest hard work. These industries and these communities have earned the respect and the admiration of Canadians. At this time they deserve the help of their Parliament and of their government. I urge all members, including government members, to support this motion.

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Madam Speaker, I appreciate the fact that we are going to have an opportunity to debate agriculture today. I look forward to that.

I have a couple of questions, though, for the Leader of the Opposition, because there are some issues that I think we should have right up front.

The Leader of the Opposition, since this Parliament commenced as a minority Parliament, has made the point, particularly in the debate on the Speech from the Throne, of the importance of working in a collaborative and collective way. He made the point particularly in the wording of the amendments to the Speech from the Throne itself, and how it would have been nice from his perspective if those discussions had been able to take place beforehand and we had had a collective agreement.

What is good for the goose is good for the gander. He wants to talk about agriculture and put forward a motion that we can deal with, but there was no consultation to see if we could arrive at a collective agreement.

**An hon. member:** We have been asking you for months.

**An hon. member:** A few years.

**Hon. Andy Mitchell:** They are cackling over there because I am pointing out to them that they do not do what they call for in one case or another.

Let us get to the nub of this. As the Leader of the Opposition said when he began, and I appreciate this, there were others who had a better technical knowledge. I understand and appreciate that, but what he fails to point out in putting forward this motion as some sort of solution is that the CAIS program is not a federal program but a federal-provincial program and that making changes to it does not happen through a resolution in the House. It happens when 7 out of 10 provinces representing 50% of farm gate receipts make a collective decision to do it, and even beyond that, because this is a three-legged stool, it also requires federal government, provincial governments and producers, not that top-down directive approach that the Leader of the Opposition is suggesting.

### Supply

If the Leader of the Opposition could provide some reasons as to why we have a motion in front of the House that purports to deal with the issue but does not present the issue in a way that is actionable, I am sure all Canadians and producers would like to hear how he intends for that to happen.

• (1020)

**Hon. Stephen Harper:** Madam Speaker, I appreciate that the minister is pleased that we are having a debate on agriculture today. I am glad to see that he is here, listening and rising on his feet, but let me point out that the government controls most of the agenda in this place and it is always one of the opposition parties that has to bring agriculture forward. It is never this government.

When we talk about exchanging ideas, I do not know what the minister is talking about. He and I both appeared at the same forum only hours apart in Yorkton just last month to discuss the issues we are talking about today, the very proposals, and he comes here and says he does not know, he was caught by surprise, he has never heard of any of this. The problem is that the minister and the government do not listen to producers and it is about time they started listening.

On the issue of provincial involvement, this is the same problem. I would encourage the minister to listen to his provincial counterparts. I think they recognize that there have to be changes. I do not think there will be a provincial government in the country that will resist this Parliament passing a resolution to show some generosity to producers at this time of crisis. And if the minister has information to the contrary, I challenge him to produce it.

**Mr. Rick Casson (Lethbridge, CPC):** Madam Speaker, I want to thank my leader for bringing this debate to the House of Commons today and also the member for Haldimand—Norfolk, our agriculture critic.

The issue before us today has reached a crisis proportion. It is a timely motion where we as a nation, and the government should recognize this, have to come to the rescue of people on the family farm. To start that process, this motion is where it should be. The comments from the minister are completely unacceptable as far as questioning whether this should happen here today. This is exactly where it should happen and it should happen all day long. People in Canada better recognize there is a crisis.

The border is supposed to open on March 7, but that is the first step in a long process that will be necessary to get our cattle industry back on stable footing. I would like to ask for Leader of the Opposition for his comments on what needs to be done in the next phase of this crisis.

**Hon. Stephen Harper:** Madam Speaker, in terms of the BSE crisis, as I said in my remarks, there are a number of things that need to be done. We need to continue to have some tax incentives to produce some additional slaughter capacity. We need some top-ups and set-aside programs. I could go through the list, but the most important thing is the cull cow program. It has to be done no matter when the border is opened. Even if it were opened today, we still would have that need.

When it comes to cull cow problem and the coming problem on grains and oilseeds, and maybe the minister will not accept this solution, we all demand today that in this debate he recognize the

existence of the problem and propose some kind of solution today for producers.

• (1025)

**Ms. Diane Finley (Haldimand—Norfolk, CPC):** Madam Speaker, as the official opposition agriculture critic, I am pleased to rise today to speak to our party's motion that calls on the Liberal government to get rid of the Canadian agricultural income stabilization, or CAIS, program cash deposit requirement as well as to honour the commitments that it has already made to Canadian farmers.

However, before I continue, I would like to thank our leader, the member for Calgary Southwest, and my colleagues in the Conservative caucus for supporting me in recognizing the magnitude of this issue and tabling the very important motion that we have before us today.

I must admit that it may seem a little odd to ask the Liberal government to vote on a motion that among other things asks it to honour its commitments, as we know that honouring commitments is not something the Liberals are very good at. Think NAFTA, think GST, think of their commitment to defend the traditional definition of marriage. The list of broken promises could take up all my time today. Suffice it to say, agricultural producers who have suffered through difficult circumstances such as BSE, avian flu, drought or prairie frost are fed up with empty government promises that aid is finally coming their way.

Just this week I received a letter from yet another farmer saying that he was still waiting his CAIS cash advance payment for 2003. This is simply unacceptable. How can producers who have creditors banging on their door assure them that money will be coming when the government can give them no guarantees as to when they can expect the funds?

We have recently learned that many grain and oilseed farmers may have to wait until January 2006 to receive anything for the losses due to their price collapse of 2004. As if the unending delay in receiving funds through the CAIS program were not enough, the government continues to insist that producers enrolled in the CAIS program provide an onerous cash deposit to trigger payments from the program.

Many banks are even refusing to lend money to farmers who offer their future cash payments as security because the banks have no confidence in how much money will actually be paid or when.

The CAIS deposit requirement has been universally rejected by producers across the country as a policy that unfairly hurts our farmers. It ties up producers money and deposits that could otherwise be used to invest in much needed farm equipment or to pay off other farm expenses.

Agriculture producers across the country, struggling with extreme conditions outside their control, do not need yet another financial burden to ensure that relief payments make their way to them. That is why I am calling on the Minister of Agriculture to immediately drop the cash deposit program required by CAIS.

This is a very serious situation. I am sure that many Canadians would be appalled to learn that the realized net farm income for Canadian producers in 2003 was a negative number nationally. That is right: negative income. Furthermore, although our country's agricultural exports have steadily increased, farm incomes are dropping rapidly.

One example is, according to the Ontario Federation of Agriculture, in 1981 our farmers received just 5¢ for every \$1 of cornflakes sold to the consumer. Now, over 20 years later with a lot of inflation in between, our farmers are only getting 3¢ on \$1. This is unacceptable.

Canadian producers compete with treasuries around the world. Many of our global competitors have significantly richer domestic subsidies that give direct payments, actually improving farmer income, not simply supporting producers when losses occur. Most important, their programs are free and do not demand upfront costs, deposits or fees. The deposit or any other upfront cost for safety net programming only further disadvantages Canadian producers on the international stage.

• (1030)

Even the parliamentary secretary for agriculture has acknowledged that the CAIS program was never designed to deal with disasters or trade injury. It was just supposed to provide income support within the normal flux and flow of business. That is fair enough. The problem is that there are not any programs at all to deal with disasters, trade or otherwise. Everything is ad hoc. There is no plan. There is no standard. There is no money. Even when the money is promised, it does not get delivered.

Take for example the money promised for the federal cattle set-aside program that was announced in Calgary last September. As of last week, we had reports that the Alberta government had not yet received a nickel from the federal government. This is unacceptable.

With regard the much touted loan loss reserve program to stimulate investment in desperately needed slaughterhouse capacity, we were told that the application forms would not be available for three months. It is five months later and there are still no forms. There are no funds. This is unacceptable.

What about the tobacco farmers of Ontario and Quebec, two-thirds of whom are in my home riding of Haldimand—Norfolk? Three days before the election was called last spring, they were promised an aid package that would have seen cheques in their hands by October at the latest. They have not received a penny yet. Now the government has changed the rules, lowered the funding and said, “take it or leave it”. This, too, is totally unacceptable.

I have heard a lot of people complain and say, “farmers always keep whining. What are they complaining about. The governments keep announcing more money for them, but the farmers are never happy”. What these people do not realize is that the same money gets announced time and again. It gets announced, it gets promised, but it does not get delivered.

I can say with confidence that our agricultural products are among the best in the world. They are safe and they are reliable. However, they are becoming more expensive to produce because the farmers have to spend an amazing amount of time and money on complying

### *Supply*

with increased government legislation, regulation and applications for safety nets.

I have spoken with several farm accountants over the last while. Even the brightest of them admit that they have a really hard time understanding the CAIS program and the calculations. If, with all their experience, they find the program a shemuzzle of a bamboozle, how could independent farmers be expected to cope with the challenge? The answer is simple: they cannot.

The unnecessary and unproductive complexity of CAIS demands that farmers who need the program most, those facing tough times, have to spend money that they can ill afford, not only on the deposit requirement, but also on accountants and lawyers just to make their application. The system is so bad that I know of one farmer who completely retired from farming, saying, “This CAIS program is just the last straw”.

It is abundantly clear that in the face of declining farm income, this government continues to fail farmers by providing inadequate income support programs for producers struggling with circumstances and conditions outside their control. Our farmers are fighting foreign tariffs and subsidies on the world market. They are fighting disease and frost from Mother Nature. Now they are fighting for survival. They should not have to fight their own government.

The status quo is not acceptable. I call on the Minister of Agriculture to ensure that our farmers receive responsive relief in real time, not phantom farm aid, not phantom funds.

Getting rid of the CAIS deposit requirement would provide immediate relief to thousands of producers at a time when relief is most needed. I urge the Minister of Agriculture to heed the call of producers from coast to coast and immediately drop the CAIS cash deposit requirement. I urge all members of this House to vote in favour of our motion today.

• (1035)

**Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.):** Madam Speaker, I listened intently for solutions from the member opposite but I never heard them.

I stand here absolutely amazed at the gall of the opposition in terms of how it tries to play political games with farmers' lives. That is basically what it is trying to do. If anything, it should be recognizing that the minister has not tried to put a spin on the numbers. He has admitted that there is a problem in terms of agriculture.

In terms of the returns from the marketplace, I would agree with the hon. member on the point that returns from the marketplace to primary producers are in the negative area but they have been declining for 25 years.

### *Supply*

In terms of the safety net program, the minister asked his provincial colleagues in July to look at the issue to see what options were available in terms of CAIS. The opposition members can play all the games they want but in this country we operate under federal-provincial agreements. They should stand and admit that it requires a change in the federal-provincial agreements instead of misleading the farm community and saying that the minister on his own can change it, when he cannot. They know differently.

Let me make another point. The member opposite talked about subsidies in other areas actually improving farm incomes. The fact is that farm incomes are going down around the world. A good marketing institution that maximizes returns to primary producers is the Canadian Wheat Board. It has been proven as such, but the Conservative Party wants to do away with it. It consistently attacks supply management, which has been a marketing institution that challenges the marketplace in the interest of primary producers.

Yes, the government is looking at the CAIS program, which the minister initiated in July, but it has to work at it federally and provincially. What is that party really saying in terms of dealing with—

**Mr. Jay Hill:** Madam Speaker, I rise on a point of order. Just for the record, I wonder if you would check the seating plan for the House because I believe the rules of the House state very clearly that the member must be in his own seat when he is addressing the chamber. I think he is in default of the rules of the House of Commons.

**The Acting Speaker (Hon. Jean Augustine):** Procedurally, the member is correct. Would the parliamentary secretary now put his question?

**Hon. Wayne Easter:** Madam Speaker, as I said, the CAIS deposit is being looked at. It is a safety net. What do the members on the other side propose to deal with the real problem which is income from the marketplace to producers? We are working with industry to try to find solutions. What are they proposing?

**Ms. Diane Finley:** Madam Speaker, we recognize that the parliamentary secretary has not always been sure where he stands on these issues, and now we have seen it.

I am delighted to hear that both the minister and the parliamentary secretary acknowledge that the CAIS program is not working. This is good news. This is progress. At least they are starting to look at it. My concern is that they are going to look at it too long. We were supposed to have a mandated review of CAIS starting two months ago and it has not started yet. Looking at it is not going to fix it. We have to take action. Things have to be done. We have to get rid of the program.

My leader today described a program that we are recommending, one that is two tier, where we have not only a safety net program in terms of income support for the regular flux and flow of business, but also a disaster relief program. This does not exist at the present time. We have had too many crises in agriculture in the last few years where systems are needed but the plan is not there to deal with them. Who is left holding the empty money bag? It is our producers. This is unacceptable. The government is responsible for providing solutions.

●(1040)

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Madam Speaker, I am pleased to have the opportunity to reply to the supply motion brought forward by the opposition.

As I said in my question to the Leader of the Opposition, I do not agree with a large part of the motion for a number of reasons. However there is a portion of the motion that I feel is important, which is that we should be dealing with farm income programs and that we should be dealing with the support we provide to producers on an ongoing basis, to refine it and to make it as effective as we possibly can. I have been doing that since I became the minister last July. I am not doing it in the way suggested by the hon. member, to just, by a fiat, have something changed, but rather by doing it according to the Constitution.

Agriculture is a federal-provincial responsibility and, of course, I work with my provincial colleagues, as well as, and this is very critical, working with members of the industry.

However let us try to understand what the motion is all about. It is not about the opposition trying to help producers. If it were about that, there would be solutions in it, but they are not there. It is not about trying to actually get something done, because if it were the opposition would have suggested a process that would need to be employed to get it done. But no, it has not made that suggestion. It has suggested something that is not possible to do.

Why would the opposition suggest that? It is because this is not about helping producers, not about the commitment that the government has to help producers in this country, which we demonstrate day in and day out, no, it is about pure, unadulterated politics. First, not helping producers, that is simply not factually correct. I will demonstrate clearly that we do that.

In terms of dealing with the options around CAIS, trying to purport that nothing has been done on that, that all of a sudden one day the opposition walked into the House and for the first time wanted to have it discussed and dealt with and that this had to do with the fact that the opposition one day woke up, that is rubbish. The reality is that on this side of the House we have been dealing with these issues that are important to our producers on an ongoing basis day in and day out. That is the absolute reality.

**Mr. Gary Goodyear:** How is it working? It is not working. Lead or be led.

**Hon. Andy Mitchell:** Listen to them cackling over there, Madam Speaker. They are obviously pretty excited.

The reality is that 2003 and 2004 were difficult years for Canadian producers and they deserve more than the political games that the opposition is playing here today.

The basic problem here is that the opposition just does not get it. As important as it is, and it is important, to provide support to our producers, in 2003 the government provided producers with \$4.8 billion. Never in the history of this country has that kind of support been provided to our producers. The opposition members do not want to admit that. They do not want to talk about that. They do not want to deal with that because it demonstrates clearly that the government does in fact support producers.



In this current fiscal year we have provided to date well over \$3 billion, but again they do not want to admit that. They do not want to talk about that because it does not fit into what their main objective is here today, which is not to help producers but to score cheap political points, which is their normal process.

•(1045)

The point is that opposition members do not get it. Success cannot be measured by how much the support payments are. That is important and we need to be there, but that is not the measure of success. The measure of success is what we do to create the environment that allows producers to receive from the marketplace a fair return for their labour and their investment. That is the point they miss and the point on which they make absolutely no suggestions on how to deal with it.

I have to compliment my parliamentary secretary for the work he has done. Rather than dealing with the important work the parliamentary secretary has done in respect of dealing with the long term decline in farm income in certain commodity sectors, what did the House leader deal with regarding the parliamentary secretary? He was only concerned about where he was sitting in the House, with great glee and laughter over there. Well, it is not a laughing matter. Helping producers and providing them with support is not a laughing matter. I am totally disgusted with the approach the opposition takes on that.

Let us talk a little bit about the support that producers have received. The opposition members talk specifically about the CAIS program. They say that no money has been paid out in CAIS, that no producer has been helped in CAIS and that nothing is going on in CAIS.

The reality to date is that more than \$700 million have gone to producers, payments for the 2003 year will reach close to \$1.5 billion and there will be similar amounts in 2004. This clearly reflects the challenges that producers faced in those years.

The opposition members then said that there was no other specific program, nothing to deal with the specific problem taking place. I want to remind the House and producers of some of the programs that have been put in place and the amounts that have been paid out. Canadians have an interest in this and I am glad that we have a chance to speak to Canadians, although I realize the opposition would prefer not to.

We paid out \$830 million under the TISP, \$444 million under the BSE recovery program and \$106 million under the cull animal program. Our spring and fall advances are providing literally millions of dollars in assistance for our producers to operate. Our production insurance program provided \$1.7 billion of coverage on those commodities covered under production insurance.

I will not disagree that it is important to continually evaluate and look at what we do and to make every attempt to do it better and as well as we can. I know opposition members would like to think that they always get it right but they do not. All of us need to constantly re-evaluate things. However to suggest that there is not a strong commitment to producers, to suggest that they are not receiving financial assistance, and most important, to suggest that we are not

### *Supply*

focused on the long term issues that face farmers is totally ludicrous and totally wrong.

There is something else the opposition forgets and something that is absolutely critical. When dealing with agriculture it is important to understand that it is a three-legged stool, that it is not just simply the federal government. And that is not to shirk the responsibility of the federal government. We take that onto our shoulders, as well we should, but in order to make this work it is a three-legged stool and if one of those legs is missing, it will not stand. This is something that needs to be done, yes, by the federal government, by the provincial government and by producers. We have been engaged with all of those parties over the last seven months to continually develop and enhance the programming that we put in place.

•(1050)

The hon. member talked for a minute about the announcement of the BSE recovery program back in September which was designed among other things to see a price recovery in both feeder and fed animals. What the hon. member did not say is that in fact the price for feeder animals and the price for fed animals have recovered from their lows in July as we said the program was designed to do. Are the levels at what we would like them to be? No, but they have recovered.

Producers are the best of business people in the world. Our Canadian producers produce the best in the world. They are not going to buy what the opposition is saying, that everything is wrong, that nothing works, that there is no support. What they will buy is a government that understands the challenges, a government that provides them with the assistance, and a government that works with them to enhance it even beyond the current levels.

I have said on many occasions that the CAIS program is one that provides support to producers. It is one that has been put in place in recent times. It is one that we will work on in order to ensure that there are things that will be changed. It is not as if nothing has been done since CAIS has been put in place. We saw a change with the coverage of negative margins. The opposition members are saying that nothing has been done. I would assume that means they are opposed to the coverage of negative margins.

**Mr. Gary Goodyear:** We are opposed to the failure of the program.

**Hon. Andy Mitchell:** The hon. member has just said that he is opposed to negative margins.

We have increased the cap. We have increased the total amount that can be paid under the CAIS program. We are responsive. Their deposit has been changed since the CAIS program was brought into place and yes, there is a need to deal with that particular part of the program.

Last September a member of the opposition said that the special cash advance that we were putting in place for beef producers would never work because it was tied to the CAIS program, that producers would not see a penny and nothing would ever happen. That is what the opposition said. The reality is that today \$115 million has gone in the short term to cattle producers under those special CAIS advances.

*Supply*

I say that to point out that when the opposition members say that something is not happening, it just is not so. The reality is different. I say that with respect because, as I have said on numerous occasions, I also believe in the importance of continually evaluating what we do and continually being willing to change beyond where we have gone.

During the debate today in the House we are going to talk a lot about various components of agriculture. I look forward to engaging in that debate because there are important broad based issues that we need to deal with. However, from my perspective there are some realities we need to accept and we need to understand.

The first one is that the government is committed to producers. It has always been committed to producers. The proof is in a number of different areas, including the type of programming that we have put in place and the types of measures that we will be putting in place as we move forward. That is a reality.

Playing political games with opposition day motions is of little value. I agree with the hon. member across the way that there is work that needs to be done. Yes, it will be important that we have these discussions in the House. As I was saying to the Leader of the Opposition when he was making his earlier interventions, if he honestly believed his rhetoric that he wants to see a minority Parliament work with all parties coming together on critical issues, then he would have followed his own advice that he was providing to the government earlier in this session, which was that parties would come together and jointly develop proposals that would be put to the House so that they could gain widespread support.

• (1055)

The fact is they are unwilling to do that. The fact that they are unwilling to engage in those discussions with the government indicates clearly that this is about pure unadulterated politics. They are trying to score cheap political points at a time when it is totally unwarranted.

This needs to be a time about assisting producers. This has to be a time about understanding that this is all about people. It is about the men and women who go out there every day and make significant sacrifices on behalf of all Canadians. The work that our producers do is critical for Canadians whether they live in rural Canada or urban Canada. The work our producers do is critical to people whether they live in this country or whether they live in literally dozens of countries around the globe who depend on Canada's ability to grow food and to export it around the world.

That is what is critical in this debate. That is what the government is committed to. Our record clearly demonstrates that we have been doing that in the last several years. It is what we will continue to do as we move forward working with the provinces, working with the industry, working with individual producers, and working with Canadians.

**Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.):** Madam Speaker, I rise on a point of order. Discussions have taken place between all parties and I believe that you will find consent for the following order:

That at the conclusion of today's debate on the opposition day motion, all questions necessary to dispose of the main motion be deemed put, a recorded division deemed requested and deferred to Tuesday, February 8, 2005 at 5:30 p.m.

**The Acting Speaker (Hon. Jean Augustine):** Does the hon. member have the unanimous consent of the House to present this order?

**Some hon. members:** Agreed.

**The Acting Speaker (Hon. Jean Augustine):** Agreed and so ordered.

**Mr. Rick Casson (Lethbridge, CPC):** Madam Speaker, I appreciate the opportunity to pose questions directly to the Minister of Agriculture.

The minister commented that producers deserve better. I firmly believe that. I do believe they deserve better than to see the gamesmanship from that side of the House today.

The minister said that this is all about politics. It is not all about politics. It is about people who are struggling trying to make a living in a fashion that historically has been part of the makeup of this country and which helped to develop Canada. People are struggling and are not able to do it.

It is about the six or seven young farmers who were in my office over the Christmas break who have absolutely nowhere left to go. Their incomes are declining. Their debt proportions are going up and they do not know how they will get through this crisis. They are looking for answers.

Our party has proposed part of a solution. It is not the total answer, but it is a positive step in the right direction and we want the government to consider that.

Whether there were previous negotiations or talks is irrelevant. Here it is; let us deal with it today.

The European Union has just announced that it will subsidize two million tonnes of wheat out of the EU. It is going back to what it has done in the past, which flies in the face of what the WTO negotiations have been trying to do. I would like to ask the minister directly, what does he plan to do about that specific issue, where the European Union is taking steps that are going to absolutely decimate the price of wheat and further reduce returns to our farmers?

• (1100)

**Hon. Andy Mitchell:** Madam Speaker, I appreciate the hon. member's questions. He has been a longtime advocate in the House on agriculture issues and I respect that very much.

I think I agree with the hon. member, if I understood him correctly, that the actions being contemplated by the EU are totally unacceptable. It is about saying one thing and acting in a totally different way.

*Supply*

In the WTO negotiations, through the framework agreement, the EU has clearly committed itself to the elimination of export subsidies. I find it very difficult to accept that on the one hand it has signed a framework agreement for the elimination of those subsidies and then in the interim period as we are working to negotiate a final agreement, it did that. I will take every opportunity to express my belief that that is inappropriate. Certainly as we engage in the WTO discussions this year we will continue to make that point. The Minister of International Trade will make that point also at the various forums he operates in.

That is why we support the process of the WTO. The government has long said that the elimination of export subsidies, the decrease in domestic supports with those who are providing the greatest domestic support providing the largest decreases and increased market access while giving Canadians the choice of their domestic marketing regimes are principles that are in the best interests of Canadian producers.

As was mentioned by the Leader of the Opposition, we export a tremendous amount of our products. Having a rules based trading system is essential. Given a level playing field, Canadian producers can compete successfully with anybody in the world.

**Mr. Brian Masse (Windsor West, NDP):** Madam Speaker, this latest example is a good indication of the frustrations this nation has been facing when this country follows rules but others do not. Softwood lumber is another example.

Is the government looking at a comprehensive examination of the WTO and our relationship with it given this latest example with the European Union?

It is amazing that we continue to drift this way. We do not have a comprehensive review. Is the government committed to the WTO and standing by its rules while at the same time others are allowed to deviate and do what they want?

**Hon. Andy Mitchell:** Madam Speaker, to elaborate upon my previous answer and to continue with my answer to the member, obviously as we go through the negotiations which are slated for this year on the WTO the point will be made.

A tremendous amount of negotiation and work needs to be done to arrive at an agreement. I have said on many occasions that when we enter an agreement, in addition to achieving success on those three major pillars, some things have to happen. In my view two of them are very critical.

One is that the agreements need to be transparent. Everybody needs to understand what it is they have agreed to and particularly that Canadian producers understand exactly, and are comfortable with, what others have agreed to. The second one, and this is critical, is that the agreement needs to be measurable. That means when we have commitments from our trading partners that we can clearly see that those commitments are being honoured and that we can measure them.

Besides achieving those objectives which I believe are critical, it is important that we have an agreement that is measurable and is transparent in terms of its implementation. That is what we will be working for as we go through this year.

● (1105)

**Mr. Andrew Scheer (Regina—Qu'Appelle, CPC):** Madam Speaker, I found it interesting that the minister talked about Canada's obligation on trade issues.

When he was in Yorkton last month he opened up his speech with an anecdote about how his first assignment as minister was to travel to the WTO negotiations taking place in Europe. The gist of his story was that he had only been minister for three days and he had been asked to read the entire file on the seven hour flight. He did not get too many laughs because he did not know that the speaker a few time slots before him had outlined how Canada had failed to adequately negotiate these international agreements and how Canada had basically traded away the farm, so to speak. I wanted to mention that point.

I have a few specific questions for the minister.

According to the 2003 statistics for CAIS, of the 34,432 applications received, payments had been made on only some 13,000 and change. Those numbers were provided by the parliamentary secretary on his tour throughout Saskatchewan. Does the minister view that as a success? One in three applications has received payment. Those are the government's own numbers. Does he view that as a success?

We are talking about a very specific matter today. The minister's speech decried the rhetoric from the opposition side and he not once addressed the motion.

Will the government commit to actually dropping the cash on deposit requirements? He said it is a matter of federal-provincial agreements. Will he start those negotiations? Will he visit the premiers, secure the certainty that they will drop them? Will he start that today?

**Hon. Andy Mitchell:** Madam Speaker, there were a number of questions there, but let me start off by saying that I did address it in my speech. Obviously, the hon. member was not listening.

We have been working on this. I have been meeting with my provincial colleagues. We met in September on it. We met again at either the end of November or beginning of December here in Ottawa. I have talked to my provincial colleagues on a number of occasions and yes, we have been working on this particular issue. We continue to do it, including working with producers. Meetings have occurred as recently as last week.

We have been working on it. The point I was trying to make is that this is something that perhaps the opposition only discovered today, but it is something that the government has been working on for a long period of time.

There were two other questions. In terms of the WTO, the reality, unlike most other countries when Canada is engaged in its negotiations, is that the industry is with us. When we were in Geneva, there were some 40 representatives of the industry with us with a wide variety of approaches because there is not a uniform opinion among Canadian agriculture on exactly all the details of what our trade agreements could be.

### Supply

I know from the hon. member's perspective he would like to have a nice, simple, one shoe fits all approach, but it does not work that way. These are complex issues that require us to bring together the industry into a consensus.

I would like to mention something that the hon. member should have pointed out. He talked about the processing of CAIS program applications, but what he failed to point out is that the government did at the request of producers extend the deadline to which these applications could be made until November 30. It gives producers as long as possible to make their applications and then the opportunity to process them. Of course, he did not want to mention that.

[Translation]

**Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ):** Madam Speaker, do we have to say it again for the government finally to understand: Quebec farmers are facing a major income crisis.

According to the latest Statistics Canada data, in 2003, under the reign of the Liberals, agricultural income reached its lowest point in 25 years.

In 2003, net income, i.e. the difference between farm revenues and operating expenses, fell by 39.1% from the figure for 2002 to \$4.44 billion.

According to the UPA, farm debt has increased on average by 207% since 1993. Between 1996 and 2001, the number of farms declined by 10% in Quebec to 32,000. Every week two farms disappear in Quebec.

The problem is that farmers are left on their own by Ottawa, that is to say, by the party in power.

Few countries neglected their farm sectors as much as Canada did when the current Prime Minister was Minister of Finance. Now more than ever, producers have less support, and at a time when agriculture is in a full-blown crisis caused by the collapse of prices and the mad cow crisis. In addition, when Ottawa does take action, it is to adopt Canada-wide measures, which fail to meet the needs of Quebec producers. We cannot say it enough: agriculture in Quebec and agriculture in Canada are different, they are organized differently, and they do not have the same needs.

According to OECD data, government support for farm incomes in Canada was US\$182 per capita in 2000. The equivalent per capita figure for the same period was US\$378 in the United States, US\$276 in Europe, and US\$289 on average in the OECD countries.

The parliamentary secretary to the Minister of Agriculture has been consulting recently in order to find out about the problems facing farmers. He needed only to listen to us. We have been telling him over and over since the House convened. I am well situated to tell you: I went through my own baptism of fire last October at the time of the famous emergency debate on the mad cow disaster.

Our party and the entire agricultural community have been telling the Liberals for months. The problems and solutions are well known. But they are not listening. All they need is to show a little public will.

The Liberals tell us over and over about their budget surpluses. The money is there, but what good is it doing? Who is benefiting? If the farmers of this country numbered among the Liberals' pals, maybe there would be some money for them, who knows?

Last year, the government accumulated a surplus of \$9 billion. I remember that and our farmers remember too.

The CAIS program does not work very well. Farmers are not very enthusiastic about it. On January 22, 2004, the president of the UPA said on *La Terre de chez nous*: "CAIS, you will remember, was imposed on us by the federal government, which threatened to cut Quebec off if it did not sign." What great solidarity! Despite the federal government's rigidity, the Bloc Québécois managed to get this program administered by La Financière agricole.

That makes it possible at least to harmonize this program with the other risk management programs administered by La Financière.

The CAIS program provides minimal coverage, which does not include all kinds of risks, which can vary considerably from one farm to another or one region to another.

If CAIS were doing the job, why were seven different programs created to deal with various crises? The program would seem poorly designed.

CAIS was useless for the cull cattle problem. It did not do anything.

Let me quote the president of the Fédération des producteurs de lait du Québec for you:

I would like to point out as well that milk producers are not eligible for CAIS. In order for a milk producer to be eligible, he or she must have losses of at least 30% over the last three selected base years. In our case, even if our cull cattle were sold for \$0.00, we would not even qualify for the part of the CAIS program covering catastrophes, the only one for which we are eligible.

Let me give just one example. According to the Canadian Federation of Agriculture, managing the deposits costs \$14 million in administrative expenses, while they only bring in \$34 million. Assuming an interest rate of 6%, the administrative costs are high.

● (1110)

Let us now look at the motion put forward by the Conservative Party of Canada this morning.

On February 8, the agriculture ministers will be meeting to discuss the CAIS program, among other things. We would hope that the federal government will not show up empty-handed. It was for just that reason that it did not make an appearance at the last UPA congress. This week the Canadian Federation of Agriculture asked once again for the initial deposit requirement to be abolished. This is the measure that is the subject of the present motion. It is supported by the UPA and by various agricultural organizations.

Ultimately, this is a marginal measure, for it represents only \$34 million in annual lost profits in Canada. My colleagues and I support this measure, which should however be funded in its entirety by the federal government.

*Supply*

Let us fact facts. The deposit requirement is a major irritant for agricultural producers. It is not right for hard-pressed farmers to be obliged to borrow in order to make their deposit. The basic question with the CAIS program is this: who do we want to help? The agricultural producers or the bankers?

Time is short. We have to go much further. We acknowledge that the Conservative Party's motion would give farmers a bit more time, but it does not go far enough. It seems to us essential to promptly launch a debate on the effectiveness of the CAIS program. The committee that was supposed to be studying the effectiveness and management of this program has still not convened, and there will be no major change until 2006.

The minister should also be worried about the low number of Quebec producers enrolled in this program, even in a period of crisis. That speaks volumes. This low enrolment rate is explained by the simple fact that the program does not meet their needs, period.

Let me now cite the latest brief from the UPA, which recently submitted four proposals to the federal government. First, the government has to substantially increase its budget for the income security program. Second, it should offer Quebec and the provinces more flexibility in managing the funds earmarked for income security. Federal and provincial assistance has to be decompartmentalized to meet the specific needs of each of the regions and types of production. Third, ways of reducing the program's red tape have to be proposed, particularly as regards establishment of the reference margins. Finally, the impact of international subsidies must be assessed annually in order to adjust the reference margins in a fair and equitable manner.

So this is what the Bloc Québécois believes must be done to improve the Canadian Agricultural Income Stabilization program. I want to reiterate that this government, led by its former Minister of Finance, has been constantly coming upon budget surpluses as if by magic, year after year, for ages now. If this government really wanted to make itself some new and genuine friends, it would turn to those who provide us with our daily bread and who now find themselves in a situation which has for some time now been well past the crisis point.

Our people have faced some serious problems since this party came back to power. Consider the fiscal imbalance, which has imposed a terrible burden on those who want to receive real health care, both in Quebec and in the Canadian provinces.

Think of the farmers who are forced to sell their farm because they have lost hope, because of mismanagement of public funds by this government, because of deficient sanitary practices by supposedly responsible persons, who would do well to model themselves on the sanitary methods used in Quebec.

There is still time to help those who provide us with our daily bread. All we have to do is listen to them, stop trying to find solutions in ivory towers in Ottawa or elsewhere, roll up our sleeves, and really move things forward. It is doable. But is this government capable? Up to now in Quebec, it has not proven much of anything.

● (1115)

[*English*]

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Madam Speaker, I have both a comment and a question.

First, in terms of a comment on the CAIS program and Quebec, in 2003 the federal-provincial contributions on CAIS will be somewhere around \$142 million and that will be about \$102 million for 2004. That will be the support to producers under CAIS in Quebec. That is important. In terms of the BSE programs, between the transitional program, TISP, and other BSE programs there has been some \$212 million provided to Quebec.

It is important to put on the record that there is assistance going to Quebec producers.

I have a specific question for the hon. member. I know that she is very knowledgeable of the industry. Two things have happened in the last while that have an impact on some of the issues that we face. One of them has been the Canadian Dairy Commission's increase of the price of milk by \$5, with a portion of that going to recognize the issues with cull cows and the decline in the value of cull cows. Does she think that is of some assistance?

The second thing that potentially will change is with the rule change, as suggested by the Americans to come into effect on March 7, that meat from older animals will be eligible for export to the United States. Does she think that will have an impact on some of the challenges producers face in Quebec?

● (1120)

[*Translation*]

**Ms. Denise Poirier-Rivard:** Madam Speaker, I listened carefully to the minister when he said that he had introduced solutions. Where was he last fall, during the UPA's most recent convention? Why did he not come to give Quebec producers all this good news? We expected to see him at the UPA convention but we did not.

The minister says that he made changes. I do not want to hear him say that he was retained here in the House. Given that it takes 50 minutes to fly from Ottawa to Quebec City, I think that he could have come to announce everything he is talking about today.

Earlier, the minister mentioned a federal-provincial agreement. I think that he should have come in person to the UPA convention to announce the measures that he intended to implement to help producers who are clearly suffering. Some farmers are even on the verge of committing suicide and others have.

We do not yet have a specific date. There is talk of March 7, but we are not there yet and our producers are still waiting.

[*English*]

**Mr. David Tilson (Dufferin—Caledon, CPC):** Madam Speaker, with respect to the comments made by my colleague from the Bloc Québécois, it sounds like she has similar concerns in her riding as I have in my riding of Dufferin—Caledon.

*Supply*

I have had farmers from all over Dufferin—Caledon come to me and say that they are concerned about the increase in subsidies, in competition not only with the Americans but with the Europeans. With respect to the forms, many of them say that they find them very difficult to understand. They also talk about the deposit and the fact that they cannot afford it. That is why the Conservative Party of Canada has made the resolution.

The more frightening part is that many, and I am not just talking about the odd one, have come to me and asked if there are tax advantages they can receive with respect to the disposition of their farms. They have said that they want to get out of the business because they cannot afford to do it anymore. That I find is the most serious of all. Another thing they comment on is their RRSPs. Many are cashing in their RRSPs simply to stay alive.

My colleague indicates that the resolution does not go far enough. Could she elaborate specifically on what additional things she feels that the Minister of Agriculture and the government should do?

[*Translation*]

**Ms. Denise Poirier-Rivard:** Madam Speaker, we can propose solutions to help producers.

The federal government could substantially increase the safety net program budget. That would be one solution. It would give Quebec and the provinces greater flexibility in managing funds allocated to the safety net program. The federal and provincial governments need help decompartmentalizing in order to meet the specific needs of each type of production in each region. These are some of the ways we can help them.

We have also proposed restructuring to reduce program bureaucracy, particularly with regard to the establishment of reference margins. There could also be an annual international subsidy impact assessment so as to ensure fair and equitable adjustments to the reference margins.

● (1125)

[*English*]

**Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.):** Madam Speaker, I want to come back to the question that the minister asked the member earlier. I believe it was a low blow for the member opposite to say that the minister did not want to go to the UPA convention. There was an emergency debate on agriculture that day in the House and that is why the minister stayed. He stayed to debate the issue in an important way about policy that could benefit all agriculture producers in Canada.

The member opposite did not answer the minister's question on two points. One was on the assistance to BSE and whether it helped producers in Quebec. I know members of the separatist party find it difficult to admit that Canadian programs benefit their producers, and they do.

The second question related to dairy, which was as a result of the request from Quebec producers and other dairy producers in Canada. They asked that we try to bring into the formula, through the Canadian Dairy Commission, some compensation for the lower returns for cull cow prices and so on to the dairy industry.

Yes, there is more we can do, we know that, but will the member admit that those programs have been of benefit to Quebec producers?

[*Translation*]

**Ms. Denise Poirier-Rivard:** Madam Speaker, I will not belabour the point, but I would like to return to what I was saying earlier about the Union des producteurs agricole meeting. As I said, it is only a 50-minute flight from Ottawa to Quebec City. I feel the minister could have gone to meet with the producers.

The program in place has done nothing to help the producers. In fact, when some of them need an accountant's help to fill out the paperwork, I wonder if its purpose is to help the bankers, the accountants or the farmers.

As we have said, the situation is different in Quebec; we have a problem with cull cattle. I think that we have been calling for a minimum price since October. I have asked this of the minister on numerous occasions and his answer was that it could be Canada wide. I think that would be the only solution.

The minister has also said on very many occasions that he was negotiating with the province. The dairy producers are still waiting to hear an announcement from the federal government on assistance for them with the cull cattle situation.

[*English*]

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Madam Speaker, as always, it is an honour to rise in the House. I am beginning to feel like I am an extra in a movie. The movie is Bill Murray's *Groundhog Day*. Every time I wake up, I am in the House with the hon. minister across from me, talking about the same issue. Just as in that movie, at the end of the day, nothing has changed.

We have been at this issue for too long. Every day we ask the same questions and every day we get the same answers. Nothing changes except one thing. Every day the government does not act or put a proper plan in place, farmers go under.

I brought forward the case of a farmer and I spoke to the minister and his staff about it. The farmer had 1,000 head of cattle, one of the largest ranch operations in my riding. He had been completely turned down by CAIS. He received a blanket letter thanking him for putting in his money for deposit, for having to borrow the money and for having to pay his accountant, but he did not qualify for CAIS.

I approached the minister on this. He referred me to his staff, for which I thank him. His staff referred me to the CAIS specialist. Just like in the *Groundhog Day* scenario, day after day I phoned and nothing changed until Christmas Eve.

On Christmas Eve I was sitting in a banker's office with the rancher, pleading for his farm. The bank was foreclosing on a \$70,000 loan on his farm. He was only three months behind, but the bank figured it was time to shut down a million dollar farm operation. I begged that bank to hold off. What could I say? The fact is he never got a CAIS cheque. If he had, he would not have been in that disgraceful situation.

*Supply*

When we about CAIS and the deposit, it is important that we put this discussion into a much larger framework. The Conservatives have done us a favour by bringing forward the question on the CAIS deposit. The minister knows well what farmers think of the CAIS deposit. This issue has come up again and again. When we talk to the CAIS officials, they say that yes, they are hearing from farmers, that yes, they are taking farmers' concerns seriously, that yes, they are doing a review and that yes, they are having a review completed. Then we ask the punch-line question, which is when will the review be done, and they say that it will be done in June or July. That is well past the date when farmers have to borrow money to get back into CAIS if they want to keep going. The motion before us is very timely, but it is indicative of the bigger problem.

The CAIS program may or may not have succeeded in normal times, but it has been an absolute failure in the beef economy. There is no disputing that. It has not been disaster relief, but a disaster. Some farmers I know have put in \$10,000. Some of them have received cheques for \$900, despite the fact that they are almost bankrupt now. They tell me that they probably will have to raise more money to get their CAIS back up. Whatever they have received, the government takes back in the new round of deposits.

It is not just beef. If we look across the agricultural sectors of Canada at grain, our cash crop farmers are going under. This industry is on the brink. I spoke with a farmer last night. He told me that agriculture in Ontario is now past the point of no return. I think I could fairly say that this is the situation right across Canada. He told me that he did not know how he could ever be viable again as a farmer. He said that if someone gave him \$500 for each of his cows, he would be gone from agriculture today and that every farmer on his range road would be gone as well. That is a disgraceful situation.

When we talk about the CAIS deposits, I see that the minister has a difficult position. I do not think it is a matter of him saying to cabinet that we need another \$1 billion for our farmers. We need an indication of whether the government and cabinet will say that it is committed to a plan to save rural Canada, not just agriculture, That is what this discussion is about now.

If the government does not have a plan, then be honest about it and say that it has promoted a race to the bottom. If people can buy their food cheaper than a farmer can make it, so be it. I do not think that is just and I do not think that is right, but maybe that is the position of the government. I would rather hear farmers being told to tell their sons and daughters to get out of farming now. Do not lead them along. We need a clear definition. Are we going to put the necessary funds into restoring rural Canada or are we going to let it go down the tubes?

• (1130)

Another farmer I spoke to said, "We are completely on our own. We are competing against everybody in the world and we have no support. We know that the Europeans completely support their farmers. The Americans completely support theirs. We do not have nearly the level of support. We are competitive in good times, but the good times are becoming fewer and fewer". And that brings us to the CAIS program and the whole margins issue.

The problem with it now, particularly with beef, is that with our farmers having had two disastrous years in a row their margins have

been wiped out. Most of them are not going to be able to apply for CAIS in the coming year. Most of them could not get CAIS because they do not have the funds left. So the \$10,000 or the \$30,000 they had to borrow to get into CAIS, which they cannot get back, could have been the money that would have kept their farms going. That could have been money that they could have used to pay their loans so that the banks would not foreclose on them. Unfortunately, the money is locked up. It has not served its purpose.

I asked the minister the last time we met to take me anywhere in Canada, to take me down any rural road, to take me to any house he wanted and ask me to knock on the door and see if the CAIS program had worked there. We do not have anything yet. I am still knocking on those rural doors, saying, "Tell me I am wrong. Tell me that CAIS works". I would love to be proven wrong. I would love to sit down here and say, "What a fantastic program. Thank God our government did something for farmers". But I have not found that yet.

If any of the hon. members across the floor in Quebec have rural roads that they would want me to walk down to knock on doors, I will do it, because CAIS has not worked and it is time we just admitted it. What we have done is that we have gone on week after week, month after month, passing on this charade that somehow this crisis we are in—and it is not just the crisis in beef but the entire crisis in agriculture—is going to pass and everything is going to be bonny and rosy again. We know that is not the case. Because of the debt that has accumulated, particularly in the beef industry in the last two years, those farmers have no ability to get out from under that debt load.

I think we have to look at the pressure that is on agriculture across Canada. In Ontario, with the nutrient farm management programs that have been brought in place, we saw numerous small operations go under. They just cannot continue with the regulations they are facing. I do not say that I am against good, strong, safe regulations for drinking water and meat. That is very important, but I will tell the minister that I have serious concerns about how we are applying these regulations.

In terms of what we have been talking about, the slaughter capacity, we go over this again and again. I have small abattoirs in my riding that have been trying to help the farmers of Abitibi—Témiscamingue because they are neighbouring communities. They are neighbouring farms, they are relatives of each other and they cannot even slaughter the cows from Abitibi—Témiscamingue. Two abattoirs that I know of are being shut down over this. Who is shutting them down? It is our federal government that is saying they cannot do that, that they cannot help in a time of dire crisis. This is the biggest crisis we have had in the history of Canadian agriculture and we have the CFIA coming into our provincial plants saying, "You cannot help your Quebec neighbours. Let them be on their own". I think that is a travesty.

### Supply

When we sit in hearings and talk about how we are going to address this crisis, it seems to me that again it is like *Groundhog Day*. Day after day we talk with the CFIA officials or day after day we talk with the minister's staff and it never seems to be about the fact that this is a crisis. This is a crisis. People are losing their farms. Rural Canada is going under.

So I will put it to the minister today: let us be honest here. We can talk in this debate about the CAIS deposit, and it is a good debate, but are we willing to do what is necessary? Or are we going to continue on the road of a race to the bottom?

This morning I was reading my papers from home and there was a wonderful letter in the Kirkland Lake newspaper from Tom Petricevic, who wrote a letter to Ontario farmers. He wrote that it was hard for him to believe that the Ontario Federation of Agriculture would expect any help from the government in 2005. He wrote:

Hasn't it dawned on them yet that they have been abandoned by the Government of Canada to the "Global Market"...Unless Canadians elect a government that will reclaim sovereignty, the race to the bottom will go on and we are all out of luck....

• (1135)

We saw the race to the bottom with the fact that we are now sending our own flags overseas to be made, so I suppose we should find it hard to expect the government to stand up and say, "Yes, Canadian farmers have a right to get a fair wage for their animals and for their crops". We have a right to expect that our government is going to say that rural Canada has a value, that there is an infrastructure in rural Canada that is worth protecting, and that it is not just some widget that we can ship overseas, although I know some in trade probably think that would be a wonderful solution.

There is a value to having a strong rural identity. It is an identity that is articulated in the United States and the United States fights for its farmers. It is an identity that is articulated all over Europe and Europe fights for its farmers. It is an identity that is articulated very clearly in our Province of Quebec and Quebec fights very strongly for its farmers. But our federal government continues on this path of saying, "Let us hope for the best. Let us hope that the border will reopen".

My biggest fear is that by saying "let us hope for the best, let us hope for the border reopening", our government will be able to walk away from the fact that we have billions of dollars of debt sitting there in the farm community which the farm community will never be able to pay back. I think that is an unacceptable situation.

Therefore, does the New Democratic Party support the ending of the CAIS deposit immediately? Yes, we do. We support any of the parties that are continuing to fight to make rural Canada viable again, but our party is saying that we need to have a bigger plan. We need to move this beyond just the minister here. I know we have been beating him up all morning; we beat him up about once every two weeks.

But the hon. minister is in an impossible position, because it is no longer just about the agriculture department. We need a clear vision from the Government of Canada that it will take the steps necessary to restore the vitality of rural Canada and that we will stand on the

international stage against the WTO if it comes after our farmers or against NAFTA if it comes after our farmers, because other governments do it and ours does not.

The question is whether eliminating this CAIS deposit is going to change the box colours that we are in under the WTO. It does not matter, because for any changes that we make to protect our farmers, the WTO will come after us. We should be expecting that. So be it, but we need to be able to say that we have to do what it takes to restore our rural economy and to support our farmers. If we have to fight on trade issues, then let us fight on them. The WTO uses trade against us time and time again and what we see is continuing damage, particularly in our wheat. We are seeing it in our hogs. We have seen this capricious attack on us over beef. It is time we stood up on this.

• (1140)

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Madam Speaker, I thank the hon. member for his intervention. He always has a very succinct and passionate approach to things and I very much appreciate that. I think the member and I have the same genuine concern for individual producers. I think we have a different approach and philosophy on how to go about doing that, and fair enough.

Here is what I would say, though. The member brought this up and I agree with him: this is an issue about rural Canada and the sustainability of rural Canada. This is something that I have spent a good part of my public life and my private career before that dealing with, and that is the importance of sustaining rural Canada, the importance of understanding that this country will be successful when both its urban and rural components are strong, the importance of understanding that it is absolutely essential that we protect and promote our natural resource based industries, particularly agriculture. As the Minister of Agriculture that is my particular concern. And it is absolutely essential that we protect and promote the network of communities essential to sustaining that industry.

That is why this government has a very strong horizontal initiative among all our departments to ensure that we take the needs of rural Canada into account and that we make sure as we take on individual policies to apply a rural lens and ensure that what we do makes sense not just in the largest of cities but in the smallest of communities as well. I think the member is right in pointing out the importance of the holistic approach for rural communities in terms of that.

I have a very specific question for the hon. member. In 2003 the government provided some \$4.8 billion to support Canadian producers. It is well over \$3 billion in the current fiscal year and it is going forward. If I understood the member correctly, he said it is not that he wants to see changes in CAIS but he thinks it is a program that does not work at all and we should throw it out.

I will ask the member this question. We have spent \$4.8 billion. We have invested it. I think that is important to do. Could the member tell us about the type of programming that he and the New Democratic Party would suggest should be put in place and the kinds of costs that he believes should surround something like that?



*Supply*

• (1145)

**Mr. Charlie Angus:** Madam Speaker, I welcome the suggestions in the discussion. I am very pleased to know that there is a horizontal plan for rural Canada, but the horizontal plan I have seen has been one that is laid out on the kitchen table with all the relatives going by apologizing for not having come to see the corpse before he died. That seems to be the situation with our horizontal plan for rural Canada.

In fact, over Christmas I met with a lot of beef producers back home, and let me tell members, they do not even want to talk about it anymore. There is despair. It is a fundamental despair.

We are talking about the money that has been put in. We talked about the big announcements that were made this September in terms of money that was going to be put immediately into the hands of the farmers. There must be some pretty wealthy farmers out there, because all the farmers I know never saw any of that money.

Then we talk about how we are going to revitalize the rural economy of Canada and we talk about slaughter capacity. Every time we talk about the increasing numbers it seems to me they are coming from two or three giant packers who continue to grow and expand their control over the beef economy of Canada. Meanwhile, there is not a single dollar, not a single one, going toward actually putting concrete into the ground in smaller rural regional plants. There are loan loss guarantees; money is not being put forward. It is money that is in the air but it is not money that is reaching into these communities.

In terms of the CAIS deposit, I think there are a number of problems with it. As I said at the beginning of my remarks, CAIS might have worked. It might have worked in a different set of times and it might have worked if we had had more people actually on the ground to administer it and respond. We have not had responses to problems. What we have had is nobody home; we did not have anybody in Ontario, as far as I could tell, who could even answer farmers' problems. That was our sense. When I had the MPs' hotline for CAIS, there was no one there.

I would throw out this question to the minister. When he is in a bureaucratic situation and suddenly has 13,000 applications and is only set to deal with 5,000 or 6,000, what does he do? He sends out 100% rejections and hopes that maybe 30% or 40% will appeal. That seems to be what has happened with CAIS.

What would the New Democratic Party do? We would have had people on the ground to respond to these issues. Farmers brought forward very serious problems with CAIS and they have not been addressed. They had questions about their inventory, questions about how the government continues to overvalue inventory the farmers cannot get rid of and then uses it against their margins.

We need some very clear long term goals in terms of a program. NISA was not a bad program. CAIS does not do the job for the beef industry. I think the minister's own CAIS staff will support us on that; at the agriculture committee they finally said that CAIS was not designed for an emergency like beef. Then why are they using it?

We are almost two years into this crisis. It is not over yet and we still do not have an action plan for dealing with it.

[*Translation*]

**Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ):** Madam Speaker, I have listened attentively to the speech by my NDP colleague. He was absolutely right in his explanation of the agricultural situation. I have also heard the Minister of Agriculture and Agri-Food refer to that hon. member's passionate approach when it comes to agriculture.

I will ask him a question later on to see whether he agrees with me.

In the meantime, however, I would point out that the passion for agriculture is precisely what this government lacks. It lacks the realization that agriculture is the basis of our economy. It is meaningless to point out that so many billions of dollars have been given out.

I have been here for some years and every time there has been a crisis in agriculture, we have seen it coming, asked questions and waited. We have waited for it, and other things as well, and yet a major crisis comes along like this one and there are no measures except to spout a lot of nice numbers. Those numbers often do not translate into cheques in the farmers' pockets.

I would like to ask the colleague whether there is a way he could transmit his passion for agriculture to the minister, since that is what is missing: a passion for an industry of such great importance.

[*English*]

**Mr. Charlie Angus:** Madam Speaker, I know that there is a big push within our agriculture department to start looking at genetically modified crops. Maybe we could discuss genetically modified members of Parliament as perhaps a way of putting a little bit of passion into this.

I thank the member for mentioning passion. We are talking about lives here. We are literally talking in some cases about life and death, but we are talking about a way of life. We have three and four generation farms that are going under.

When I sit in at agriculture hearings and talk to the CAIS staff and, in fact, when I talk to any of the staff from agriculture, I have a sense that everything is okay in Ottawa. I get the feeling that among our farmers who live on Parliament Hill, or among our cash croppers in the Wellington Building things are okay. Even where the minister has the main agriculture office on Carling Avenue, among all the dairy producers who live there, things are okay. We have a few problems and we are tinkering.

However, it is a completely different reality in the communities. Northern Ontario has the same problem as does western Canada. Our families are going under and they are crying out. Some of them do not want to even talk about it any more. They are so filled with despair.

In fact, I phoned one of my ranchers at home, someone I talk with all the time, to get a sense of what is happening now. I said that I was going into a debate. His wife said to me that he is not going to phone back. He is tired of all this. This gentleman is a third generation rancher. She said that he is not going to phone me back because nothing ever changes. It has all been said again and again.

### Supply

I feel like a fool phoning and saying, "Hey, what's new with the farmers going under?" I know the situation was the same three months ago. It was the same six months ago. It was the same a year ago. We knew what the problem was and nothing has been done to fix it.

Therefore, could there be a little bit of passion about this? We need passion or we should just be saying that the government will cut the farmers off and forget rural Canada all together.

• (1150)

**Mr. Gerry Ritz (Battlefords—Lloydminster, CPC):** Madam Speaker, here we go again. The minister is here today and I welcome his presence. He is quite upset though that we sprung this on him. I would like to remind the minister that this has been going on for the last 12 to 15 years.

The first meetings that I attended when I started farming in the early 1970s were on this same issue. Farmers cannot get a fair share of the market, if that is the way they want to phrase it, but the bottom line is that our input costs are choking us. Freight is killing us. There are a number of things that the government can do tomorrow to help alleviate some of the pressure instead of all these studies and ongoing crisis management that it seems to be under.

Madam Speaker, I would also like to mention that I will be splitting my time with the hon. member for Cypress Hills—Grasslands.

There are a couple of things that never really enter into the government side debate on agriculture. What is the reality out there? The last member talked about passion. He is absolutely right. Every minister that I have been head to head with over there talks about files and numbers and programs and so on. We deal with faces. We deal with families. There is a big difference. We start to get into the passion that the member from Quebec talked about. I have been accused of being very strident in my language condemning the government but I am not alone.

As a former producer, now a parliamentarian who is supposed to come up with some of the answers, it is a frustrating time. The parliamentary secretary led the charge thirty-some years ago. He was the same person who threw wheat at Prime Minister Trudeau and threw chickens off the balcony of the Alberta legislature to prove his point. He was far more effective then than he is now when it comes to the farm lobby. Certainly, he is a strong voice, but his voice is one that is defending the lack of positive action by the government.

All the promises in the world can be made. The minister stood up and gave us a litany of dollars here and dollars there, promising \$10 billion or \$100 billion. However, if he never intends to deliver it, the numbers are inconsequential. The Liberals have to understand that. The numbers do not matter here. The only number that really matters out of 2003, the worst year in history, is that 11,000 primary producers left agriculture. That is the only number that matters. The numbers in these programs are inconsequential because they can never make them work.

Everything is based on this compliance with WTO. We are compliancing our farmers right out of business. By the time we step up or the other countries finally come on board with the WTO list,

where we are always the Boy Scouts and get there first, there are no Canadian producers left to defend.

Let us start to defend our guys and our women as opposed to the producers from Brazil. We talk about this burgeoning market but one farm there has 490,000 acres. They have a beef herd of 170 million cattle. That is well over 10 times ours and we are going to compete with them? We cannot begin to and it is not that our folks are not up to the challenge. It is that our folks are overtaxed and over-regulated in complying with the wish list of the government. They cannot compete with someone who does not have that regulatory burden. That is part of the problem.

The government is looking for long term solutions. We heard this morning that the minister has been looking at the CAIS deposit since last July. The committee was supposed to be struck in December. It is now February and it has not happened. Some of the provinces have not come forward with a list or whatever. Let us get on with it.

I have records here. I asked for access to information on the safety nets advisory committee that three of the ministers have last used. They have been on the record since the start of CAIS with all of these questions that we are raising today saying that this is not going to make a bankable program. They have been on the record for almost four years and they are still not being listened to. These are the folks that represent the producers out there.

The minister hides behind the fact that he has to have provincial approval. He should show some leadership. All the provinces want is for the minister to pony up his share of the bucks. They are not really concerned about the criteria of the program. They want to support their farmers. I have talked to those provincial ministers. They just want the federal government to show the leadership that it should. We have not seen it at all.

It is frustrating. There is a lot of passion involved here. The CAIS program was supposed to be successful. Third time is the charm for the Liberal government because the first two programs, AIDA and CFIP, were a washout.

• (1155)

The government built the CAIS program on that same flawed foundation. Instead of the third time being the charm, we got strike three. The people who are being affected are the faces and families we deal with, not the files and numbers that the minister hides behind. That is not going to make it happen. He has to get out there and make things go.

There has been a lot of talk lately in the media about the increase in the price of milk for the dairy industry. Good for it if it was able to pass its costs on. The rest of us have not been able to find that magic bullet. The bottom line as to why that happened is because the CAIS program failed the industry as well. It has the option with its supply managed sector to move in another way.

*Supply*

It made a difference of maybe 4% or 5% in pricing and the market is going to absorb that. I have not had one phone call complaining about that other than the restaurant association, which would never pass it on to consumers anyway. The consumers certainly do not get their fair share. If someone goes to a restaurant and buys breakfast for \$10, the farmer gets less than what the tip would be to the waitress. Good for the waitress and the restaurant for getting their fair share, but where is the producer's share?

The minister says it will take a long term solution, we have to have a list, and he is looking to us for positive suggestions. Here are a few. Input costs are roughly half tax. That includes fuel, fertilizer, chemical, farm machinery parts and so on. Fuel, fertilizer and chemical are half tax. Problems arise in cash crunch situations. The government has linked crop insurance or production insurance, it changed the name to make it more palatable because crop insurance did not work, with the CAISP under a little thing called best farming practices.

If I do not put in my historical average of fertilizer, spray on the chemical and all that type of thing, when I ask for a payout under production insurance or CAIS program, the government is going to send me a letter saying, "Under best farming practices, you didn't do it according to our rules, so we are only going to pay you half", which means I do not have the cash to pay for the inputs that I should.

Last year again we were frozen out in my neck of the woods after two years of drought, so cash is a commodity we do not have. We cannot even go back to the banks and talk about lines of credit because these guys laugh at us when we say we have a certain amount coming from CAIS program. They know it will never be delivered.

Credit lines and cashflow are non-existent. When I go to my suppliers and say I have to charge this or that, they say no, they are still carrying \$1 million, \$2 million, \$3 million from last year. If we think 2003 was bad, wait until we see the numbers from 2004 and then 2005. It is only going to get worse. We have to start to do something today, not next July when we want these guys to report, not next January when grain producers will finally see some money out of CAIS program. We have to start today. It could be cash advances. We have to do whatever it takes.

We talk about a whole different program using 10 year averages, working in the cost of production, looking at market value of product, and a combination of some of the programs that worked over the years, but there was never the political will or the cashflow to carry it through.

It was said earlier today and I have said often that agriculture accounts for 250,000 to 300,000 jobs in this country. The ripple effect is unbelievable. We saw that with the BSE crisis.

In response to somebody else a while ago I heard the minister speak glowingly about \$115 million that went out to cattle producers. It is big money. The industry lost \$2 billion. A 5% solution is not going to measure up. It is not going to get the job done. The money was there. We saw it in announcement after announcement. The Liberals get an "A" for announcement and a "D" for delivery, a failing grade by anybody's standards.

They are not changing anything. They are saying that they will address this and that, and they will conduct a study and have a look at it. People are going broke while they dither and dally on the other side. They have to start the process yesterday. We cannot wait.

Producers are on a very slippery slope. We are competing on a global market. The European Union now is talking about re-subsidizing and the minister says that is not fair. Everybody knows that.

**An hon. member:** What are you doing about it?

**Mr. Gerry Ritz:** What is the government going to do about it? That is the question.

We have a market that may or may not open on March 7. Mike Johanns, the new American agricultural secretary, is before a Senate committee right now defending that border opening. Where is the support from Canada? We are the ones paying the price here and we are relying on him to make the argument for us. We have allies down there we are not even making use of. We sit here wringing our hands saying, "Boy, we hope that border opens".

Where is the processing capacity we need, especially for the cull animals, and the loan loss reserve? We have to go broke to collect 40% back. That is never going to stimulate any processing.

The government has made announcements and pledged money that it never expects to deliver. That is the worst sort of hypocrisy. It is called faith and hope that farmers used to have. Farmers do not have faith in the government any more and are quickly losing their hope.

● (1200)

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Madam Speaker, earlier in the debate we talked about trying to deal with reality and not deal with political rhetoric. I want to point out a couple of things in the member's speech. He said that my department only gave \$110 million for BSE. That is absolutely wrong.

**Mr. Gary Goodyear:** That is not what he said.

**Hon. Andy Mitchell:** That is exactly what he said, Madam Speaker, and we can look at the blues.

We provided \$1.8 billion for BSE. The specific issue was that the Conservative Party said that if there is a special advance under CAIS, nothing will go out. On that specific issue \$110 million went out. The Conservative Party said none went out, but in fact on that one specific part of the \$1.8 billion, \$110 million went out.

The member also talked about Johanns, the new agriculture secretary in the United States, being in front of his senate committee and somehow indicating that we should be in front of the U.S. senate committee. The reality is that we have made literally hundreds of interventions. We have been working with the Americans on a daily basis in order to get the border open and the hon. member knows that.

*Supply*

During his speech this morning the Leader of the Opposition talked about a specific Conservative plan about a whole farm income shared one-third, one-third, one-third. That is generally what the Leader of the Opposition said. Is it intended that such a plan replace the supply management regimes that are in Canada?

**Mr. Gerry Ritz:** Madam Speaker, every time the minister gets up and talks about agriculture, he proves he was a banker.

Our program has absolutely nothing to do with supply management. We are going to backstop that industry contrary to what the minister and his cronies did over in Geneva where they put it on the chopping block. These folks need time to adjust. Those guys went over there and ponied up and changed things before anybody here had a chance to say what was needed. The minister spoke earlier about 40 representatives being along with him, but they were not allowed in the same room, so that was a bit of a false statement.

The minister also made a point about my commenting on the \$110 million that went out under that CAIS advance. The point I made to the minister was that the industry lost \$2 billion and more but the best the government could do was to advance \$110 million. That was nowhere near the coverage that was required.

Out of the \$1.8 billion that he talked about, last fall at committee his own officials alluded that only \$250 million of that had been triggered at an administration cost of \$154 million. The minister can check the blues on that one. That is what they said. Some \$14 million of that \$154 million was to administer the cash on deposit program that nobody wants. Even the bureaucrats do not want it. The safety net advisory committee said to get rid of it. The provinces said to get rid of it. They know the cash is not going to come back out of the minister's programs.

A lot of things need to be done. The problem will not get fixed by that side of the House because nobody is listening. They would far rather defend what they have proposed than step back, realize certain portions of it are not working, fix it, and move ahead. They should have done it yesterday.

• (1205)

[*Translation*]

**Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ):** Madam Speaker, I have listened to another fine speech, as I listened to the minister's response earlier. Back home, farm producers are wondering who has any real credibility.

As I said earlier, I have attended committee meetings over the past four years. We have heard many a lot of people. The only person who was right was the Minister of Agriculture and Agri-Food. This means that the UPA in our region, every producer across Canada, every person who came and expressed their concerns, saying, "Watch out, Mr. Minister, we are headed for a wall if do such and such" are all wrong. I have always seen the Minister of Agriculture and Agri-Food react the same way. He is the only one who is right and who knows about agriculture in Quebec and in Canada. I find that painful.

The discussion this morning was designed to inform the Department of Agriculture and Agri-Food, to expose it to the problems experienced by farm producers. These are real problems, not fictitious ones. Someone said earlier that some farmers stand to

lose everything, if nothing is done. I know farmers in my riding who are now bankrupt, even though they worked all their lives.

Why would these people not be right? Why could they not be heard and have credibility, instead of always being faced with a minister who is the only one who can be right? I wonder if the hon. member would agree with me on that.

[*English*]

**The Acting Speaker (Hon. Jean Augustine):** The hon. member Battlefords—Lloydminster, a very brief answer.

**Mr. Gerry Ritz:** Madam Speaker, it is always tough to be brief when we see the crisis that agriculture is in.

The member is absolutely right. The problem is that those folks on the other side, the Liberal government, are always looking for a political answer, something from which they can make some political gain. That cannot happen in agriculture. We are producing food for the world here and quality foodstuffs for Canada.

The CAIS program itself was tainted right from day one because the minister at that time, Mr. Vanclief, used it as a hammer. He blackmailed and browbeat provinces into signing on to a program they knew was flawed. They did not want to fund it. They knew it would not work. Those comments are on the record. There were a few who caved because they needed the cash flow but it was a blackmail situation from day one. It is tainted goods.

The Parliamentary Secretary to the Minister of Agriculture and Agri-food did a two week whirlwind tour of Canada. He hit every airport hotel for four hours a day talking to so-called producers. Producers do not hang around in the lobbies of those airport hotels. They are out trying to get their jobs done. Those who want to talk to producers need to go to the farming communities to hold those meetings.

We did that in 1999. We put together a tremendous report on action for struggling agricultural producers, mostly grains and oilseeds at that time. The government would not even allow us to table it. We had 70 town hall meetings and spoke to over 5,000 primary producers. The government did not want to hear about it.

**Mr. David Anderson (Cypress Hills—Grasslands, CPC):** Mr. Speaker, I want to express my appreciation for the good job my colleague from Battlefords—Lloydminster is doing and for the points he made here. Not only did the Reform Alliance party at the time conduct a series of hearings across the country, but the agriculture committee did as well in the last Parliament. We presented a report that we thought was balanced. It had all party support. The report contained a number of solutions to the agriculture situation. We never heard anything more about it. The report was stored away somewhere.

This morning I was disappointed yet again. I have only been in Ottawa since 2000, but already there have been three agriculture ministers. It seems that for some reason the Liberals think that the more volume and the more noise they create the more that impresses farmers. They do not understand that farmers are not impressed by that. Farmers are impressed by production and they just are not getting it from the government.

Twenty minutes ago I was on the phone to a producer who had called me about the CAIS program. He was really worked up. He said that he had sent in his application. He paid a lot of money to an accountant to get the application done correctly. He sent it in and it was sent back to him. He told me that it was missing a third of the payment that should have been there.

He told me what was done. He said that they took a look at some of the cheques. The Canadian Wheat Board issues interim payments and final payments and they got them confused. The final payments are what should have been figured in and he had included that. He had an explanation for it. They sent it back and said that they did not apply, that they were not applicable.

The producer said that they obviously fit. The accountant had fit them in. They made it work. They sent him a cheque with money missing. He said it was so frustrating. He said that when he calls and tries to talk to someone about this program, he reaches a different person every time. No one works on one file. He said that not only that, but they do not know what they are talking about. They have no understanding of agriculture.

He asked when this problem could be looked at. There are no deadlines on when they are going to do what it is that they want to do. He said that it was very difficult to get any explanation from them about what is going on with this program.

This is a program that is actually into its third year of development. If the government were honest about it, we are supposed to be reviewing it. When that topic was raised at the agriculture committee, we were told that the review will begin next summer. According to the guidelines of the program we are supposed to be in the review. The program is not even working properly yet. There is a lot of trouble out there.

Producers are calling me saying that they sent in their deposits and applications and they are not getting anything back, but a neighbour who did not even put in his deposit has already received a cheque from the program.

Some people have paid up to \$4,000 in accountants' fees trying to straighten out what needs to be done in order to apply for this program. The program is convoluted and complicated. As I have said before, there are employees who do not seem to understand the program. The farmers are caught in a bureaucratic hell. The farmers are waiting for their money. The program is supposed to pay the money out and it just does not come.

As was so aptly said this morning by our agriculture critic, the member for Haldimand—Norfolk, farmers should not have to fight their own government. That seems to be what they are doing with this program. It seems to be what they have had to do from the beginning. As my colleague has just said, we knew from the

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beginning that there were major flaws in the program. The government would not listen to the people who are telling them that.

To be honest, I do not think that even our call today to set aside the producer deposit is going to go far enough to fix this program. For those farmers who are not able to qualify, that does not change the criteria by which they fail to qualify when many of them should qualify.

It is not only the CAIS program that has been a problem for these farmers. As was mentioned earlier, BSE has been a problem as well. The government has failed to deal with producers. It has failed particularly to deal with the United States.

The minister said that there have been dozens of meetings and that they spend a lot of time talking with the Americans. The Canadian producers know nothing about this. There has been no public presentation by the Liberal government in Washington.

In fact, one of the biggest places the government fell down was when R-CALF was able to get an injunction the first time. The government never even responded. Interestingly enough, R-CALF apparently has been able to schedule a hearing for an injunction at the beginning of March. I would be interested to know if the government is even considering being there and seeing what is going on and making an application and defending the interests of western Canadian producers and Canadian producers in general at those hearings.

We have no strength at the border and it is not just BSE; it shows up in other places. I would like to bring a different dimension to this issue.

Just last week the European Union announced that it is considering putting export subsidies on their grain sales. For the first time in two years the EU has approved the use of those export subsidies. The last time the EU did it was in 2002. At that time it subsidized 10 million tonnes of wheat at an average of 11 euros per tonne. My understanding is it was about \$17 per tonne.

• (1210)

Now traders are again being invited to tender up to two million tonnes that will be eligible for these export subsidies. I do not know if anyone else has heard the government say anything about that but I heard absolutely no response from it. One more time in that trade area it has fallen down.

The United Kingdom Home-Grown Cereals Authority said that the reason it was doing this was because the wheat from the Ukraine and some of the Soviet Union countries was going into North Africa at prices of \$10 and \$15 below what the world market prices were supposed to have been.

However the government does not respond at any time to these actions that are taking place. I do not think there is a legitimate reason why the European Union should be able to get away with this. If there is overproduction, it being allowed to additionally subsidize those sales only creates more production. It makes the problem worse, not better. Where is our government on this? It is silent as usual. Why is it not saying anything?

### Supply

I want to talk a little about how subsidization works in the United States. A report came out about a month ago which mentioned the top organizations that were actually being subsidized by U.S. taxpayers. In 2003, U.S. taxpayers doled out \$16.4 billion in direct farm subsidies. That is a 27% increase over 2002. Once again, our farmers are being left out of the loop.

I want to point out where some of those subsidies are going because I think it is important to understand. Riceland Foods based in Stuttgart, Arkansas, the biggest U.S. rice producer, collected almost \$70 million in subsidization. The second producer, Rice Mill, collected \$51 million. Farmers' Rice Co-op collected \$17 million. Pilgrim's Pride, the biggest poultry producer in the United States, collected \$11 million. Interestingly enough, the fifth on the list was Ducks Unlimited, a real agricultural producer organization, received \$7.1 million in direct U.S. taxpayer subsidies.

The government has been dead silent about any of those issues. Violations of trade regulations must be going on in that U.S. farm bill but our government has never yet addressed or challenged those issues. It leaves our producers hanging. It brings us to the point where our producers are begging for support and help but cannot get it from the government. I know farmers are getting sick and tired of this. Why is the government silent all the time?

I am thankful that the opposition today has come forward with some good solutions to the problems.

I heard earlier that we have a two tier suggestion for helping with the problems but I think it is actually three tier. The member for Battlefords—Lloydminster spoke earlier about the whole farm production insurance program that we would like to put in place. That is the first tier. That is a production insurance program that would be based on things like a 10 year average of value and production costs figured into it.

The second tier would be a disaster program. That actually was recommended by the House of Commons committee in the last Parliament. I see my colleague across the way who was the chair at the time, the member for Miramichi, who did a good job in leading that committee which came forward with that recommendation. I do not know if he ever heard anything from the government in response to that recommendation but we certainly did not. We called for an emergency disaster fund to be set up to protect agriculture.

The third tier we are suggesting and one which we have been suggesting for years is that the federal government should be responsible for mitigating the trade pressures that agriculture producers feel. It is an important thing and it is something that we feel needs to be done.

We have come forth with three good suggestions for the government. The minister said earlier that he wanted to hear a process but we are going to come with solutions instead of a process for fixing things. First, we are suggesting a farm insurance program in which producers can participate. Second, we are suggesting a second level of support be available through an emergency assistance fund for the real disasters that take place. Third, it is important that the trade injury that is experienced by producers be taken care of by the federal government.

Agriculture is an absolutely crucial industry to this country and to my riding. I am glad to see that we are debating it today. The opposition is once again standing up for producers, trying to get the government to listen to what producers are saying and trying to put programs in place that will actually work for them. We are also trying to get the government motivated on the international scene so that it will begin to protect our producers at that level as well.

● (1215)

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I have a couple of questions concerning more of what the hon. member said at the end of his speech than at the beginning.

He talked about an insurance program and mentioned that the way it would work would be that one-third would come from the federal government, one-third from the provincial government and one-third would be paid by producers. That is very germane to the debate today because the motion put forward is that the deposit be dropped. In the program he is suggesting the producers would pay for one-third of it.

Could the hon. member tell me how he would envision the producers paying one-third? Does he have any idea as to what the cost would be to producers under that particular plan in terms of what their one-third would represent?

● (1220)

**Mr. David Anderson:** Mr. Speaker, we heard the minister speak earlier about the fact that there are three tiers to the present program. The government insists that the producers pay and that the provincial and federal governments participate in that.

We actually envision a program that would be somewhat similar to the way in which the present crop insurance program is set up where producers pay premiums. It is in the programs that exist right now. Unfortunately, because of the government's failure, as well as the government in my province of Saskatchewan, to deal honestly with producers and support producers, that our crop insurance program is basically bankrupt.

We need a better program than we have. We are suggesting that we need a whole farm production insurance program. We think it could work very well with producer support and encouragement from them to set a program in place that works for them.

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, I am glad the hon. member mentioned the subsidization issue in the United States. One of the myths that has been perpetrated in the House and elsewhere is that the U.S. does not intervene in its economy. In fact, in the auto industry, which my area is affected by, there have been massive interventions by the U.S.

*Supply*

I have a specific point on which I would like an answer. I have a hard time with CAIS borrowing practices that farmers have to follow. It has a borrowing element to it where if a farmer does not have the resources he or she must take out a line of credit to get into the program. I find that a double standard from a government that is paying down its debt and has no tolerance for borrowing or investing itself but says that it is okay for farmers to borrow and pay interest.

**Mr. David Anderson:** Mr. Speaker, it is actually even worse than that. In the past we had the NISA program and then AIDA and CFIP, but as the CAIS program was put into place the government insisted that as people transferred their NISA money over that they pay the deposit. They wanted them to pay the full deposit at the time because at the time farmers were going to have to pay 100% of the deposit in order to participate.

The government changed its requirements back to a one-third deposit that would be required but it would not give those farmers two-thirds of the money back. Not only was it forcing farmers in lots of places to borrow money, but it was keeping the farmers' money in its pockets and using it in the program. Farmers were not able to get it back. We raised it many times with the government before the end of the year and that change, as far as I know, was not made in order to help producers.

**Mr. Kevin Sorenson (Crowfoot, CPC):** Mr. Speaker, I commend the member from Cypress Hills. He is in his second term and has served on the agriculture committee and represented his constituents very well.

I was encouraged by his remarks today about the government's lack of pressure put on the United States for the subsidies with which we see them coming forward. I think today we have a lot of cases where we slam the Americans for this and for that, and a lot of those things hurt the industry here, but what we see different is a huge level of support that the Americans have for American producers.

I have received a number of calls and letters regarding plant breeders rights. These are farmers who want to be able to raise and use their own grain for seed. Perhaps the member could tell us a little bit about the government's role in the past in research and development and why maybe this is leading us into some problems today.

• (1225)

**Mr. David Anderson:** Mr. Speaker, this is a huge topic and one, I think, we could spend an entire day on.

The government has been working with some of the agricultural groups, the seed growers and those kinds of groups, to do a seed sector review. Part of the recommendations of that review created some controversy on the Prairies. A lot of discussion has taken place on plant growers' rights and farmers' rights with regard to seed.

One of the interesting sidelights of that is that the government seems to be pulling out of agricultural research. We in this party feel that R and D is an important thing. It is one place where the government can legitimately put money. We would encourage the government not to pull back on research and development.

I have a research station in my riding at Swift Current that has played a very important role over the years in the development of seed and crop varieties. We really need the government to continue

to participate in a public way in the research and technology that is so important for farmers. The government is wasting a lot of money on other things but on the Prairies we do not see the development of technology as a waste.

**Mr. Brent St. Denis (Algoma—Manitoulin—Kapusksing, Lib.):** Mr. Speaker, I would like to thank the member for Haldimand—Norfolk for raising the question of agricultural support. It gives me the opportunity to stand up once again to summarize the programs and the assistance that the government has delivered to farmers in Canada.

The riding I represent in northern Ontario includes quite a bit of agriculture, maybe not as much as southern Ontario or western Canada, but it is significant nonetheless. In Manitoulin Island, in the Thessalon, North Shore area and even in the highway 11 area between Smooth Rock Falls, Kapuskasing and Hearst, there are beef farmers and some dairy farmers. The clay belt area of northern Ontario, which has produced a number of our farm leaders both in Ontario and Canada, is very productive. The farmers there, like farmers everywhere in the country, are worried about their future. They worry about the level of U.S. and European subsidies. They worry about disasters, like we all do in whatever industry we happen to be. They worry about the future of their family farms and what their legacy will be.

The government is absolutely committed to creating an environment that allows our producers to earn a profitable living. That is a priority. That is why we have helped farmers get through these past few years by providing unprecedented amounts of government assistance. The government has delivered a record \$4.8 billion to agriculture producers in 2003, and while all the cheques have not yet gone out, the government payments have topped \$3 billion for 2004.

The members opposite want to talk about CAIS. Why do we not just do that. To date more than 31,000 producers have received over \$563 million for the 2003 program year. Another nearly \$152 million in interim payments and about \$150 million in special advances to cattle producers have been paid to more than 25,000 producers for the 2004 program year.

However, why stop at CAIS? Let us look at the other programs and payments the government has delivered to producers during these past few years. CAIS is just one example of the government's commitment to the farming community, to the family farm and to the appropriate evolution in agriculture in Canada so that it is sustainable.

The government has acted decisively to help our ruminant industry deal with the BSE crisis. Last March the Prime Minister announced nearly \$1 billion in assistance to be delivered in 2004 alone.

I wish to commend the minister for his tremendous support of the industry, his willingness to meet farmers and farm organizations wherever and whenever possible, his openness and frankness on the challenges and difficulties that face the industry and his message that the government cares and will make the right decisions as problems arise.

### Supply

In September the Minister of Agriculture and Agri-Food announced a new \$488 million strategy to reposition the country's beef and cattle industry by addressing cash flow and liquidity issues faced by producers and to expand access to beef export markets.

The members opposite like to complain, but they should listen to what those in the industry had to say about that program.

The first quote is by Stan Eby, the president of the Canadian Cattlemen's Association. He says:

The four-point strategy announced by [the Minister of Agriculture and Agri-Food] today aligns closely with our proposals... This demonstrates a significant commitment to a comprehensive long term plan consistent with the new industry strategy approved and put forth by the CCA...

That sounds to me like a pretty strong endorsement of our program and our efforts by the very group of people we are trying to help.

What did the Canadian Federation of Agriculture, the largest farm organization in the country by the way, have to say about the repositioning strategy for our cattle industry? A press release from the CFA said it:

—commends the federal government for listening to industry groups and recognizing the immediate need for a strategy to support the beef and ruminant industry...

Bob Friesen, who is the president of the CFA, said:

We are very encouraged to hear [the Minister of Agriculture and Agri-Food] commit to continuing to work with industry to ensure the effectiveness of these programs and make adjustments as necessary.

● (1230)

It sounds like we are on track. Let us look a few other programs.

How about the transitional industry support program, TISP? Over \$830 million in federal funding has been paid to producers under TISP, most of that in the 2004 calendar year. Nearly \$600 million was paid out under the direct cattle payment component and nearly \$230 million under the general payment component.

What about the cull animal program? More than \$106 million in federal money has been paid out to producers, again mainly in 2004. Then there are the production insurance payments. We are estimating that total indemnities for the 2004 crop year will top \$734 million. In 2003 producers received more than \$1.7 billion in indemnity payments.

I do not want to get into a long recitation of facts and figures. They can seem dry and cause us to lose sight of the fact that we are talking about human beings and families and the communities in which they live. Farming, as our Minister of Agriculture frequently reminds us, is first and foremost about people. It is about the men and women, their families and the people who live in the communities who support those families and producers. It is about the people of Canada who depend on what the producers do and what they produce. That certainly includes thousands of small businesses.

Therefore, it is essential that we understand what producers want, why they feel the way they do about certain programs, and we should work to address these concerns. Sometimes it means breaking away from the old ways of doing things, and the government has done that.

The CAIS program is an example. For the first time ever Canadian farmers have stable permanent programming for disaster coverage and programming that is based on need. Provinces, territories and stakeholders have all been involved in the development of CAIS. Is it perfect? No, not yet. Maybe indeed never, but we wish as a government to continue to make it better and better for the farmers that it serves. We are working on that. The program has been enhanced since its introduction to include a simplified deposit requirement and an increased payment cap, negative margin coverage and a linkage between CAIS and production insurance. It is a much better program than it was when it was first introduced, and a program with more funds. We are still working on that.

We are committed to our farmers to find solutions that work. If our programs are not working to the benefit of our producers, we are going to take another look at them. We are going to look at them collaboratively and in consultation with provinces and stakeholders. As the minister says, federal, provincial and industry cooperation is the three-legged stool upon which success rests. If one of the legs is missing, the whole thing topples over.

While responding decisively to immediate pressures, as was the case with the development our BSE program, we are continuing as a government to implement a vision and strategy for long term profitability and sustainability with a fully integrated federal-provincial industry national strategy for the agriculture and agrifood sector.

Our record speaks for itself. We have come up with a record amount of assistance to deal with an unprecedented agricultural challenge. We have been there for Canadian farmers in the past and we are there now, and we will most certainly be there in the future.

In Whitehorse in June 2001 the federal, provincial and territorial ministers of agriculture agreed to a new framework for agriculture that would help our agriculture and agrifood sector deal effectively with the pressures of trying to farm in the 21st century and ensure its future profitability and prosperity.

The agriculture policy framework is helping to move our agriculture and agrifood sector away from a cycle of crisis management and make Canada a world leader in producing safe, quality, innovative and varied agrifood products in an environmentally sustainable way. That framework is also flexible enough that when policies have to be changed, they can be changed so that the sector can adapt to new challenges and seize the opportunities presented by the increasingly knowledge intensive 21st century economy. Let us remember, that framework is there to serve the needs of the producers.

● (1235)

Crises like BSE and avian influenza have proven just how effective the APF can be. With the APF in place, Agriculture and Agri-food Canada, in collaboration with provincial and territorial partners and the industry, was able to devise rapid, coordinated and effective responses to these crises.



It is important to point out that we should be tackling the challenges of agriculture as we should tackle the problems of the country in a larger context and in a planned and consistent way. It is through the APF that we can advance the interests of our agricultural communities and of farmers and their families across the country.

I cannot emphasize enough the importance of having the agricultural policy framework in place. Our agriculture and agrifood sector is one of the pistons of Canada's economic engine. It is the fifth largest sector in the economy and makes significant contributions to the gross domestic product. It accounts for one in eight jobs across Canada. It also contributes to the quality of life of all Canadians while ensuring stewardship of the environment.

The agricultural sector generates annual sales of about \$130 billion, including \$30 billion in exports. This contributes an average of \$7 billion annually to Canada's positive balance of payments. Canada, with a population of just over 30 million, is fourth in the world in agriculture and agrifood exports after the U.S., the European Union and Brazil. This sector on which it is worth spending time, money and attention.

An historic \$5.2 billion was committed to ensure that the agricultural policy framework would be a success. With this investment, the five elements of the APF, business risk management, food safety and quality, environment, renewal, and science and innovation, have come to life through programs that have been implemented across Canada and are achieving results of which to be proud.

The global nature of agriculture cannot be underestimated. For that reason, along with the five elements I named earlier, we also have an international component so that we can address world markets and trade issues.

Over the past three years we have made great strides in meeting our goals for Canada's agriculture and agrifood sector. Whether it is a case of refining business risk management programs to ensure our farmers stay solvent on the one hand or our dollars are used wisely on the other hand or to ensure farmers and farm families are able to stay on top of new developments and technology in farming practices or whether it is a case of science taking this sector into new territory, we have worked to create a sector that is at the forefront of global agriculture. As always, that work is done in concert with our provincial counterparts and with industry stakeholders so together we can ensure a profitable, secure and stable agriculture and agrifood industry for the future. That work will continue. As long as the world does not stand still, farming cannot stand still.

To look as far ahead as is practical, over the next three years Agriculture and Agri-food Canada will build on its experiences to date in implementing the agriculture policy framework and to refine APF policies and programming.

Canada's agriculture and agrifood sector is a success story. It makes significant contributions to Canadian society and to the quality of life of all Canadians. It has a reputation worldwide for contributing to the security of the food system and meeting consumer expectations regarding food safety, food quality and environmental standards. Canadian farmers produce the best food and the safest food in the world.

### *Supply*

The sector faces pressure from a host of natural risks. I have already mentioned BSE and avian influenza. Market conditions and the complexity of the trading system create additional pressure. In the face of such pressures, our sector remains resilient because Canadian producers are committed to sustainable practices and because the government for one is committed to providing an environment through the APF for the stability and success of this sector.

● (1240)

The APF was developed by governments and industry to respond to unprecedented challenges to the industry. It is doing just that and will continue to do so. The challenges we face are difficult but not insurmountable. The key to its success is the continuing commitment from producers and from government to make it work, a commitment that has been demonstrated most recently by the meetings my colleague, the Parliamentary Secretary to the Minister of Agriculture and Agri-Food, has held with farmers across the country, and in partnership with the great efforts that our minister is making as well with stakeholders to ensure the best level of cooperation possible as we go forward.

I have no doubt that we can look confidently ahead to a strong and vibrant Canadian agriculture and agrifood sector.

**Mr. David Tilson (Dufferin—Caledon, CPC):** Mr. Speaker, my Liberal colleague on the other side has read a very fine speech. I do not know whether he has any farmers in his riding. I have two federations of agriculture in my riding, the Dufferin Federation of Agriculture and the Peel Federation of Agriculture, and quite frankly, if I read that speech at a hall where they were holding a meeting, they would not only gag, they would throw me out of the hall.

Does the hon. member have any idea what is going on in the agricultural community? I know that someone in the Ministry of Agriculture wrote that speech, and it is a wonderful speech, but it is not what is happening out there. They are dying; they are literally dying.

I have a question for the member who gave that speech. One of the questions that is often asked of me is on the issue of subsidies from other jurisdictions, particularly from the Americans and the Europeans.

Canadian farmers talk about how they cannot possibly survive the competition with the subsidies being given by the Americans and the Europeans, and of course there has been discussion here today about how the Europeans are going to be increasing those subsidies. I understand the minister is into negotiations. My question for the member is this: how does the government intend to deal with that issue?

**Mr. Brent St. Denis:** Mr. Speaker, the hon. member asked how the government intends to deal with that issue. He raised a number of points, so I guess he is allowing me to comment on all the points he raised.

### Supply

I will advise the member that I do have farmers in my riding; I mentioned that at the outset. Maybe the member was in the lobby or listening to the TV. I have a northern Ontario riding. There are some dairy farmers, a small number of poultry farmers and quite a number of beef farmers. I would have no problem making those same comments at a meeting in my riding, with great respect to my colleague across the way.

Maybe the adage “the truth hurts” is what should apply in this case, because when I think back to my campaigns in 1993, 1997 and 2000 and looking first at the Reform, then the Alliance, then later the Conservative campaign platforms, it was antithetical to the right wing party or parties of this country to do anything to support communities. As a party, they are against supply management. I have—

**An hon. member:** We are not.

**Mr. Brent St. Denis:** I can show members, in black and white, statements that the Conservatives, then the Alliance and earlier the Reform, would cancel regional economic development programs for Canada, and these are programs that help rural Canada, including our farming communities.

I know that FedNor in northern Ontario—and in fact the Minister of Agriculture and Agri-Food was the minister for FedNor at the time—supported the Algoma and Manitoulin federations of agriculture in some research on the state of agriculture in the future. They did some excellent research work which has allowed those farmers to do some very good planning.

In fact, northern Ontario, and I mentioned this in my remarks, has produced a disproportionately high share of leaders for Canadian agriculture, going back to Ron Bonnett, who is the president of the Ontario Federation of Agriculture now, and the former CFA president, who is also from the Claybelt area of northern Ontario, and others.

As a government we do understand that agriculture is an integral part of rural Canada. I will underline that I think the point here is that the truth hurts: that we have responded significantly. Our minister, his parliamentary secretary and his team, along with the entire government and the Prime Minister, shoulder to shoulder, have taken the time to try to understand and to look to the future. We have to get out of this going from crisis to crisis. Farmers know that going from crisis to crisis is not the way to live, not the way to live properly and to live a happy life.

We need to deal with things like the levels of U.S. subsidization. I hope that the Conservatives, who feel they are so well aligned with the conservatives in the U.S., might at least pretend to have some influence on those conservatives south of the border, to have them ease up a bit, to bring some sense to the American approach to agriculture. It is so balkanized in the U.S., so parochial, that the system is almost dysfunctional. It is very politicized. At least in our country it is not politicized. At least in this country we respond to the realities of the challenges facing the agricultural sector.

There is tremendous pressure on the U.S. to deal with subsidies. In fact, when people send troops off to a war in Iraq and spend how many hundreds of billions of dollars doing what they claim is the right thing to do in Iraq, that is only going to lead to the need to deal

with their own budget deficit, a budget deficit which I think may be in the neighbourhood of \$400 billion a year and which in fact may end up, by the back door, causing downward pressure on U.S. subsidies. So I suppose we could thank the U.S. administration for that much anyway; it may need to deal with farm subsidies because of the money wasted on an unnecessary war in Iraq.

● (1245)

I will conclude my comments by saying that I am very proud of what this government has done in support of agriculture. No government is perfect, but I can say that we are intent and this minister is intent on day by day, week by week and problem by problem improving this government and Canada's response and supports for Canadian agriculture.

**Mr. Garry Breitkreuz (Yorkton—Melville, CPC):** Mr. Speaker, I appreciate this opportunity and I want to thank the agriculture minister for being here to listen to this debate. My remarks are directed to him rather than the last speaker, who does not appear to really be familiar with farm programs. I also want to thank the agriculture minister for coming to my agriculture forum on January 13 and listening to farmers directly.

After the minister left, I received some letters from farmers who were frustrated because they could not talk with him directly. I am going to publicly read part of one letter. This one is from Monica Lipinski and is very representative of the letters I am getting in regard to the CAIS program.

In case I do not get through the whole letter, I will tell members that she makes three points. First, she explains why CAIS does not work and why it needs to be changed. Second, she then gives a very good example of how hugely bureaucratic and inefficient the program is and how that needs to change in order to serve farmers. Finally, the timeliness of payments is a huge concern, as is the way the payments are made.

I will begin with Monica's letter and outline for the agriculture minister her primary concern. She begins by saying that this is:

A program built for government savings, not for farmer's aid.

Averaging guarantees the farmer poverty.

Only in an occupation of farming does averaging take effect. Five year averaging of income and expenses, then taking out the good and the disaster years, only guarantees the farmer a poor income. How can it improve if you never show the best year. Plus our expenses are sky rocketing every year, and inflation is never factored in for the farmer.

Farmers are penalized for good management and having a good year. This high year is deleted from the five year averaging. This unfair act will never give the farmer a fair payment.

During a disaster year, this disaster year is deleted, along with the good year. How can you accurately calculate if a farmer needs aid if you take the bad year away?

What should be done, is take the good year and subtract the disaster year. The difference should be what the farmer should get as a payment. Easy calculation, saving millions of dollars in administration. There should also be a percent increase, taking inflation into account. This would aid the farmer in coping with sky rocketing expenses that the government will not put a cap on.

In other words, in my own words, the structure of this program is extremely flawed. It is not helping those who need it most.

Ms. Lipinski goes on to talk about the huge administrative inefficiencies and the lack of payments in a timely fashion.

This debate is absolutely essential in the sense that the government needs to address the agriculture crisis immediately. It cannot wait for a month or two from now. Farmers need some cash right now so they can plant their crops in the spring.

I appreciate the minister listening to this. I hope he will take some of these points. I will forward these letters to him so that he can read them at his leisure.

• (1250)

**Mr. Brent St. Denis:** Mr. Speaker, I am aware that my friend from Yorkton—Melville directed his constituent's concerns to the minister. I presume that either he will table it here today or will personally deliver Monica Lipinski's letter to the minister.

I think the principal point here is that this minister and this government have been listening. The member mentioned a town hall or a public meeting in his riding which the minister attended. Not only do I commend the member for his efforts in support of his constituents, I also commend the minister for being there to listen. I know that of the minister myself having had much experience with him as a colleague. I will not get into the details of the letter; I will let the minister deal with it directly.

To comment on the member's initial comments about how maybe I am not an expert on all the programs, I hope the member will take the view that members like me, who do not have as many farmers in their ridings as he does, and in fact urban members who participate, are all interested in this.

We may not be experts like the member is or a few of his colleagues might be, or at least claim to be, but we are interested. Perhaps I can count my farmers in the few hundreds as opposed to thousands, but we are interested. We want to support our minister and this government, as no doubt, and appropriately, the opposition would want to do to make sure that our agricultural sector becomes stronger and that stability is the order of the day for the future.

**Mr. James Bezan (Selkirk—Interlake, CPC):** Mr. Speaker, I will be splitting my time with the member for Lethbridge.

I want to thank the Leader of the Official Opposition for giving us the opportunity today to debate agriculture, which far too often is missed out in the banter that exists in the House as we go through our speeches. In all the issues that we debate for Canada, we often lose sight of how important agriculture is to Canada. I want to thank our agriculture critic for bringing forward the motion which gives us the opportunity to debate the CAIS program and how it has not functioned well for producers across the country.

I am a farmer. The riding I represent is agriculture based. Our constituency office has been overrun with complaints. Producers are looking for solutions to all the problems they are experiencing with the CAIS program. There have been nothing but delays since the program was announced. People are still waiting for their cash advances going back to 2003.

We know by talking to administrators of the program that they were originally trying to get forms completed within 60 days. That stretched out to 90 days. Now we are hearing that new clients are still looking at a turnaround of 120 days if there are no problems. If there are problems, if there are any questions or things do not quite

### *Supply*

line up or reconcile with the producer's income tax filing, the whole thing is delayed even further. That is completely unacceptable.

Producers are extremely frustrated with the program. When they talk to people in the CAIS administration on the phone, they continually get different answers. The misinformation is creating so much confusion, producers do not know which way to turn. Producers have similar problems when they phone CAIS and get different answers. It just does not seem to line up. That is why the program has not been working. It is dysfunctional.

The other complaint we hear is that it is too complicated. The process is complicated. It requires expert accounting advice to get the forms done. Producers are taking out money to pay accountants to file their CAIS applications. They are paying fees in the \$500 to \$2,000 range, depending upon the size of the farm, money which would have been better left in the hands of the farmers. The joke around town is that CAIS actually stands for the Canadian chartered accountant income stabilization program. The accountants are being well-served by the program.

At the same time it costs the government a lot of money to administer the program because of the lengthy time it takes to process applications and the extra administrators required, which takes money out of the program. That money could have been better used to service the producers.

The other problem we hear about is inventory evaluations. The inventories are set at the end of the year by a very standard level that does not reflect what is the actual value on the farm. I know producers who have livestock and those mandatory values that are put in place do not represent the actual value of the animals they have on hand. We have even had problems with some of those numbers.

An example is that at the end of the year, the steer and heifer prices for 2003 were mixed up. The heifer price was at the steer price and the steer price was down at the heifer price and it screwed up the evaluations of those inventories for the eight-weights. That has created quite a problem. At least it got acknowledged, but it had already affected a lot of producers, and if they did not pick up on the discrepancy, they got shortchanged because of it.

There is also the complication for producers who have year ends that do not coincide with the calendar year. If their year ends occur in the middle of the crop year, crop on hand and crop in the ground mess up inventories again. Producers are really struggling with that, especially when farmers have cattle on feed and heifers on grass, and again, not having a true evaluation of how those inventories are working.

We are here to talk about the removal of the deposit program, which makes a lot of sense. Ever since the program was announced, the deposit requirements and the rules have changed continually. First producers had to put their money up front. They could take their NISA funds and transfer them over to match their deposits into the CAIS program. Then they were told that they only had to put a third in and they would get two-thirds back. These rules continually changed.

### Supply

The cleanest thing to do especially for the individuals who put in NISA money and wanted to get that money back to pay taxes at the end of the year when the two-thirds refund was available is to cancel the deposit requirement completely. Let us make it a lot simpler.

• (1255)

We should allow producers to keep that money in their own hands. It is not giving them any benefit by having it in the CAIS program. With the dire needs today in agriculture, let the producers keep that money on hand to pay off some bills, to invest in next year's crops, to buy fertilizer, to buy fuel, to be better prepared for next year.

It is not just the opposition that is suggesting this. Keystone Agricultural Producers and the president of the Canadian Federation of Agriculture have also announced that they would like to see an end to the deposit. It is something that does not make a lot of sense anymore considering the situation in agriculture today.

One of the things the Leader of the Opposition announced today is that we do not believe the disaster assistance part of CAIS should have been put into the whole farm approach. CAIS was meant to be there to average income over the whole farm aspect. When there are disasters such as BSE, such as dramatic falls in commodity prices because of trade actions, we need to take those problems out and not lump them into the CAIS program. The delivery is too slow. Producers need help quickly. Disaster programs should be set up as a third tier and should be available from the government standpoint to support the industry. That is something we believe in dramatically.

I realize that when BSE compensation was being bantered about in trying to figure out how to best deliver it, there was advice from the industry to the government that it should be delivered through CAIS. As a member of the Canadian Cattlemen's Association and as a producer, I am thoroughly disappointed that the recommendation ever came forward. It was poor planning.

I realize that the Minister of Agriculture has only been in his job for the past seven months. I realize that he inherited these problems from past ministers. However he has the power to make the changes necessary to implement the program that would work for the agriculture industry, that would support the family farm. As the House has heard today there has been a great amount of hurt on the family farm.

My family loves farming. My children and my brother and his kids all want to have a future in agriculture. We need to make sure that we build programs and support an industry so that it can grow and prosper and be an industry that we can continue to be proud of. As a farm family we are going to fight to make sure that opportunity exists for future generations. This is the time for the government to take action, to take the bull by the horns, as is said, and make the necessary changes.

There have been many comments made about how many government dollars have gone into the industry and how much support has been there. I have said in the House before that I know through the BSE crisis the losses that I have suffered on our farm have come close to \$400 per head. The total government support available to me so far has been \$45 a head.

It is a huge disproportionate loss over things that are not at all related to management or markets. It is about a complete reshift in

what has happened through trade action because of one cow, although it is now up to three cows, with a disease that is not necessarily being evaluated on science. Hopefully we are getting there and we are making the strides necessary to make sure that all decisions and rules that are being brought together will be reflective of the science and the true problem of the disease.

In conclusion, it is great that we are able to debate such an important topic as the Canadian agriculture industry today.

• (1300)

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I want to compliment the member on his strict adherence to the rules of the House. I know he would have wanted to recognize the fact that his wife and his children are here in the House to observe his speech, but in wanting to stay within the rules, I would never mention that.

I want to ask the hon. member a specific question about his speech, particularly on the issue of support programming. It is in relation to a principle of producers sharing in the business risk management programs of the government. In the suggestion made by his leader there is the suggestion that it would be part of it, the one-third portion being talked about.

If deposits were to be dropped, how would the member see the principle of sharing in business risk management being adhered to, or would he think that is a necessary component?

• (1305)

**The Acting Speaker (Mr. Marcel Proulx):** Prior to getting the answer, I commend the minister for not mentioning the colour of clothing that the member's family members are wearing. As he well knows, we are not to mention, except for the Speaker, who visitors are but the minister knows this.

**Mr. James Bezan:** Mr. Speaker, as a party policy we believe in producer participation in whole farm insurance. The difference here is that the CAIS program is being used to deliver disaster assistance. We firmly believe that disaster assistance is the sole responsibility of the government. If the disaster assistance that is currently being delivered through CAIS was taken out and delivered in a more effective manner, we could go back and look at producer participation and sharing in the whole farm risk management program.

I do not have a problem with that principle, but the program has gone through a metamorphosis. It has gone from being whole farm into disaster assistance. It is trying to do too much. That is why we are starting to see the wheels fall off it. It is time to look at making some changes. The Olympic five year average is something that we hear a lot of problems about. Maybe we need to look at a longer term. A 10 year rolling average would probably be more effective for producers. It is one which would recognize that there would be some bad years but there would be good years which we need to recognize too. In Olympic averaging that does not happen.

Let us balance it better. Let us take it over a longer term to be more reflective and more realistic of the big picture in agriculture. Let us take the disaster part out and deliver that more specifically to the commodities that need it on a per unit basis. Let us make government responsible for those things that happen outside the norm.

**Mr. Kevin Sorenson (Crowfoot, CPC):** Mr. Speaker, the member for Selkirk—Interlake is a new member of Parliament who came here in the last election. He is representing his constituents very well. His constituents in Manitoba are well served.

Never has there been such a level of pessimism going into a spring as what we are seeing right now. The member brought forward the fact that people are coming in with their CAIS forms, and are coming in with their frustrations and concerns. Everyone who is coming in is dissatisfied with the way the program is set up. They are dissatisfied with the way the program delivers. They are frustrated with the forms. They are frustrated with the fact that they are in a terrible predicament on the farm. They are looking for help and answers.

I commend the minister for being here and to listen to this debate. I also commend him for attending the forum which the hon. member for Yorkton—Melville had last fall. At that time the minister said that the CAIS program is a three-legged stool of support involving the federal government, its provincial counterparts and farmers, adding that the producers should remember in many cases it is a work in progress. He said that a review process is under development for CAIS. That is from *The Western Producer*. His parliamentary secretary is touring the country and he is quoted in the same edition as saying, “We have a problem”.

I would suggest that the problem is that three-legged stool. The problem is that one of the legs of the stool cannot line up. The producers are frustrated. They do not have the cashflow. They are in the worst predicament they have been in after successive droughts and BSE and commodity prices for canola that was \$9 or \$10 a bushel now being \$5.50 a bushel.

Could the member tell us with regard to the CAIS program, are we asking that the portion of the farm be dropped, given that we are going into the spring and March is the deadline, is that the big frustration that a lot of the farmers are having?

• (1310)

**Mr. James Bezan:** Mr. Speaker, yes, farmers are very frustrated. There is no doubt that taking out the deposit requirement will allow farmers to keep more of their dollars which will allow them to put crop in the ground, pay for the fertilizer and continue on with their farming operations until this blows over.

**Mr. Rick Casson (Lethbridge, CPC):** Mr. Speaker, we are here today debating a motion brought forward by the official opposition to deal with the requirements of CAIS to provide farmers upfront with some money to get involved. I want to switch a bit and bring forward some other issues that have been brought to my attention over the last number of months and deal with the grain and oilseed section of our agricultural community.

The facts are there for all of us to see. Over the last 30 years there has been a steady decline in returns to agriculture. Agriculture has gone from a high of approximately 30 years ago of over \$4 billion in a year of returns to farmers at a time when the accumulated debt of

### Supply

the agriculture community was very small, to last year when the entire agriculture community actually lost money and the accumulated debt in the agriculture sector has become absolutely huge.

This indication of rising debt and lower returns clearly indicates that there is a problem, which has been going on for some time, and that nothing that has been brought forward to date has helped to reverse that.

I would like to mention the BSE issue. The BSE crisis in the cattle industry has taken hundreds of millions of dollars out of Canada and out of the pockets of primary producers and that is money that we will never get back. From the time the border opens to the time we get back to a normal cattle industry, it will be business as usual, but those lost revenues over the last two years are forever lost.

I want to mention the CFIA. CFIA officials gave us a briefing yesterday on their actions to date on the BSE investigations and trace outs. However I believe they must be very cautious in how they proceed. Every word they say is listened to by producers in Canada because it affects the markets. It is also listened to by producers across the border in the United States, producers working to keep the border closed. I indicated to CFIA officials yesterday that they should be very cautious in what they say and the timing of it.

This week the National Cattlemen's Beef Association is holding its annual meeting in San Antonio. It will be addressing the issue of opening the border to Canadian cattle on March 7. So far the NCBA has stayed on side and I hope it stays that way. It has been in Canada and has looked at our systems. It has been on our farms. It realizes what we have done up here as far as our feed ban is concerned, how we are processing our cattle, how we are tracing our cattle and the fact that our health regulations have been top notch, and therefore there is no scientific reason to keep the border closed. I hope it stays on science.

One of the issues that was brought to me, which I was not completely aware of beforehand, has to do with the Canadian Grain Commission. We are all familiar with the issue of bonding but the other issue of grading is the one I wish to get into.

When producers sell their grain through a licensed and bonded grain dealer, it is the responsibility of the Canadian Grain Commission to make sure that business has enough bonding in place to cover the exposure that the primary producer has when he sells his grain. That is not happening.

A couple of grain companies in my riding have gone broke and, as a result, the producer has been stuck for the value of his commodity. Recently some were paid 25¢ on the \$1 for what they were owed. One-quarter of what they thought they had coming to them does not do it. This is just another problem facing producers. They felt they were covered with respect to this bonding issue because the Canadian Grain Commission was supposed to monitor it but they now find out they are not covered.

### *Supply*

The other issue I want to mention is grading. I understand there is a difference in the way grain is being graded today as compared to the way it was traditionally done. This is called falling numbers, which actually deals with how wheat is processed and then baked into bread. As this transition takes place, somewhere in the middle the producer is stuck with a lower grade than his grain actually is. In some cases, we could be talking 80¢ to a \$1 a bushel. In any operation that is a difference between making it and not making it. That issue needs to be addressed and can be addressed quite easily.

I understand the grain commission is looking at changing the way it bonds licensed grain sellers and buyers. That is a positive move but it has to be done quickly. The people who are presently being stuck by not getting their paycheques for their grain are out of luck. We should move quickly to change that so producers are protected.

●(1315)

On the grading issue, if a producer is losing revenue because of a grading change then that should be stopped immediately and the producer should automatically be given the highest grading possible.

Another issue I mentioned to the minister this morning was the issue of the European Union going back to heavily subsidizing its grain production. Two million tonnes of wheat will receive export subsidies, plus it will be giving subsidies for internal growth. That distorts production, distorts the world market and will further drive commodity prices down for our producers.

When these people come to us as members of Parliament expressing their concern that they do not see any way out of this issue, that is where they are. They have looked at all the options. They have looked at futures, at different commodities and at different farming practices. They have tried everything but returns to the agricultural community continue to decline. The numbers are there to indicate that is happening and nothing that has been done to date has helped to change that.

The other issue is the European Union and the U.S. making bilateral agreements between the two of them. If they continue to do that, this puts Canada out on the edge and not involved. The WTO's Doha round was one of the hopes that we had in the agriculture community, that if this did go through, if countries were forced to give up their export subsidies and their production distorting domestic subsidies then we would start to see some sanity come back to the grain market, but that is not happening. With the EU and the U.S. working against what is going on in the WTO, the chances of our producers seeing any more returns for their commodities is non-existent. Any hope that we had in that avenue as far as the WTO is concerned in my mind is gone because it is starting to fall apart.

Our government, our negotiators and the ag minister have to be very forceful when we are dealing with these big trade organizations so that we get what we need to keep our producers going. So far we have not done that. I think being more forceful at the negotiating table is a big part of where we need to go to help stabilize the industry.

The minister talked about the APF, the agricultural policy framework, and how that is supposed to help the agriculture community down the road. We have heard talk about repositioning the cattle industry. Discussions are ongoing and the parliamentary

secretary has been across Canada to receive input. I see that as just more talk and that has not been delivering the results needed.

I believe the suggestion we brought forward today is a concrete step that can be taken to immediately put some infusion of cash into an area that is badly needed. It is the farmers' own money that we are saying should not be taken from them. The money should be left with them.

Some of these issues may seem trivial to many but they are not trivial to the six or seven young grain and oil seed farmers with whom I spoke. They were in the 40 to 50 year old range, and in our farming community those are young farmers. They told me that the revenue cap was exceeded by the CPR this year by some \$300,000, and somewhere along the line the CPR has to give that money back and they have to pay a penalty on it, but it goes to the Western Grains Research Foundation. These folks told me that that money should go back to the producers, and when they sell their grain, in order for them not to have an automatic deduction on their grain sales that goes to the grain research foundation, it is a negative option billing that exists. They have to notify the grain commissioner or the Canadian Wheat Board that they do not want to pay that, and if they do not notify them they pay it. These are not huge dollars but this is the point to which these people are trying to operate and the pennies they are chasing to keep them on the farm.

The other issue is the initial payment and trying to increase the initial payment from the Canadian Wheat Board when they sell their grain through the board. They want the payments to get out quicker and the percentages to be higher so they have more cash.

●(1320)

The producers are also worried about the freight charges. When anybody who sells grain on the Prairies through the Canadian Wheat Board receives that cheque and a deduction is made for the freight to get it to the coast, it takes over one-third of that cheque just to pay it. They are talking about the Crow rate again. The Crow rate is gone but maybe there is something else that we need to look at? Is there another way to keep more money where it belongs?

The producers are not asking for government programs or handouts. They are asking that they be allowed to keep more of what they have earned, that more of the value of the grain can end up in their pockets. The value of the grain certainly needs to be higher in order for this to be sustainable. Right now, if grain is selling for \$3 a bushel, the producers are saying that they need more of that \$3 in their pocket at the end of the sale so they can keep operating.

I look forward to the rest of the debate today and I appreciate the opportunity that the Leader of the Opposition and our agriculture critic has given the House to debate agriculture.

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, let me first make a comment that I suspect is on behalf of many people in the House, and that is with regard to the hon. member defining the 40 to 50 year old group as young. We are very appreciative of that point.

The member moved a little away from the CAIS issue and talked about a few other things, such as the grain producers. One of the issues that has been discussed in the farming community has been the issue of the spring and fall advances. A number of suggestions have been made about how they can be changed to be made more effective. I have been listening very closely to producers as they have made their interventions in that respect and agree with the need to make some changes.

I would be interested to know from the member, who has a tremendous amount of experience in this respect, how he would see changes in the spring and fall advances.

**Mr. Rick Casson:** Mr. Speaker, I will provide one example to help explain what the minister has asked. A few months ago a producer was hauling grain to the elevator and when the spring advance was taken off, he was taking home 18¢ a bushel. He said that he was not even going to make his fuel payment by doing that because the advance, however much it was, was almost the total value of what he was receiving on his initial payment for the grain. His comment was that, regardless of what the advance was, the initial payment needed to be more. He needed to realize upfront more of the value of the crop that he was selling. The issue of the advances includes all of the tweaking that gets done and the options farmers have when they market their grain through the Board.

It has been stated here today that my party does not support the Canadian Wheat Board. We are against the monopoly of the Wheat Board. We have never ever advocated that the Wheat Board should not exist. We believe farmers should have the option of who they use to sell their wheat, malt and barley through.

Let us look at all of the things that have been done. I come back to the point that everything that has been done, all the talk, all the tweaking and all the options that have been put forward to producers to use as management tools as they go through their operations are not working to the extent that they need to in order to keep their operations viable. We have to go outside of the box entirely. We have to look at different ways of managing the system that is in place.

There is one thing that really surprised me. I have been a farmer for a short period of time. I have some farmland but I do not really consider myself a farmer. However it seemed to me that when I did not have much grain, I received a pretty good price for it but when I had a lot of grain, I did not receive much of a price for it. No matter what I would do, at the end of the year it is about the same. If I have a great crop, which I need almost every year now to make ends meet, the value is less. If I do not have a great crop, then there is lots of money for the bushels. Somewhere at some point in time we need to have a year where we get lots of bushels with higher prices. That just does not seem to happen too much in the agriculture community.

All of the things we have tried have failed to bring us to a point where the agriculture community has not lost money, an absolutely damning statistic that comes forward. We have to start making some really dramatic changes on how we think about this industry if we are going to stay, as Canada has been developed, an agricultural based country. The agriculture community built this country. It needs help and it needs help now.

### *Supply*

Let us all work together and come up with some solutions. I think the one we have brought forward today is something we can do immediately to leave more money in the farmers' pockets.

• (1325)

**Mr. Jay Hill (Prince George—Peace River, CPC):** Mr. Speaker, I would like to commend the minister for sticking through the debate today and for recognizing the experience that not only my colleague from Lethbridge has but a lot of our colleagues have who have farm backgrounds, and people like myself who farmed for 19 years, a grain farm of some 3,000 acres. Indeed, my brother still operates that grain farm. We do have a wealth of experience on this side of the chamber, particularly in the official opposition when it comes to agriculture.

I want to pick up on a comment that my colleague from Lethbridge made at the end because that is the fundamental issue that we need to deal with today, and it is the sense of urgency. I hear it all the time from the agricultural industry in Prince George—Peace River. If we do not do something, and I implore the government and the Minister of Agriculture today, for these people who are the backbone of rural Canada, we will not have an agricultural industry in the very near future. I wonder if my colleague from Lethbridge shares that sense of urgency.

**Mr. Rick Casson:** Absolutely, I do Mr. Speaker. Whether one is in Peace River, Swift Current, Selkirk—Interlake or wherever one is in the country from coast to coast, it is the same message that we are hearing across the country. The message is not isolated and it is not a small issue. The urgency is there. Let us act.

[*Translation*]

**Mr. Guy André (Berthier—Maskinongé, BQ):** Mr. Speaker, I will point out before I begin that I will be splitting my time with the hon. member for Laurentides—Labelle.

The Conservatives have launched the debate on the federal government's inability to deliver financial relief to struggling farmers.

My colleague, the member for Châteauguay—Saint-Constant and Bloc Québécois agriculture critic, spoke this morning about the Canadian Agricultural Income Stabilization program and the urgency of abolishing the mandatory deposit.

Producers are in fact obliged to use their operating credits for this deposit and some of them are left wondering whether they will have enough money to keep their farm in operation. This is just one more proof of the federal government's abandonment of the agricultural sector. Now more than ever, the producers are under-supported when they are in the midst of an agricultural crisis caused by plummeting prices and the mad cow crisis.

The Liberal government ought to abolish this deposit requirement and put emergency measures in place in Quebec to help all the farmers who are crying out for help. As the member for Berthier—Maskinongé, I represent a riding in which agriculture plays an important role. There is a very broad range of agricultural operations. Dairy, swine, beef, cereal crops and tobacco account for 75% of agricultural incomes, but there are no fewer than 28 different types of animal or crop operations.

### Supply

Many new farm products are emerging, often in response to changes in consumer tastes or new requirements for production methods, such as organic farming. Still, the number of farmers in Quebec has dropped dramatically.

For example, in the regional municipality of Maskinongé, part of my riding, in 1957 there were over 955 working farms. Today there are only 788. Of course, shrinking farm incomes and the aging of the farming population explain this drop. Furthermore, there are no young people coming into this sector. In fact, according to the 2002 analysis, *Profil de la relève agricole au Québec*, on more than 200 farms there is no family member ready to take over and these farms are likely to be handed over to someone who is not related.

The Bloc Québécois is proposing practical solutions to improve the situation of agricultural succession in Quebec. For example, in order to make it more attractive to transfer a farm than to dismantle it, the Bloc Québécois proposes increasing the allowable capital gain for farm property from \$500,000 to \$1 million, but only for transactions where the farming operation continues.

We also propose extending the rollover rule to transfers other than those between parent and child. The Bloc Québécois suggests extending the transfer rule to other immediate family members under 40 years of age: brothers, sisters, nephews and nieces, for example.

In addition, we encourage the establishment of an agricultural savings transfer system to enable farmers to build up a tax-sheltered retirement fund. Governments could make a contribution as they do for registered education savings plans. This contribution would be conditional on maintaining the farm after a transfer.

The third proposal from the Bloc Québécois is to relax the rules of the home buyers' plan to enable young farmers to acquire, in whole or in part, a larger share of a residence held by a company, and to use their RRSPs to purchase a business.

Finally, we suggest that the federal government transfer recurring funding to Quebec to encourage agricultural renewal.

• (1330)

For example, the Government of Quebec could extend eligibility for start-up subsidies, improve interest rate protection and increase eligibility ceilings.

As you can see, we have interesting proposals that are suited to farmers' needs in Quebec and sometimes in Canada. All we need is the political will, but the Liberal government is not budging.

I want to talk about another area where the government is lacking political will, and that is the federal program for tobacco farmers in Quebec. I agree with my colleague, the member for Joliette and Bloc Québécois critic for international trade, globalization and international financial institutions, that this industry is very important to our region.

On November 23, 2004, the federal government announced with great pride the conditions and deadlines for the aid package for tobacco farmers that would provide them with compensation for the decline in tobacco production in Quebec and Ontario. However, a week later we learn that the program for the public sale of quotas was delayed and no new deadline was set. According to the flue-

cured tobacco farmers in Quebec, the situation in Ontario suggests there will be no agreement on this. Accordingly, an already difficult situation for Quebec farmers just might get worse.

In conclusion, this file, like many others, shows how the Liberal government's inaction and wait and see attitude threatens the survival of Quebec farms. When this government does intervene, it is to implement Canada-wide measures that do not respond to farmers' needs in Quebec. Farming in Quebec is organized differently than in Canada and does not have the same needs.

• (1335)

[English]

**Mr. Garry Breitkreuz (Yorkton—Melville, CPC):** Mr. Speaker, I appreciate the comments of my Bloc colleague. I also appreciate that the Minister of Agriculture and Agri-Food is still here in the House listening to this debate.

Before I read another letter, I would like to summarize what farmers in my area are telling me about the CAIS program. They are saying that we urgently need to do something for farmers. Agriculture producers are hurting and especially across Saskatchewan where there has been an untimely frost. August 20 was a devastating night. We had a very cold summer. That night the temperature when to -3°C and -4°C in many locations, absolutely devastating crops. The quality and the quantity was greatly affected.

Many of the comments that are coming forward are as a result of this. The farmers are not only affected by the BSE crisis and the border closure to beef, but now the grain prices have been hit very hard. The farmers complain a lot about the bureaucratic nature of our programs and the fact that other countries stand behind their food producers to a much greater extent than Canada does.

Getting to the letter from Karen Walden, she writes:

I am writing concerning the disaster in the west. I am enclosing some grain tickets to show what the railways and elevators receive compared to farmers. Our end amount was \$887.72 which went toward cash advances is what we would have received, compared to \$2,383.41 for freight, trucking, et cetera.

These numbers are just astounding. This means she did not get the money. In other words, the amount that the farmer received, almost \$900, compared to about \$2,400 going for freight, indicates how much of a problem these farmers have. Then she goes on to say:

We'll be lucky to get another \$1 on payments. In fact, the U.S. upped their subsidies to their farmers. We need a disaster payment and not to be run through the CAIS program as we need the money now. The CAIS program is too flawed to be a disaster program. Payments are too late.

I would urge the government to seriously consider putting the CAIS program aside and addressing the agriculture programs right now in an urgent way because of what has happened in Saskatchewan.

[Translation]

**Mr. Guy André:** Mr. Speaker, I did not hear the question.

**An hon. member:** He made a comment; he took advantage of it.



**Mr. Guy André:** I heard a comment. Could the member for Laurentides—Labelle be recognized now to proceed with the debate?

**The Acting Speaker (Mr. Marcel Proulx):** I understand the intention of the hon. member, but before another member may take the floor, there are two minutes remaining for questions and comments.

The hon. Minister of Agriculture and Agri-Food.

• (1340)

[*English*]

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I have one quick comment and a question.

I may not have the quote exactly right but if I understood the translation, the hon. member said, “never have producers received so little support”. I understand we may have a debate in this House about how we should provide the support, but \$4.8 billion in 2003 represents record payments to producers in the country. That is a reality, that is a fact and that is something that should be clearly stated. The member should not say something that is not entirely accurate.

Second, the member also said that none of the programs were of any assistance to Quebec producers. When the Canadian Dairy Commission provided a \$5.00 price increase for milk, did that not assist producers in Quebec and specifically that a portion of it, \$1.66, was to help with the older animal issue?

[*Translation*]

**Mr. Guy André:** Mr. Speaker, to answer the minister's question, of course, there are programs. However, for several months now, the Bloc Québécois has been here in the House and has been telling the minister that, overall, these programs are insufficient, for both dairy producers and the mad cow crisis. Quebec farmers need more support.

Currently, two farms shut down each week in Quebec. Current aid is, therefore, insufficient. The Bloc Québécois is asking the federal government to invest more so as to maintain our family farms; otherwise, in a few years, none will remain in Quebec. They are important to the Quebec economy.

So, it is in this context that we are intervening.

**Ms. Johanne Deschamps (Laurentides—Labelle, BQ):** Mr. Speaker, allow me first of all to salute the entire agricultural community of my riding of Laurentides—Labelle. It is on its behalf and in a spirit of solidarity that I join with my colleagues in the Bloc Québécois in denouncing the inertia and insensitivity of this government. I would also like to take this opportunity to denounce the minister's incompetence vis-à-vis the alarming crisis that Quebec farmers tragically are going through.

We are deeply distressed to learn that two farms disappear every week in Quebec because of the minister's failure to do anything. Between 1996 and 2001, the number of farms in Quebec fell by 10% to 32,000.

Farmers are facing a major income crisis. According to Statistics Canada, farm income fell in 2003 to its lowest level in 25 years. Net cash income, i.e. the difference between a farmer's revenues and

### *Supply*

operating expenses, fell by 39.1% in 2003 from the figure for 2002. According to the UPA, farm debt has increased on average 207% since 1993.

I am ashamed and saddened to see how farmers are being left on their own by Ottawa. Few countries neglected their agricultural sector as much as Canada did while the current Prime Minister was Minister of Finance.

Farmers have even less support today than ever, and this in the midst of the mad cow crisis caused by collapsing prices. We cannot say it enough: agriculture in Quebec and agriculture in Canada are different, they are organized differently, and they do not have the same needs. When Ottawa takes action and adopts Canada-wide measures, it is frustrating to see that they fail to meet the needs of Quebec producers.

We are told that the parliamentary secretary to the Minister of Agriculture is consulting in order to discover the challenges facing farmers. It is obvious that some people in this government have problems tuning in to the real world, because farmers and people in the agricultural sector have been aware of the problems and the solutions for a long time now.

The government accumulated a surplus of more than \$9 billion last year. The money is there; all that is needed is political will.

A motion tabled by our colleagues in the Conservative Party, and which the Bloc Québécois views more than favourably, asks:

That, in light of the numerous recent disasters affecting agricultural communities across Canada and the government's failure to deliver timely financial relief to struggling farmers, whether by the Canadian Agricultural Income Stabilization (CAIS) program or other programs, the House call on the government to immediately drop the CAIS deposit requirement and honour the commitments it has already made to [Quebec] producers.

In order to participate in this program, the deposit in question is obligatory and therefore a major irritant for farmers. Farmers who are struggling to survive should not be forced to borrow as well in order to make this deposit.

In addition, the Canadian Agricultural Income Stabilization program is poorly suited to the needs and realities of the agricultural sector. It is also not very popular with farmers. I would like, in this regard, to quote the president of the Union des producteurs agricoles du Québec, who said on January 22, 2004 in the magazine *La terre de chez nous*: “The Canadian Agricultural Income Stabilization program, you will remember, was imposed on us by the federal government, which threatened to cut Quebec off if it did not sign.”

Here is another fine example of the federal government's incompetence. The problem with this program is that it provides only basic minimal coverage, which does not include all types of risks, which vary can considerably from one farm to another or one region to another.

The Canadian Agricultural Income Stabilization program was useless for the cull cattle problem. Let me quote again from the president of the Fédération des producteurs de lait du Québec:

*Supply*

● (1345)

I also want to point out that dairy producers are not eligible for the CAIS program... To be eligible, a producer has to incur at least a 30% loss over the three years in the reference period. Even if all our cull was sold for zero dollars, we could not qualify for the disaster protection component of the CAIS program, which is the only one available to us.—

We will agree that the program has become a bureaucratic nightmare. Let me give just one example. According to the Canadian Federation of Agriculture, the administrative costs of managing the deposits may be as high as \$14 million, when the return on these is only \$34 million, based on a 6% interest rate.

On February 8, the agriculture ministers will be meeting to discuss, among other things, the Canadian agricultural income stabilization program. We do hope that the federal government will not come to that meeting empty-handed, as it would have had it designed to show up at the last UPA convention.

This week, the Canadian Federation of Agriculture once again asked that mandatory deposits be abolished. The UPA and various farm organizations support this initiative. Will the government continue to be insensitive and to turn a deaf ear to these demands? My colleagues from the Bloc Québécois and I support this initiative, which should be fully funded by the federal government.

In closing, my main concern is undoubtedly with the attitude of the government, its lack of will and inability to act on this issue. My question is simple: Who is the Canadian agricultural income stabilization program intended to help? The producers or the bankers?

[English]

**Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC):** Mr. Speaker, I congratulate my colleague for her comments and for her support of the beef producers in her riding. She spoke about something that we are all aware of in our ridings, especially in rural Canada, and that is the number of bankruptcies. Farm families have lost everything because of the ongoing BSE issue.

Before I ask her a question, I want to remind her that it is not only happening in Quebec or in her riding. It is happening across the country.

Getting back to the CAIS debate, we have all heard in our ridings from farmers that the CAIS program is not working. We have heard about the difficulties with it. I know the minister has been working on it, but it is never fast enough.

I attended a chamber of commerce meeting last night at which there were a number of accountants. Not only have we heard a lot of farmers speak to the difficulties of it, but I had two or three accountants tell me that it was a nightmare. They asked what I could do to fix it.

Does my colleague from the Bloc have a recommendation or suggestion on how we could fix some of the problems with the CAIS so it would make it easier for even accountants and professionals to deal with it?

● (1350)

[Translation]

**Ms. Johanne Deschamps:** Mr. Speaker, to answer or to continue along the same lines as my Conservative Party of Canada colleague, I want to quote from the last UPA brief, which suggested four priorities to the federal government.

The brief proposed substantially increasing the safety net program budget, thereby giving Quebec and the provinces greater flexibility in managing funds allocated to the safety net program; decompartmentalizing federal and provincial aid in order to meet the specific needs of each region and each type of production; restructuring to reduce program bureaucracy, particularly with regard to the establishment of reference margins; and finally, conducting an annual international subsidy impact assessment before making fair and equitable adjustments to the reference margins.

I think that, with these four priorities, all the pieces should be in place to move things forward and get producers out of the crisis they are currently facing.

[English]

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I am going to basically make the same comment and ask the same question that I had asked of the member who spoke previously. Simply because someone repeats something that is inaccurate does not make it accurate.

The member said, if I heard correctly and I will have to look at the blues to get the exact quote, that support has been declining since the current Minister of Finance came into his position.

As I have said before, although we can have a debate about the most effective way to do things and I am always interested in engaging in that debate because I want to do things in the most effective way, payments from the federal government to producers in the country are at record levels. That is a fact. To say otherwise is not accurate.

I have a question for the hon. member. I have asked it of each member of the Bloc who has risen on debate and none have answered the question. When the Canadian Dairy Commission put in place a \$5 increase for milk, including \$1.66 to deal with the value of cull animals as part of that price increase, did that assist producers in Quebec? It is a fairly straightforward question. It should not be that difficult to answer.

[Translation]

**Ms. Johanne Deschamps:** Mr. Speaker, I thank the minister for his concern for dairy producers, but if he had listened to me, he would have understood that I was talking, among other things, about the farm income stabilization program.

I will not get into a debate and ramble on about this. The facts are quite simple. We are talking about a government with a year-end budgetary surplus of \$9 billion. If this government were acting in good faith, we would have all the resources needed to meet the demands of every agricultural organization, including the UPA and the Canadian Federation of Agriculture.

•(1355)

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, it is my great pleasure, after much preparation, to contribute to this debate this afternoon. I also take this opportunity to congratulate the hon. Minister of Agriculture and Agri-Food, who has been working full out to help Canada's farmers ever since he took the job. We know this minister's intentions and we know he is a hard worker. Personally—as I mentioned two days ago—I wish him all the luck in the world in getting more assistance from the Minister of Finance in the upcoming budget so that he can continue to help farmers and even provide more.

I should add that I listened attentively to what the Bloc members had to say. We often hear them say that our approach should be a collaborative effort with the provincial governments. Even if certain members of the Bloc enjoy making up some new truths once in a while, claiming that the Government of Canada does not always cooperate with the provinces when, of course, it always—or nearly always—does.

That said, the members of the Bloc are supporting a Conservative motion today that would provide unilateral assistance and replace a program that was constructed together with the provinces. It is not entirely clear to me why the Bloc Québécois, all of a sudden, have become proponents of centralization like the Conservatives. Perhaps that makes them centralizing separatists, in a way. Still, we will probably see, in later statements by the Bloc members, that they will clarify their position on this centralization they are supporting by supporting this motion, which wants us to replace collaboratively-constructed programs, the kind we usually have, by a unilateral program the Conservative Party wants us to impose today.

Now, as for the Conservative Party, I think it will be worthwhile if I take the few moments remaining to me to explain to the House the origins of this party and its agricultural platform.

[English]

Mr. Speaker, you and I remember quite well when the present Leader of the Opposition led the infamous so-called National Citizens' Coalition, which of course is not national, and is not a citizens' coalition, but it is just called that. When he led that organization, in February 1998 in the *Bulldog* magazine, which really describes the sensitive nature of that organization, he called the supply management system, which we all support on our side of the House, a “government sponsored price fixing cartel”.

What I am curious to find out and no doubt when we get into questions and answers later, a Conservative MP will rise and tell us on precisely what day the Leader of the Opposition changed his mind from calling supply management a “government sponsored price fixing cartel” to supporting supply management which he spontaneously discovered the day he became the Leader of the Opposition.

We want to know if that occurred at the same moment, weeks before, perhaps a little later, or when these kinds of changes of opinion occurred in the mind of the hon. Leader of the Opposition? The Leader of the Opposition was elected as a member of the Reform Party in 1993 and that party, predecessor of a number of MPs in the House, wanted to reduce assistance to agriculture. It is

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very important for all of us to know a little bit of truth about Conservative Party positions.

•(1400)

**Mr. Richard Harris:** Mr. Speaker, I rise on a point of order. According to the rules of the House, members who are speaking are required to spend at least a little time focusing on the subject of the debate and the hon. member certainly has disregarded that rule.

**The Acting Speaker (Mr. Marcel Proulx):** I understand the hon. member for Glengarry—Prescott—Russell still has 5 minutes in his 10 minute period. I assume that he will be doing this in the last 5 minutes of his intervention.

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## STATEMENTS BY MEMBERS

[English]

### BLACK HISTORY MONTH

**Hon. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, in December 1995 the Parliament of Canada passed a motion officially designating February as Black History Month. This motion was an important milestone because it finally acknowledged the rich and often overlooked history of Black Canadians.

Every day, Black Canadians are working in all communities to make Canada a great place to live. Their contribution to society is vital to Canada's economic and cultural life.

During February, I invite hon. members and all Canadians to listen to a story, join in on an activity, read a book or check the Internet to find more information on the history of Black Canadians. There are many good websites, including the Canadian Heritage site. Above all, we should not hesitate to share what we learn with our children, friends and acquaintances.

We have so much to learn from each other as we work together to build a better Canada.

\* \* \*

### 2010 OLYMPIC GAMES

**Mr. Jim Abbott (Kootenay—Columbia, CPC):** Mr. Speaker, the Own the Podium program created by the Vancouver 2010 and the Canadian Olympic Committee is an ambitious plan aimed at achieving a record 35 medals for Canada and to make the Vancouver 2010 Olympic Games the most successful ever for Canadian athletes.

This week, IOC President Jacques Rogge said it is important that a host country put strong plans in place to ensure their athletes will attain podium success.

While he noted Canada's winter sport community is already working collaboratively toward this goal for 2010, I note that we have yet to receive any indication other than lip service from the Canadian government that it will join with the winter sport community to ensure that we own the podium.

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Every past host nation in recent memory has actively promoted the success of their athletes at their winter games. Canada should be no exception. The government must pay attention now, today, and finally support the nation-wide consensus building around Own the Podium 2010.

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#### POLICE OFFICERS

**Mrs. Susan Kadis (Thornhill, Lib.):** Mr. Speaker, last Sunday I had the privilege of attending an award ceremony honouring York Region Police Chief Armand La Barge. He was recognized for his outstanding contribution in fighting racism and promoting peaceful co-existence of citizens in a multicultural environment. Chief La Barge exemplifies qualities which make him a valued leader: courage, compassion, character and conviction.

As police chief, he has made an extraordinary and concerted effort to learn more about the people he serves. This has enabled him to step forward and provide support when any religious and ethno-cultural groups have been at risk or experienced difficulty. Chief La Barge has actively promoted Canadian values such as respect, tolerance and understanding.

The award was given to Chief La Barge by Temple Har Zion and the Jaffry Islamic Centre, institutions that personify these values by encouraging interfaith dialogue and understanding.

The proactive efforts of Chief La Barge and others like him to combat racism raises the bar for humanity and provides great hope for our collective future. Chief La Barge is not only a great police chief, he is a great leader and a true humanitarian.

\* \* \*

[*Translation*]

#### MAGDALEN ISLANDS

**Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ):** Mr. Speaker, the situation faced by residents of the Magdalen Islands is of some concern. Since Monday they have been more isolated than ever because there is no longer a daily crossing to Prince Edward Island. Their only link to the mainland by sea is limited to one crossing a week. Food and supplies are brought in by boat, via Matane, which takes one day, provided the ship does not get trapped in the ice as it did last week.

Furthermore, with Québecair Express no longer serving the Islands, the only remaining air link with the mainland is Air Canada, which has only one flight a day. Even Canada Post delivers late.

This situation cannot go on. The Minister of Transport, who is from there, must intervene to force Air Canada to provide adequate services to the Magdalen Islands. It is a matter of safety, respect and justice. The people there should be entitled to the same services as everyone else. Something must be done—

• (1405)

**The Acting Speaker (Mr. Marcel Proulx):** The hon. member for Davenport.

[*English*]

#### ARISTIDES DE SOUSA MENDES

**Mr. Mario Silva (Davenport, Lib.):** Mr. Speaker, as we mark the solemn 60th anniversary of the liberation of Auschwitz, we reflect on the tragedy of so many lives lost in acts of unspeakable inhumanity. We also reflect on those who placed their own lives at great risk to protect those most vulnerable during this terrible period in human history.

One such man was Portuguese diplomat, Aristides De Sousa Mendes, who was posted in Bordeaux, France. In 1940, he disobeyed the directions of the regime then in power and issued over 30,000 visas to Jewish refugees and others at great risk so that they might travel safely through Portugal and Spain.

As a result, his diplomatic career was ended, his ability to earn a living destroyed, and his family forced to endure hardship for the rest of his life.

Today, I honour those like Aristides De Sousa Mendes who demonstrated that in the midst of such tragedy there were individuals who placed all at risk in order to follow higher ideals.

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#### AGRICULTURE

**Mr. Ed Komarnicki (Souris—Moose Mountain, CPC):** Mr. Speaker, I rise today to add to the government's debate and to bring the attention of the House to the current farm crisis in this country and in particular in my constituency.

I have seen firsthand the difficulties experienced on the family farm. My constituency has been hit by three frosts. An early frost damaged what otherwise would have been an excellent crop.

The government struggles with a CAIS program that does not work. It expects farmers to make substantial cash deposits to participate in the program, knowing full well that farmers are cash-strapped. The program fails to adequately take into account the cost of production and low commodity prices. Even when a claim is made, farmers cannot expect a turnaround in 60 days, 90 days or 120 days. Many times they have to wait months only to find that their application has made no progress.

Why should farm families have to use their equity and hold down two jobs to survive on the family farm? Why? Because the government does not care and is not prepared to design a program that meets farmers' needs and protects farmers against circumstances beyond their control. The government needs a plan. The government needs to put some money in it. The government needs to take some action, and action is required now.

### HUMANITARIAN ASSISTANCE

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Mr. Speaker, I rise today in praise of a young Canadian, Stephanie Dotto, a resident of Kirkland, Quebec in my riding of Lac-Saint-Louis.

[Translation]

At age 15, Stéphanie learned about the terrible toll poverty and disease have taken on Malawi.

[English]

Stephanie's compassion for the plight of the people of Malawi inspired her to take action. In March 2003 after leading a community fundraising campaign, she accumulated enough money to buy plane tickets to Malawi for herself and her father. She took with her 1,000 physician travel packs put together by Health Partners International. Each pack contained enough medicine to treat one child or adult. She also brought toothbrushes, soccer balls, pencils and other staples to the improve the lives of children in Malawi.

[Translation]

In May 2004, she returned to Malawi with more supplies and worked in a village hospital.

[English]

Now a nursing student, Stephanie has pledged to return to Malawi to put her newly acquired nursing skills to work.

For her service to others she was recently named West Islander of the Year 2004 by the *West Island Chronicle*.

Stephanie Dotto is a role model not only for young people, but for all Canadians.

\* \* \*

[Translation]

### JEAN-LOUIS CHARBONNEAU AND ALICE CYR

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Speaker, at the 2004 annual assembly of the Union des producteurs agricoles, the family of Jean-Louis Charbonneau and Alice Cyr from Sainte-Anne-des-Plaines was named farm family of the year for 2004.

This prestigious award is presented annually to a Quebec family that has preserved and inspired values unique to farming in Quebec, from generation to generation, in family, social, economic and professional terms. The Charbonneau property, registered as Ferme Vachalê, has some 200 head of cattle, including 97 dairy cows. Over the years, the farm has earned a number of awards for the quality of its production.

The members of the Bloc Québécois join me in congratulating the family of Jean-Louis Charbonneau and Alice Cyr for their many years of hard work and continuing excellence.

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[English]

### STANLEY RONALD BASFORD

**Hon. Hedy Fry (Vancouver Centre, Lib.):** Mr. Speaker, I rise today to pay tribute to the hon. Stanley Ronald Basford, P.C.,

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member of Parliament for Vancouver Centre for 15 years, who passed away on January 30. I extend my condolences to his family.

Ron Basford was a minister in Pierre Trudeau's government. He held many cabinet positions, but it was in the justice and urban affairs portfolios that he made his greatest contribution to Canada.

To Vancouverites Ron Basford's name is synonymous with Granville Island. It was his vision and tenacity that transformed a decaying industrial park into an urban landmark, the must destination for every tourist and the crown jewel in a city of many gems.

Ron was a liberal lawyer with a passion for justice, an activist combination indeed. He was the author of Canada's first Human Rights Act, the precursor of our Charter of Rights and Freedoms.

I remember Ron as a mentor and friend, a true liberal and passionate defender of minority rights.

He once said, "I chose a life of public service and the Liberal Party to give a voice to those who have no voice".

In these troubled times when equality under the law is again under fire, we will miss Ron's voice.

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● (1410)

### AGE OF CONSENT

**Mr. Kevin Sorenson (Crowfoot, CPC):** Mr. Speaker, over the last few months I have received a number of white ribbons containing approximately 1,000 signatures of constituents of Crowfoot. The ribbons of signatures, which I have been asked to present to the Minister of Justice, are an appeal to the government to protect our children from sexual exploitation.

My constituents are asking that the age of consent be raised from 14 to 18 years of age because, as Gladys Kupka writes, "a child of 14 really is a child and unable to protect him or herself".

I implore the Minister of Justice to heed the advice of my constituents, an opinion that has been expressed not only in the riding of Crowfoot, but throughout the country, and that is, to raise the age of consent for sexual activity.

Please amend the law to effectively protect the most vulnerable members of our society, our children, from sadistic predators who seek to sexually exploit them.

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### TSUNAMI DISASTER

**Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.):** Mr. Speaker, recently the Prime Minister, accompanied by some members of Parliament, including me, visited certain countries affected by the tsunami disaster. Our Prime Minister was the first western leader on the ground to assess the damage and respond with financial support and disaster relief assistance. The Prime Minister also responded passionately by personally visiting in Toronto relatives of families affected by this terrible tragedy.

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All this is in keeping with our Canadian values of compassion and generosity in times of need, a quality displayed across every community in Canada. This was truly a Canadian response which needs to be commended by all parliamentarians.

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**CHILD POVERTY**

**Hon. Ed Broadbent (Ottawa Centre, NDP):** Mr. Speaker, last week in Ottawa, experts and social activists made recommendations on what is required to combat our atrocious level of child poverty. These measures included new ideas on income security, child care and housing.

When he was minister of finance the Prime Minister referred to the plight of Canada's poor kids as a "national disgrace". He should know. It was his budget cuts in the 1990s that drove up the number of poor kids and it is his government that boasts about a \$61 billion surplus, when thousands of our children get up in the morning hungry and go to bed at night hungry.

We need to invest in our children now in the budget. Increase the child tax benefit. Create early learning programs. Bring on public universal child care. We have the money. Let us get on with it.

\* \* \*

**NATURAL RESOURCES**

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** Mr. Speaker, I rise today to congratulate Nova Scotia Premier John Hamm and his energy minister, Cecil Clarke, on reaching a deal with the federal government on the issue of offshore revenues. If not for the determination shown by both Mr. Hamm's Progressive Conservatives and the Conservative Party in Ottawa, the province of Nova Scotia would have received nothing but crumbs from the Liberal table.

Instead, after four years and 11 days, John Hamm was able to sign a deal worth \$830 million up front for Nova Scotia. The Conservative Party was the first to promise Nova Scotia all of its offshore revenues. We have not wavered from our support and Stephen Harper led the charge.

Although the Nova Scotia government and the federal Conservative official opposition were able to hold the Liberals to account for their promise, it is very disappointing that the federal government only made the deal when it was forced to.

**The Speaker:** The hon. member for South Shore—St. Margaret's is an experienced member and knows he cannot refer to other hon. members by other than their title. I would invite him to comply with the rules in every respect or he will find himself in difficulty with the Chair the next time.

\* \* \*

[*Translation*]**CHSLD VIGIE LES CHUTES**

**Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ):** Mr. Speaker, today I would like to pay tribute to all the people who work at a long-term care facility in the City of Shawinigan, and to express my thanks to them. The CHSLD Vigie les Chutes sets an example for others of its kind. The spirit of devotion permeates this residence.

I wish to acknowledge all the staff, who make every effort to make the residents' lives as pleasant as possible, along with the numerous volunteers, who bring joy to the residents through the leisure activities they organize. They understand that people's minds are still receptive to kindness, even if their bodies perhaps no longer respond. A smile gives energy and brings joy to the heart of a senior.

I also salute the administrative team of the CHSLD, which creates harmony through these various forms expressions of undying devotion, thereby helping to provide a pleasant living environment for the elderly residents.

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●(1415)

[*English*]**HUMAN RIGHTS**

**Mr. Jason Kenney (Calgary Southeast, CPC):** Mr. Speaker, the Prime Minister is absurdly wrapping himself and his party in the cloak of human rights on the marriage issue, suggesting that support for traditional marriage reflects hostility to basic rights, but Canadian political history tells a totally different story.

It was the Liberal Party that imposed the infamous head tax on Chinese immigrants; created a racist immigration system with the Exclusion Act; interred all Japanese Canadians; rejected Jewish refugees before and during the war; imposed martial law in 1970; permitted Ernst Zundel to run for its party leadership in 1968; eliminated constitutionally guaranteed rights for confessional education; and preached moral equivalence during the cold war and in China today.

It was Conservative governments that introduced the Bill of Rights; gave aboriginals the right to vote; opposed the War Measures Act; led the fight against apartheid; understood the moral dimension of the cold war; and appointed the first woman and minority cabinet ministers.

Today it is conservatives who believe that the political currency of human rights is devalued when political demands are inflated into fundamental rights claims.

Today, as always, Conservatives stand without compromise for the dignity of the human person.

## ORAL QUESTION PERIOD

[English]

### SPONSORSHIP PROGRAM

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, the smoking gun has been found. It has now been revealed that a top Liberal organizer, Jacques Corriveau, whose bills were unpaid received millions of dollars of taxpayer money via the sponsorship program. It is hard to believe that this information was not known by the government a long time ago.

My question is for the Prime Minister. Why was this not revealed to the public accounts committee before the election, as he promised?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, I would have thought the Leader of the Opposition, having stood up in the House numerous times with information that was incorrect, taken out of context and contradicted the next day, would learn that fundamentally the Gomery commission should be allowed to do its job. There should not be obstruction or interference by the hon. member simply because he has had it wrong so many times.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, this is the biggest scandal in Canadian history. We see millions of dollars being funnelled to a Liberal organizer out of public funds and the Prime Minister tries to hide behind the police, the RCMP and a judicial inquiry. It is a gutless lack of integrity.

When will the Prime Minister order the Corriveau money to be repaid to the public treasury?

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, once again the Leader of the Opposition is trying to interfere with the Gomery commission by commenting on day to day testimony. As we have learned repeatedly, we have heard testimony contradicted, in some cases the same day, if not perhaps the next, by the same witness. That is why we have an independent inquiry that ought to be allowed to do its work and report back to us so that we have the truth. That is what Canadians want. I am shocked that the hon. member is interfering with the Gomery commission.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, the Prime Minister can continue to hide behind Gomery. He can continue to play for time. The truth is this, he can dither but he cannot hide.

[Translation]

The Minister of Transport said that all the dirty money pocketed by the Liberals would be given back immediately.

Corriveau did receive millions of dollars of dirty money. Why has the Prime Minister not already ordered this dirty money to be given back to the taxpayers?

• (1420)

[English]

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, once again, it was the Leader of the Opposition who said that Gomery was the best way to get to the truth in this. We agree with him on this one.

### Oral Questions

The Prime Minister had the courage to set up the Gomery commission to get to the bottom of this. We as a government want to get to the truth. It is the Conservatives, the Alliance Party, that is opposed to getting to the truth in this case. That is really offensive. They do not understand the Constitution. They do not understand the Charter of Rights. They do not understand the basic independence of a judicial inquiry.

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, that was irrelevant drivel. The Prime Minister promised that before the election there would be sufficient light cast on the sponsorship program. That did not happen.

Yesterday the Gomery commission revealed that there was a systemic and egregious overcharging for what had been delivered in the \$40 million sponsorship money that went to Groupe Polygone.

While taxpayers got soaked, Liberal organizers were rolling in the dough. Not only was public money funnelled through the sponsorship program to Liberal-friendly firms, but it went to Liberal campaign organizers and directly to the Liberal Party of Canada.

Why was this damning information withheld from the public prior to the election, and who ordered the cover-up?

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, once again the hon. member and hon. members opposite are making the grievous error of commenting on daily testimony. They have been proven wrong repeatedly as we have heard by contradictory testimony in the following days or weeks.

The reason Justice Gomery has been given his mandate is because Canadians want us to get to the truth. Our Prime Minister and our government stands full square with Canadians. We will get to the truth despite the constant interference of the opposition in this important matter.

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, despite the constant attempts to avoid accountability, we will continue to ask questions.

Daily the evidence mounts as to the extent of the rot and corruption within the Liberal government. Working for the Liberal Party was literally a licence to print money.

Yesterday we learned that top organizer, Jacques Corriveau, got stiffed for printing Liberal campaign pamphlets, yet he received millions of government dollars in sponsorship contracts. In effect, dollars paid by the public were paying for Liberal campaign expenses.

Could the Prime Minister explain why public money was used to pay for his party's campaign expenses?

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, it really demeans the House when members of Parliament use parliamentary immunity to say things that are simply not true.

The fact is that on an ongoing basis, by commenting on Justice Gomery's work and by commenting on daily testimony, they are making errors and they are misleading Canadians by making those types of outrageous assertions here on the floor of the House.

*Oral Questions*

We are not afraid of the truth. That is why we set up the Gomery inquiry to get to the truth, and we support Justice Gomery in his work.

\* \* \*

[Translation]

**PARENTAL LEAVE**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, in 1997, on the issue of parental leave, the then Minister of Human Resources Development, who is now the Minister of Foreign Affairs, wrote to Pauline Marois, saying “We have also decided to completely free up the required field of contributions in 1998”. This means that Ottawa was agreeing to transfer the entire amount requested by Quebec for the first year.

Since the only point of issue at present was not a problem before, how can the Prime Minister explain that this sudden impasse?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, I have said on many occasions, and so has the hon. minister, that we remain open to continuing negotiations. We want them to continue.

Besides, the leader of the Bloc Québécois just commented that great progress had been made. We want this progress to continue.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, I am not sure I understand what the Prime Minister just said. I told him that progress was made in 1997, because the first year was covered, which is not the case at present.

If he wants to fulfill his election promise, does the Prime Minister realize that the solution is ready-made? Use the same wording as in 1997, with respect to the first year, change the dates, change the names, sign, and it is settled.

• (1425)

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, this is odd because, back in 1997, the Parti Québécois did not sign; it refused to sign. In 1997, Pauline Marois also refused. The Bloc is not really in a position to bring me back to 1997.

That having been said, this year's offer is twice as generous. In 1997, it was on the order of \$360 million; this year, it is on the order of \$850 million.

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, the Minister of Human Resources and Skills Development has to realize that an agreement with Quebec on parental leave is urgent, since various stages will have to be implemented before young parents will be able to take advantage of the program.

Will the minister admit that the hesitations in respecting the previous Liberal government's proposed agreement on funding for the first year have created delays that now threaten this program and could penalize young parents in Quebec?

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, at the time, I did not hear the Bloc Québécois pressuring the Parti Québécois to accept the federal government's offer. It is quite

interesting to see that, now, this is what the Bloc Québécois is trying to do. Now, for a Liberal government, I—

**An hon. member:** They regret it.

**The Hon. Lucienne Robillard:** Yes, they probably regret it. However, I repeat that, this year, the offer is \$850 million, compared to \$360 million in 1997.

**Ms. Christiane Gagnon (Québec, BQ):** Mr. Speaker, there is a broad consensus in Quebec about the need to establish parental leave for young families. All the parties represented in the National Assembly support this proposal. Marguerite Blais, president of the Conseil de la famille et de l'enfance, confirmed this morning that it was not about money coming from the federal government but from taxpayers.

Why does the minister not show her good faith immediately by agreeing to give Quebec the total amount needed to fully fund the first year?

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, we too support the innovative program in Quebec. With regard to the offer on the table, we too are giving 100% of the amount available for Quebec families.

The cause of the current deadlock is the program start-up costs, and discussions are continuing.

\* \* \*

[English]

**NATIONAL DEFENCE**

**Mr. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, on star wars, yesterday the Prime Minister simply made no sense at all.

In July he told us that the Norad decision had nothing to do with missile defence. Then in November he said that the most important decision had already been made, the Norad decision. The only person confused here is the Prime Minister, not the NDP, not the Bloc but him.

When will the Prime Minister stop dithering on star wars?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, there is no dithering, no hesitation. The Canadian government will not pursue or participate in, in any way, shape or form, the militarization of space, period.

**Mr. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, the Prime Minister has spent two years apparently studying this program. Maybe he should spend a little more time studying and a little less time with Mr. Gadhafi.

In the old days the Prime Minister's Office would criticize Jean Chrétien for the way he treated the Americans and communicated with them. Now what we get from this Prime Minister is dithering and waffling, no answer, nothing clear.

Would it not be more respectful to simply say, no, than to keep on dithering around?



**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, on the militarization of space, which was the question that came from the leader of the NDP, the answer is no.

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#### SPONSORSHIP PROGRAM

**Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC):** Mr. Speaker, yesterday former public works minister Alfonso Gagliano told the Gomery commission that Jean Chrétien's former golfing buddy, Jacques Corriveau, got a multi-million dollar sponsorship deal, meaning taxpayer dollars, because as Gagliano said, "We owed him". What debt was owed? Why were taxpayer dollars given to him? Because the Liberal Party owed him for work that he did on two federal Liberal election campaigns?

Beyond sponsorship, beyond the Gomery inquiry, how many other friends of the Liberal Party got fists full of taxpayer dollars?

• (1430)

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, once again, we have an independent commission to get to the bottom of this because that is the best way to achieve that goal, and that is the goal that Canadians want us to achieve.

Beyond that, there are important issues facing the country: health care, equalization, child care, agriculture and our agenda for Canadian cities. These are all files on which the government is working actively. I wish the opposition would do its job, and that is to engage in the public policy items that interest Canadians and that are important to the future generations of the country instead of scandalmongering all the time on the floor of the House of Commons.

**Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC):** Mr. Speaker, we would be more than glad to deal with a huge substantive policy agenda, but unfortunately we have a Prime Minister who only knows how to dither and he is a failure as a leader of the country.

[Translation]

Mr. Speaker, the Liberal party really defrauded the Canadian taxpayer in 1998.

Why did the Prime Minister hide this information from Canadians at the time of the 2004 election?

[English]

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I guess the opposition is saying that a \$41 billion agreement with the Canadian provinces was a failure. I guess the opposition is saying that a new deal for Canadian communities is a failure. I guess the opposition is saying that child care does not matter in Canada and it is not important that the Government of Canada focus on providing child care across Canada and working with Canadian provinces.

The opposition is out of touch because our Prime Minister has delivered on his promises, and the government is reflecting the values and interests of all Canadians.

#### Oral Questions

#### ETHICS

**Mr. Joe Preston (Elgin—Middlesex—London, CPC):** Mr. Speaker, the government continues to struggle with the definition of ethics. We have very sloppy rules allowing cronies to be appointed to high level and high paying jobs. First, we have minister's pals at Canada Post, then we have Transportation Safety Board buddies at the Christmas party of the Liberals.

The Prime Minister said, "Come hell or high water, I will change the way Ottawa works". Could the Prime Minister answer which of the two is in his way?

[Translation]

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I answered that question yesterday by saying that anyone appointed by the governor in council is subject to the code of conduct and to the highest standard of ethics. Our behaviour must always be totally above reproach, 150% above even.

It is very clear that the ethics commissioner has been apprised of this and needs to clarify the interpretation of the code under such circumstances.

\* \* \*

[English]

#### TRANSPORTATION SAFETY BOARD

**Mr. John Williams (Edmonton—St. Albert, CPC):** Mr. Speaker, the Minister of Intergovernmental Affairs confirmed in the House yesterday, and again just seconds ago, that Jim Walsh, the Prime Minister's patronage appointee, should not have been at the Liberal Christmas party or at any other political fundraiser event. Remember, Jim Walsh was told by his boss not to go to the party or any other fundraiser for that matter.

My question for the Prime Minister is quite simple. Will Jim Walsh be fired from his position for breaking the code of conduct?

[Translation]

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I repeat: the ethics commissioner himself has said that he intends to clarify the interpretation of the code under such circumstances, so that the rules will be clear for everyone. That is what we are waiting for.

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#### CHILD CARE

**Ms. Nicole Demers (Laval, BQ):** Mr. Speaker, the federal government is preparing to use this year's surplus to create a start-up fund for implementing child care systems.

Even if the other provinces are not ready to implement their systems, can the federal government assure us that, as soon as the fund is set up, Quebec will receive its share without conditions, since its network is already well established?

*Oral Questions**[English]*

**Hon. Ken Dryden (Minister of Social Development, Lib.):** Mr. Speaker, as the hon. member knows, we have had ongoing discussions with the government of Quebec, with representatives of the government of Quebec, including some very fruitful meetings in November. We have been assured in conversations with the government of Quebec that they will be in Vancouver next week for those meetings.

As I have said repeatedly in this House, the Quebec early learning and child care system is an inspiration for this child care system that we are looking to implement across the country.

• (1435)

*[Translation]*

**Ms. Nicole Demers (Laval, BQ):** Mr. Speaker, is the minister saying that since Quebec's child care system already works so well he is prepared to give money with no strings attached and that Quebec will receive 25% of the \$5 billion announced?

*[English]*

**Hon. Ken Dryden (Minister of Social Development, Lib.):** Mr. Speaker, as I mentioned, these conversations are ongoing. They are with the government of Quebec. They have been very fruitful. They have been very helpful. The government of Quebec representatives have assisted the processes consistently. We will be talking in terms of funding at this meeting and after that.

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*[Translation]***TAXATION**

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, the federal government has reached an agreement on equalization with Newfoundland and Nova Scotia. This very generous agreement undermines the very principles of equalization and creates a totally unfair situation for Quebec.

How does the Minister of Finance explain that, in the case of the Maritimes, he can exclude offshore oil revenues from the calculations pertaining to equalization, while including Quebec's hydro-electricity revenues?

*[English]*

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, over the years a number of provinces have raised questions about the calculations pertaining to equalization. Different provinces have different perspectives about what should be included, what should not be included and at what rate of inclusion and so forth.

Because of that, the Government of Canada has done two things. First of all, we have established a pool for equalization at an all time record high and it will escalate year by year at the rate of 3.5%. Second, we have established an independent expert panel to take issues like this very good one raised by the member of the Bloc Québécois into consideration to determine how to shape equalization for the future.

*[Translation]*

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, it may be an excellent question, but I would also have liked to get an excellent answer. I have a supplementary for the minister.

How can the Minister of Finance justify the fact that he erased the \$590 million equalization debt of his native province of Saskatchewan, that he agreed to give \$2.6 billion to Newfoundland and more than \$1 billion to Nova Scotia, while Quebec must still repay \$2.4 billion under the same program?

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, following the recent federal initiatives regarding health and equalization, this year Quebec will receive close to \$1 billion more from the Government of Canada. Next year, it will receive more than \$1.8 billion. As for previous years, we have shown great flexibility. For 2004 alone, we erased an amount of close to \$1 billion that was owed by Quebec to the Government of Canada, and we also postponed the repayment of another \$2.4 billion.

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*[English]***NATURAL RESOURCES**

**Mr. Brian Fitzpatrick (Prince Albert, CPC):** Mr. Speaker, through the Atlantic accord the federal government has effectively eliminated the equalization clawback on oil and gas revenues for the provinces of Nova Scotia and Newfoundland and Labrador. This move was long overdue.

Will the Minister of Finance inform the House of his timetable to eliminate equalization clawbacks on oil and gas for other provinces, including the province of Saskatchewan?

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Indeed, Mr. Speaker, last year we instituted a new floor under the equalization system that effectively eliminated the equalization clawback for Saskatchewan last year.

**Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC):** Mr. Speaker, regardless of how the Minister of Finance tries to spin this, the reality is that over 90% of oil and gas revenues in Saskatchewan are clawed back by the federal government, and that is not the same deal as was given to Newfoundland and Labrador and Nova Scotia.

Newfoundland and Labrador got a fair deal. Nova Scotia got a fair deal. Saskatchewan residents deserve the same deal. Will the minister commit today to providing Saskatchewan the same deal for equalization as provided to Nova Scotia and Newfoundland and Labrador, yes or no?

*Oral Questions*

•(1440)

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, I am very pleased to say that we made great progress last year in dealing with the concerns of Saskatchewan, with \$120 million to deal with previous errors in the equalization system, \$590 million with the new floor price system that I mentioned just a moment ago, plus an expert panel to shape the rules on equalization for the future, but the really good news for Saskatchewan is that this province has now graduated from the equalization system. It is in the category of the have provinces, not the have not provinces, within Confederation. It has a debt at 25%, not 65%. It has low unemployment and—

**The Speaker:** The hon. member for Calgary Centre.

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**INDUSTRY**

**Mr. Lee Richardson (Calgary Centre, CPC):** Mr. Speaker, yesterday the Minister of Industry guaranteed Canadians there will not be jobs lost in the automotive sector due to Kyoto.

Resource workers in Alberta would welcome a similar assurance. Will the minister extend his guarantee to workers in every sector affected by Kyoto?

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, this government has said right from the beginning, I have said from the beginning and my colleague the Minister of the Environment has said from the beginning that we can achieve Kyoto and we can do it while the Canadian economy is made more and more competitive and that means jobs.

**Mr. Lee Richardson (Calgary Centre, CPC):** Mr. Speaker, the minister's answers are just simply not credible. The Canadian Manufacturers & Exporters Association has forecast that meeting our Kyoto requirements will cost up to 450,000 permanent jobs. Who is going to pay the cost? Where are the jobs going to be lost?

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, the Canadian economy's competitiveness is critical to job creation and job protection in Canada. Our competitiveness is not going to come, as the hon. member across might believe, from becoming a low wage economy. It is going to come from the application of technology. Programs like Technology Partnerships Canada and other programs are going to ensure that technology drives the competitiveness of our economy.

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**SOCIAL DEVELOPMENT**

**Mme Marlene Catterall (Ottawa-Ouest—Nepean, Lib.):** Mr. Speaker, my question is for the Minister of Social Development. Early childhood is an essential time for children to develop confidence and a strong sense of identity.

[*Translation*]

Access to quality daycare services in French is critical for children of minority francophone families.

In the discussions that he will soon be having with the provinces on a national daycare program, will the minister ensure that any agreement takes into consideration the need to provide services in both official languages?

[*English*]

**Hon. Ken Dryden (Minister of Social Development, Lib.):** Mr. Speaker, I agree with the sentiments the hon. member has expressed.

[*Translation*]

We know that the language used by a child when he or she first goes to daycare is likely to be the language used in kindergarten, elementary school and high school.

[*English*]

That access to quality child care in French is very important for the future health of the francophone community in this country. I have raised this with my provincial and territorial counterparts and will continue to work with them to recognize the needs of these children in the new investments in early learning and child care.

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**PUBLIC WORKS AND GOVERNMENT SERVICES**

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, yesterday I asked this government to explain to us why it is flying the lapel flag of convenience over the House of Commons and I did not get a very clear answer.

This morning I spoke with Canadian firms that have lost contracts for making Canadian military regalia and jewellery to firms in China, and these Canadian firms tell us that they cannot compete under the procurement policies of this government.

Our Prime Minister is the man who pioneered the flag of convenience that resulted in Canadian sailors being fired from Canadian ships on the high seas. My question is simple. I would like to ask the Prime Minister, has he ever met a maple leaf that he did not think he could replace?

•(1445)

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, our trade agreements protect Canadian jobs because they protect Canadian companies against discrimination from foreign governments when they do business as individual Canadian companies anywhere in the world. And we lose our ability to defend the rights of Canadian companies as they compete for business in other countries when we discriminate against foreign companies as they compete in Canada.

When we defend trade, we create Canadian jobs, and free trade is one of the reasons why Canada has among the lowest unemployment rates we have had in a generation.

I knew that party across was not progressive anymore. Now I learn they are not even conservative.

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**SHIPBUILDING**

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, more talk about shipping our—

*Oral Questions*

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

**The Speaker:** Order, please. I would remind hon. members that today is Thursday, not Wednesday. We need a little more order in the House. It is almost impossible to hear the questions and answers. The hon. member for Nanaimo—Cowichan has the floor. We will want to be able to hear her question.

**Ms. Jean Crowder:** Mr. Speaker, here is more talk about shipping our jobs overseas. The Liberals love their flags of convenience on lapels or on ships. This offshore outsourcing does not stop with pins. This Liberal government is destroying the shipbuilding industry in this country, bolt by bolt, rivet by rivet.

This minister allowed ferry contracts to be shipped out of his own province overseas. Will the industry minister commit to collecting the millions owed in duties on these foreign built ships?

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, we are carrying out discussions with the shipbuilding industry. We are very interested in developing a long term strategy for the shipbuilding industry. On the matter of the duty, that is a matter for the Minister of Finance.

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**THE SENATE**

**Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC):** Mr. Speaker, the unilateral appointment of senators by the Prime Minister offends every conceivable principle of democracy.

The Senate now has 16 vacancies, from almost every province. Five more senators are due to retire in 2005. Conservatives believe those vacancies should be filled by senators democratically elected by the people of the provinces they represent. A recent survey of my riding showed that 88% of my constituents agree. Why will the Prime Minister not quit dithering on this issue, show leadership and name democratically elected senators to the Senate?

**Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Minister responsible for Official Languages, Minister responsible for Democratic Reform and Associate Minister of National Defence, Lib.):** Mr. Speaker, the Prime Minister has stated quite clearly that the government is open to Senate reform, but we will not do it on a piecemeal basis. The provinces have engaged in discussion on that and we will see if a consensus can emerge. In the meantime, we will carry on as usual.

**Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC):** Mr. Speaker, Canadians are having a hard time believing that the Prime Minister is, as he likes to say, very, very, very committed to fixing the democratic deficit. What has he done to bring democracy to the Senate? What premiers have you talked to about your Senate reform proposal and when—

**The Speaker:** I have had no discussions with any premiers. The hon. member, I am sure, was addressing her remarks to the Chair and using “you” or “your” makes it difficult because I think she knows she is not asking me the questions.

If the Prime Minister chooses to answer what has been asked or someone wishes to, that is fine. I think the question was in order, but it was not put properly.

**Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Minister responsible for Official**

**Languages, Minister responsible for Democratic Reform and Associate Minister of National Defence, Lib.):** Mr. Speaker, the member opposite may not be aware of this but the provinces have created the Council of the Federation. Two premiers have been asked to look into the matter. They are debating it. They have not reported yet.

In all fairness to the provincial authorities, we should wait until they have finished their exercise and have at least indicated whether or not there is a consensus among the provinces.

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**DRUGS AND PHARMACEUTICALS**

**Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC):** Mr. Speaker, the Minister of Health says that he is considering a shutdown of the Canadian online pharmacy industry.

The industry employs thousands of Canadians and contributes over \$1 billion to the economy. The premier of Manitoba has made constructive suggestions to keep the pharmacies in business, address ethical concerns and protect Canadians.

Will the minister assure the viability of the industry while protecting the supply and price of Canadian drugs?

● (1450)

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, as Minister of Health I have to be concerned that we have good medicine and ethical medicine in this country.

We also have to be concerned that we have adequate supplies at affordable prices. Those affordable prices are as a result of a pricing regime that we have in this country. It is in the national interest to ensure ethical medicine and a good pricing regime for affordable and safe drugs for Canadians.

**Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC):** Mr. Speaker, the minister has already stated that in no way is the safety, supply or price of Canadian drugs threatened by this industry.

Today the Standing Committee on Health requested that the minister not act until the committee has studied the issue in a thoughtful, thorough and timely manner.

Can the minister assure Canadians that before he acts he will respect the parliamentary process by allowing the committee to complete its very important work?

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, I appreciate the sentiment expressed by the hon. member. I shall say that I will respect the deliberations of the committee, but I will also act if it is in the national interest to act immediately.

*Oral Questions*

[Translation]

**TEXTILE AND CLOTHING INDUSTRY**

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, the Gildan company has announced that it will close two spinning mills and move to North Carolina, causing the loss of 285 jobs, including 115 in Montreal. This is happening because NAFTA does not ensure free access to the American market for all clothing made from Canadian fibres or textiles.

When the Prime Minister meets with President Bush and President Fox concerning adjustments to NAFTA, will he raise the question of this lack of access for clothing made from Canadian textiles?

**Hon. Jim Peterson (Minister of International Trade, Lib.):** Mr. Speaker, as the House is aware, we have taken action in the clothing and textile sector. The government has been very generous with the industries that have to adapt to global realities. I want to congratulate the Minister of Finance on all he has done for this industry.

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, whenever an industrial sector is concentrated in Quebec, the government drags its feet. The clothing and textile sectors are extremely important for Quebec and Canada. The government waited for the Huntingdon tragedy before it slipped in a few measures that did not satisfy anyone.

For months we have been suggesting ways the government could act, such as maintaining the quotas with respect to China, setting up an assistance program for older workers, or improving the industry assistance programs. What is the government waiting for to do something?

**Hon. Jacques Saada (Minister of the Economic Development Agency of Canada for the Regions of Quebec and Minister responsible for the Francophonie, Lib.):** Mr. Speaker, long before the Bloc Québécois became aware of this reality, we had already introduced some very practical measures. In particular, we launched a program to support diversification in the textile industry. We have invested money in this program, which was extended last February and again recently, with additional funds to improve productivity in the textile and related industries, support for the workers, and regional economic diversification initiatives for the companies affected. It is easy to overlook all this for political reasons.

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[English]

**TERRORISM**

**Mr. Stockwell Day (Okanagan—Coquihalla, CPC):** Mr. Speaker, the Tamil Tigers are world leaders in terrorism. They perfected the art of suicide bombing. They have done more suicide attacks than al-Qaeda. They have assassinated world leaders, including India's former prime minister Gandhi. They recruit children into death squads.

Other countries have banned this organization and all of its support groups within their borders. Why will our Prime Minister not ban the Tamil Tiger organization and its support groups within our borders?

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, we take very seriously our obligation to protect Canadians and to

protect our allies from terrorists whether they may attempt to raise money here in this country for their activities around the world, or elsewhere.

We have a very rigorous listing process. We constantly review that process. We are constantly making determinations based on the best information we have and the risk assessments we have as to who should be listed and who should not be listed.

**Mr. Stockwell Day (Okanagan—Coquihalla, CPC):** Mr. Speaker, the leader of the political arm of the Tamil Tigers worldwide has looked at our process. When the Prime Minister was overseas he said that Canada was the Tamil Tigers' great ally. This is unacceptable.

Other allies, true allies, the United States and Great Britain, have shut down this organization and its support groups. A previous high commissioner to Sri Lanka has denounced the Prime Minister for not shutting them down. The good people of the Tamil community in Canada want this terrorist organization and all its support groups shut down.

Why will the Prime Minister not shut down this international gang of murderers?

• (1455)

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, as I have said, we take our responsibilities very seriously in relation to listing terrorist entities. We will continue to review entities. We make regular risk assessments in relation to a host of organizations. We take our obligation seriously. Listing is obviously a serious act; it carries serious consequences. We will continue to review these situations, and we will list as we deem appropriate.

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**INTERNATIONAL AID**

**Mr. Navdeep Bains (Mississauga—Brampton South, Lib.):** Mr. Speaker, Canada has a long history of helping the world's poorest countries. As finance minister the Prime Minister positioned Canada as an international leader on debt relief.

Yesterday the current finance minister opened a new chapter. Could the finance minister tell the House what led the rock star Bono yesterday to say, "This is the sort of Canada the world wants more of"?

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, I am pleased to say that it was not just Bono, but it was also Chancellor Gordon Brown of the United Kingdom, Oxfam Canada, and many others. They were reacting to Canada's proposal to eliminate 100% of the debt charges on amounts owed by poor countries to the major international financial institutions.

Canada's Prime Minister has indeed been long regarded as a world leader on debt relief for the poor, shifting money from debt to health and education. This most recent Canadian initiative maintains that leadership as we all go into the G-7 meetings this weekend.

*Oral Questions***ROYAL CANADIAN MOUNTED POLICE**

**Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, CPC):** Mr. Speaker, the media in Nova Scotia are full of rumours that the Northeast Nova drug section in Nova Scotia will be shut down at a time when drug related crimes are at an all-time increase. Also the RCMP has confirmed that it has 8 or 10 positions it cannot fill because it simply does not have the money.

Will the Solicitor General provide the money to fill those vacancies to provide an appropriate level of law enforcement in Nova Scotia? Will she confirm that the drug section will not be closed?

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, as I have said in the House on numerous occasions in relation to questions from others, I do not involve myself in the operational matters of the RCMP.

However, let me reassure the hon. member that we have provided additional resources not only to the RCMP, but to other of our programming as it relates to a national drug strategy. The RCMP resources have been augmented nationally in its fight against illegal drugs.

The hon. member has talked to me about this matter, the specific issue involving his community of Truro. I suggest that he take up the issue with either the local RCMP or the commissioner of the RCMP because it is an operational matter.

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**FINANCE**

**Mr. Charlie Penson (Peace River, CPC):** Mr. Speaker, could the Minister of Finance inform the House when his government intends to bring down the 2005 budget?

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, I am very pleased to announce that I will present the 2005 budget for the Government of Canada in the House of Commons on Wednesday, February 23 at 4:00 p.m.

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[*Translation*]**FRANCOPHONE AND ACADIAN COMMUNITIES**

**Mr. Guy André (Berthier—Maskinongé, BQ):** Mr. Speaker, the Fédération des communautés francophones et acadienne is currently negotiating Canada-communities agreements. The FCFA estimates that \$42 million per year is needed so that the francophone and Acadian communities can meet their needs. However, their funding level is only \$24.4 million, an amount that has remained almost unchanged since 1992.

Did the Minister of Canadian Heritage intercede with her colleague at Finance to ensure that the government will follow up on the FCFA's request to increase this amount to \$42 million annually—

• (1500)

**The Speaker:** I apologize for interrupting the hon. member, but the hon. Minister of Canadian Heritage has the floor.

**Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.):** Mr. Speaker, I thank the member for his question. We are currently negotiating with communities. As members are aware, the agreements will be signed around March 31. The government is very sensitive indeed to the demands of the francophone communities outside Quebec.

We continue to work with these communities and maintain our good relationship with them.

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[*English*]**FOREIGN AFFAIRS**

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, in 1970 there was a joint communiqué wherein Canada only took note of the People's Republic of China's sovereignty claim to Taiwan. As late as April 23, 2004 our foreign affairs minister urged both sides across the Taiwan Strait to reduce tensions.

Could the Minister of Foreign Affairs provide his assurance, following the Prime Minister's trip to the PRC, that Canada's position regarding this issue remains as it was?

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** Mr. Speaker, there has been no change in Canada's one China policy, whose principles have remained consistent for more than 30 years and continue to be relevant and serve Canadian interests well.

Canada has always maintained that the issue of Taiwan's status should be resolved through peaceful means by China and Taiwan themselves, and that the outcome be acceptable to people on both sides of the Taiwan Strait.

[*Translation*]

So, we remain opposed to unilateral action of any kind by either party which could cause tensions to escalate, which would in turn have a negative impact on the region's stability and prosperity.

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**EMPLOYMENT INSURANCE**

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, during the last election campaign, the Prime Minister promised to make some corrections to employment insurance, in particular by abolishing the 910-hour requirement, which disadvantages women and young workers in particular.

On behalf of the thousands of women and young people who heard him make that promise during the leaders' debate, this is my question for the Prime Minister: when does he plan to meet that commitment?

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I am pleased to tell the member for Chambly—Borduas that we are currently involved in a very detailed analysis, beginning with the proposals made by the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities, and then moving on to the recommendations from the Liberal caucus task force. We hope to be able to come up with some new directions in this matter.

[English]

**The Speaker:** Order. It being Thursday, I believe the opposition House leader has a question that he would want to ask.

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### BUSINESS OF THE HOUSE

**Mr. Jay Hill (Prince George—Peace River, CPC):** Mr. Speaker, would the government House leader care to inform the House of Commons what the government's legislative agenda will be for the remainder of this week and into next week?

Furthermore, if he knows it, when does the government intend to have the debate on the same sex marriage legislation?

[Translation]

**Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, we will continue this afternoon under the business of supply.

[English]

The order of business for tomorrow and Monday will be second reading of Bill C-33, the income tax amendments; report stage of Bill C-10, the Criminal Code (mental disorder) bill; reference to committee before second reading of Bill C-37, the do-not-call bill; second reading of Bill C-31 respecting the international trade department; and second reading of Bill C-32 respecting the foreign affairs department.

[Translation]

Tuesday shall be an allotted day. Subject to further discussions, on Wednesday we would like to commence consideration of a bill respecting the first ministers' agreement on health care funding, after which we will resume the business already listed.

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## GOVERNMENT ORDERS

• (1505)

[Translation]

### SUPPLY

#### OPPOSITION MOTION—AGRICULTURE

The House resumed consideration of the motion.

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, it is my great pleasure to rise again on this most important issue, which we were discussing just before the break for Oral Question Period. At that time I had presented the House with certain very pertinent points.

Mr. Speaker, being extremely knowledgeable, neutral and impartial in all these matters, you will surely remember certain statements by the person who is today the Leader of the Opposition. When he was heading the National Citizens Coalition, this same leader of the Conservative Party used to criticize supply management in Canada.

Before oral question period, we were all speculating about the exact day that the Leader of the Opposition underwent his conversion to the side of supply management. Was it the day he

### Supply

became the leader of his party? Perhaps as he acquired a certain wisdom which, quite clearly, he did not have in the beginning? Was it purely for electoral purposes that he changed his point of view? Or did he simply “get it” all of a sudden?

I am free to speculate. I don't know the reason, but I would bet that it was not the last one. In fact, I do not think he understood very much at the time we are talking about. Still, the hon. Conservative members will no doubt be able to speak to us shortly about their leader, about when it was that the leader of the Conservative Party decided to support supply management.

In the meantime, in March 2004 the Liberal government of Canada, through the previous Minister of Agriculture and Agri-Food, announced financial assistance of close to a billion dollars for agricultural producers affected by the mad cow crisis.

Here are a few figures to illustrate what our government has done specifically on this issue. I address myself to certain colleagues in the Bloc, who were claiming earlier that the government had not done enough. That is not surprising, for the Bloc is very often wrong—most of the time, in fact.

To recall them to order, I point out that the government had announced at that time \$53 million under the BSE recovery program and \$17.7 million under the cull animal program. One hon. member said that there was no program for cull animals. For once she was wrong. There was \$92.7 million through the transitional industry support program.

So certain announcements were made in Quebec only. In total, \$163.8 million—I would not call that nothing—had been allocated and is still being allocated by the government to support Quebec farmers facing the mad cow crisis, when the president of the UPA, I am told, had said that the losses were in the neighbourhood of \$141 million.

True, there continue to be difficulties and hard times. We have them in my own constituency. Still, let us not pretend that the hon. members of the Bloc who spoke today had it right. Once again, in fact, they did not say everything there is to say on this issue. They underestimated, as they often do, the Government of Canada's support for the agricultural sector.

There is another thing I would like to remind my colleagues, the hon. members opposite, especially the Bloc members. Thanks to the Canadian dairy production program, Quebec produces close to 50% of the fluid milk, of table milk, in Canada, even though its population is half that size.

It is thanks to this closed market that we have in Canada, namely supply management, that this system exists. With their sovereignist notions, if they left the Canadian federation, they know full well that this system would surely no longer exist for them, since they would no longer be here. But that will never happen in any case.

*Supply*

●(1510)

It is a closed system. You cannot open it again, because afterward it will no longer apply. It is a system that we have had for years. We have kept it through all the international negotiations in which we have participated. The hon. members of the BQ must know this, but they do not say so. It would be worse still if those who represent the rural ridings did not even know it.

So you see that the Minister of Agriculture and his predecessors have been truly tireless in working to support Canadian agriculture. Today, we have before us a motion, which reads as follows:

[*English*]

That, in light of the numerous recent disasters affecting agricultural communities across Canada and the government's failure to deliver timely financial relief to struggling farmers, whether by the Canadian Agricultural Income Stabilization (CAIS) program or other programs, the House call on the government to immediately drop—

That is unilaterally, of course:

—the CAIS deposit requirement and honour the commitments it has already made to Canadian producers.

The commitments that were made were made by the Canadian government in cooperation with the provinces. They established a program together. I am not saying that the program cannot use improvement. I do not know of very many programs that do not merit improvement, for that matter.

If the hon. members across the way had been serious and brought in a motion to the House saying, “That this House call upon the Minister of Agriculture and Agri-Food, together with his provincial counterparts, to improve the CAIS program to shorten the delays and further call upon the minister to work with his colleague, the Minister of Finance, to improve the program by increasing funds”, or something like that, then we could say that was a serious attempt to make things better.

The same parties across the way that are asking us to work with the provinces are now asking us to scrap our agreement with the provinces and take unilateral action in a federal-provincial program. That is nonsense and they know it. It is either that or there is another possibility.

The Leader of the Opposition may have actually written this himself, which would explain why it is so poorly drafted. The Leader of the Opposition's positions on agriculture have been known for some time. We know that when he was leading the National Citizens' Coalition he detested supply management. He said it openly. He has published it. He has printed it. He has circulated it throughout the country, including members' offices on Parliament Hill, so he cannot deny having made those statements.

Maybe those are efforts in fact by the Leader of the Opposition wanting to scrap some of the programs that we have, but our aim is not to scrap. Our aim is not to give less to farmers. Our aim is to make things better for them, to improve on the programs we have for the Canadian agricultural sector.

Yesterday a number of colleagues were at a technical briefing, some of whom I see in the House right now, where we were obtaining further information on the issues involving BSE or mad cow. We were also briefed on how the programs are being

administered in Canada, how we are ensuring that the materials that were put into feed some years ago are not now, although that process has now totally changed, and how we are ensuring that the new processes are properly followed, including the monitoring of imported animal feed to ensure that no ruminant material gets into the system. Those are the things that we are all working on together.

Members of Parliament on all sides of the House were working together in that meeting yesterday and I thought were doing a fine job of it. There were members on all sides asking very pertinent, important questions.

That is an example of doing the right thing, not asking the House to order or suggest to the government that it unilaterally get out of an agreement with the provinces. Even if it did that, the government itself contributed 60% of the amount that is there, because the provinces also contribute in that program. Is the Conservative Party telling us that substituting the present program with 60% of something is good? Is that what it is telling us? I hope not. It does not want to reduce the help to farmers. It cannot want that. It is illogical. I am sure it does not. If that is not what it wants, then why did it put motions on the floor of the House drafted in the way they are?

The Minister of Agriculture and Agri-Food and the parliamentary secretary have worked very hard over the last while. The minister's parliamentary secretary led a cross-country consultation on farm income. He has been everywhere, working tirelessly. I know the parliamentary secretary very well. I have known him for a number of years. Everyone on all sides of the House can attest to his interest in the agricultural sector. We know how well-meaning he is, and he has done a very good job in that regard. He is meeting with groups of farmers across the country. He has even offered, I am told, to meet with some in my own constituency. That is the kind of thing that is being done to help the agricultural sector.

I listened to some speeches some time ago.

●(1515)

[*Translation*]

For example, one Bloc Québécois member was wondering why we could not isolate some parts of the country in order to get past the mad cow-related barriers affecting exports to the United States. First, it is true that all the cases come from one province in western Canada, except of course those that have been found in the U.S. I think there has been one case in the U.S. and that animal came from Canada, they say.

That does not change the fact that there is no way, or so we were told at yesterday's information session, to detect the presence of this illness in a live animal. In addition, the incubation period may be five, six, even seven years. And so it is impossible to segregate one part of the country. It is not like other diseases, such as the one called bluetongue where, given a few weeks, you can isolate an infected animal. This does not work in the case of mad cow disease. In any event, the scientists who came to talk to us say it is impossible.



On the other hand, and this is the most important point, it is not Canada's borders that are closed. The Government of Canada did not close the border; the American government did. Even if there were this kind of segregation, the American reaction would still have to be considered. We know very well that they have no desire to lift these restrictions.

Meanwhile, some positive things are going on. We know that as of March 7 live animals under 30 months, destined for slaughter, will be able to cross the border into the United States.

I was in Mexico in the last two weeks and the parliamentarians with whom we spoke also wanted to do at least as much about this as the United States, or even more, if they could do so in cooperation with the U.S., which is never easy.

All of that to say that parliamentarians can lobby. The minister is working very hard and once again, I congratulate him. We need more help in the agriculture sector. But it is unseemly to tell us that we should stop suddenly and set aside a federal-provincial agreement, because the result would probably be to reduce the amount of money going to farmers. The minister says no and I agree with him.

• (1520)

[English]

**Mr. Richard Harris (Cariboo—Prince George, CPC):** Mr. Speaker, whoever wrote the speech for the hon. member clearly did not understand the intent of the motion today. It appears that the member who just spoke does not really understand what we are asking. He does not appear to understand the crisis that our agriculture producers are in today because the CAIS program simply does not work for them.

Government assistance programs should be available to agriculture producers during a crisis such as the BSE crisis. The cattle producers do not have the money for the deposit. That is the bottom line. So they cannot take advantage of the assistance available to them under the CAIS program. That is what we are trying to get across to the government.

We are asking it to view this as a disaster assistance program and not require producers to come up with 25% of the total amount because they simply do not have it. The CAIS deposit program has been universally rejected by agriculture producers all across this country because it unfairly hurts the producers and it strikes them at a time when they do not have 25% of the money. That is what the intent of this whole motion is today.

While the hon. member who just spoke talked about marketing boards and all the other stuff, it had nothing to do with the motion. The nub of the motion is requesting that the government understand the plight of the farmers. They do not have the money to pay the 25% deposit required and we are asking the government to view this crisis as a disaster, and view it as an urgent crisis that has to be dealt with in an urgent manner. The farmers do not have the money. The cattle people do not have the money so they cannot access the program. What good is a program that they cannot access? That is what we are trying to get across.

I would like the hon. member to talk specifically about that point.

### Supply

**Hon. Don Boudria:** Mr. Speaker, I appreciate the comments from my hon. colleague who I have known for a very long time. I know he defends his constituents very seriously. The hon. member across the way cannot disassociate himself however from the motion that is before the House. The motion that is before the House is before the House and I cannot bear any responsibility for writing the thing. It is here before us.

Second, I am not saying that we do not need to put more money into the programs that we have. Like everyone else, I made a speech in the House last week urging the Minister of Finance, when we had the prebudget consultation, to improve upon the funding that is there, and to, yes, obtain more help for our farmers. I do not think there is a rural member and probably a whole bunch of urban ones too, who would say anything otherwise. We want to continue to help our agricultural community and to make the sector more viable.

The member said in his remarks that he does not think the issues involving supply management are related to this. I am sorry, but in the case of the constituency that I represent a good portion of the BSE issue involves a cull cow program and all of that is under supply management. Thank heavens we have a supply management system and not the position espoused by the Leader of the Opposition, when he was leader of the National Citizens' Coalition, because the misery that is suffered by the beef farmers would be suffered by the dairy farmers to the exact same degree. Not that what they are living now is a picnic because of the loss of income through the cull cows. That is not worth much if anything, but the problem is that it would be even worse if we followed that kind of thinking.

The Leader of the Opposition talks about this whole farm production insurance program that he described in the Yorkton agricultural forum on January 13, 2005. He said:

The program would be funded one-third by the federal government, one-third by provincial governments, and one-third by the primary producers.

That is a far greater amount than what farmers are contributing now. The hon. member says they cannot afford to contribute what they are contributing now and would replace it by something to make them contribute more. That is not me that said these things. That is the Leader of the Opposition. That does not make it better. It makes it worse.

Our duty should be to support the Minister of Agriculture and Agri-Food and ask him to continue to convince the Minister of Finance to increase the help to the agricultural sector so that we can support the people that we are called upon to represent, many of them being farmers in the constituency of Glengarry—Prescott—Russell and elsewhere.

• (1525)

**Hon. Rob Nicholson (Niagara Falls, CPC):** Mr. Speaker, I am a little surprised that the member for Glengarry—Prescott—Russell spent most of his time praising the Minister of Agriculture and the parliamentary secretaries and telling us how hard they work. Would it not have been better if he had spent his time finding out what it is they are working at? He must have heard of the problems with this particular program from the farmers in his area.

### Supply

He would be aware as well that farmers in my area are into the tender fruit business and grape production. They, too, have a great concern about this. I do not think they are that dissimilar from farmers anywhere in this country. They have serious problems with this program.

The member for Glengarry—Prescott—Russell would know that the CAIS program succeeded the NISA program and that there were problems with that. It was not perfect and this program replaced it. The ironic part about this is that all the farmers I talked to said that they wished they had NISA back. NISA was better than the one that replaced it.

I think there is an identity of interest among farmers right across this country. They have identified problems with this program. Would the member not be better off not being an apologist for the members of his own government and making excuses by saying that they work hard? Good heavens, he should find out what they are working at and tell them to get working on some of these problems, because he must have heard about the problems from farmers. I hear from farmers in the Niagara areas that this program is not working and that it should be fixed.

We in the Conservative Party are prepared to do that. Where are the suggestions from the member for Glengarry—Prescott—Russell? Why does he not tell his friend, the Minister of Agriculture, and all those parliamentary secretaries to get working on something that will help farmers because this is not doing the trick and he knows it. Why does he not do that for a change?

**Hon. Don Boudria:** Mr. Speaker, I identified some of those things in that part of the speech immediately before the 2 o'clock break. I invite the member to read it in *Hansard* later today or tomorrow because I did mention those exact points.

I, too, do not accept when there is a delay in providing assistance to farmers, so accelerating the delivery of cheques is obviously something that I support. As a matter of fact I raised that myself, as I said, in the first part of my speech before question period. For the benefit of colleagues, my comments commenced prior to question period and then were interrupted because of question period and then I concluded afterwards.

However that is not what the motion asks us to do. The motion asks for something entirely different. The motion does not talk to us about accelerating the delivery of cheques. It talks about dropping the CAIS deposit requirement. It calls on us to breach an agreement we made with the provinces, the effect of which would likely be to scrap the entire thing. That would be the effect of what is being requested here by the motion proposed under the name of the hon. member for Haldimand—Norfolk and led this morning by the Leader of the Opposition in the House of Commons.

**Ms. Bev Oda (Durham, CPC):** Mr. Speaker, I will be sharing my time with the member for Brandon—Souris.

“Scugog Farmers are calling for help” was the headline in the *Port Perry Star*, a local newspaper in my riding of Durham, last week. The farmers in Canada are calling for help from the government.

Yesterday I spoke about a meeting in my riding where, despite a winter storm, hundreds of farmers, not only from Durham, but from York, Victoria, Simcoe and Essex counties, gathered to express their

frustrations and to consider how to be heard by governments in this country.

As Geri Kamenz, vice-president of the Ontario Federation of Agriculture, has said:

Ontario farmers are running out of alternatives to keep their farms in production. They have called on their organizations to lobby government, but government ignores them. They have conducted tractor rallies and highway blockades, but government ignores them. They have staged orderly demonstrations, but government ignores them.

Today, representatives of over 28 agricultural organizations and boards are meeting in Guelph to come together to create one voice for all the cultural industries in Ontario because they are not being heard and they need help.

Well, this side of the House has listened and is speaking and has spoken for this industry throughout this session of Parliament.

As our leader has said, we are the voice of rural Canada in Ottawa.

We demanded a debate on the BSE crisis in the first weeks of this session. We forced a full day debate on the expropriation of farmlands at Mirabel. Our leader has called for a cull cow program. Our agricultural critic has pressured the government over and over to meet the real needs of farmers in Canada. In fact, we have asked more questions on agriculture in this House than all other parties put together.

Today I am proud to stand and speak to the motion before this House.

As Joe Hickson, from Lindsay, has said:

It doesn't matter if you're in cattle, dairy, grain, corn...the whole industry is going backwards and if we don't put the brakes on it, we're going to be so far behind the ball that we won't be able to dig ourselves out.

The government's response has been consistently to point to the CAIS program as its answer to the current crisis.

The CAIS program does not work. It was never designed to be an emergency fund program and the government knows that. The CAIS program does not address trade injury and the government knows that. It was told that in the George Morris Centre report when the CAIS program was set up.

Therefore, when the U.S. border closed, the CAIS program, as it was, would not serve Canada's beef industry.

The CAIS program does not work for the grain and oilseeds sector in its current deteriorating circumstances. CAIS needs to be changed.

First, we must eliminate the deposit requirement and not penalize those who need the money to pay the bills and to pay suppliers. They must have access to the money now and without being penalized for three years after.

The program needs much greater transparency in calculations and formulae so that the producer-accountant payment projections are bankable numbers with much higher probability of realization when payments are actually made.

The appeal process needs to be clarified and clearly communicated.

The modified accrual accounting treatment of inventory valuation must be addressed. This Enron type of accounting distorts the support provided by CAIS.

I have only made reference to a few ways in which the CAIS program can be improved to really serve the farmers in Canada. The farmers in Ontario, I am convinced, will be coming to Ottawa with one voice to ask for these and other remedies to the CAIS program. They deserve to know how the government plans to respond to the EU's decision to reinstate export subsidies on wheat. This decision clearly violates the spirit of the WTO negotiations. As long as Canada fails in its responsibilities to play a leadership role in this matter, Canadian farmers will continue to suffer.

• (1530)

Today the government is failing our agricultural community. Agriculture and the auto industry are the two industries that drive the economy in my province of Ontario. The farm community in Ontario is calling for help. I believe they deserve to be heard. I challenge the government to answer their call for help.

Today I am pleased to stand here on their behalf and ask that they not be ignored once again. I am proud to stand with my party and support this motion for the immediate removal of the CAIS support program deposit requirement. This is now a cash flow issue for farmers and the other sectors affected by the current state of the industry.

I ask all members to support the motion and to support the agricultural community in Canada.

• (1535)

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I noticed the member had quite a long preamble at the beginning of her speech. She talked about a number of things. She talked about how the Conservative Party organized a special debate on BSE when this Parliament came into place. That was what the Conservatives did. What the government did was put \$488 million into a repositioning strategy for the beef industry which saw the recovery in the price of feeder and fed animals that we were looking to see.

She also mentioned that the Conservative Party has asked more questions than any other party. Well, while the Conservative Party has been asking questions, the government has been making an investment of \$4.8 billion in aid to producers, the highest level in Canadian history.

She said that it was the Conservative Party that put forward the motion today on the CAIS program. The reality is that we have been working on the CAIS program and have certainly worked on the deposit. We have worked in terms of changing the amount of that deposit. We will continue to work on the CAIS deposit.

We have increased the cap, the maximum amount that someone can make. We included negative margins. We had the special advance in CAIS.

The hon. member talked about the need for cash flow. The special advance that was provided to beef producers under the CAIS, which

### Supply

members of her party said was totally unworkable, has actually provided \$115 million to beef producers, in addition to the \$1.7 billion of other aid that was there.

Perhaps the member could describe to me why that \$115 million advance to beef producers was an inappropriate use of the CAIS, because she has said that CAIS achieves no objectives?

**Ms. Bev Oda:** Mr. Speaker, this party has asked more questions about agriculture in this House because repeatedly we get the same one answer over and over again.

We have heard other members refer to the movie *Groundhog Day* where people keep reliving the same day over and over. Again, the same answer comes from the government about what it is doing for agriculture.

Consequently, my party has had to repeatedly ask more and more questions and make more and more references to circumstances in individual ridings that are deteriorating each day as we go along.

The farmers in this country are now going into a season where they will have to make some very critical decisions. If we do not get some answers we will continue asking more questions of the government to make sure that farmers get the relief and the remedy that they need right now.

**Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC):** Mr. Speaker, I applaud the member for Durham for painting a very accurate picture.

On behalf of my farmers from Dauphin—Swan River—Marquette I want to echo the same message. The irony is that I have been here since 1997 and not a year has gone by when we have not talked about the farm crisis.

One would think that a government that has been here since 1993 would have learned something. Still today the government is getting the two basics mixed up, disaster relief and income stabilization. It should sort that out.

We know that farmers applaud the NISA program. Did the government not learn anything from AIDA 1 or AIDA 2? We used to hear the government say that \$1.5 billion will look after the farmers. However, after a year and a half there are still \$800 million not allocated. Obviously the government is not fit to look after the farmers.

• (1540)

**Ms. Bev Oda:** Mr. Speaker, I want to reiterate this. The reason we have to keep coming back year after year, week after week, day after day and ask the government to respond is because the Liberals have reached the maximum on their capabilities of responding.

The Liberals came to the House and said that they recognized a crisis in agriculture. They put forward some proposals. Subsequent to that, they have to come before the House and fixed this and fixed that. There has been a whole bunch of tinkering and we still have not helped the farmers.

### *Supply*

**Mr. Merv Tweed (Brandon—Souris, CPC):** Mr. Speaker, I want to start my comments by saying to the House and to Canadians in Brandon—Souris, who I represent, that surprisingly at an event I attended prior the new year, we were advised how much our communities and our constituencies were involved in agriculture and how much the income of the people living in our communities was involved. Although recognizing that agriculture plays a large role in my community, I was certainly surprised at the number, the percentage and the dollars involved.

I want to deal specifically with the motion before the House today that calls on the government to immediately drop the CAIS deposit requirement and honour the commitments it has already made to Canadian producers.

We hear time and time again from the government about all the announcements it has made to support our Canadian farm industry. While the numbers may be large and for some overwhelming, it continues to be a problem with the producers as to when the money will arrive, if it will arrive and who will benefit from it.

I want to outline this for the government, which continually talks about the amount of money that it puts into a program. It seems to believe that the money it allocates for the program will solve the problem. If the money is not being circulated and is not being moved down through a system in a functional way, it benefits no one. It benefits the government to crow about the amount, but in essence it is not benefiting the producer.

When do we know a program is not working? I would suggest it is when the deadlines are extended one, two, three, four, five, six, seven and eight times. The Liberals may stand up and say that they are listening to the people and that they are adjusting everything. However, when they continually extend the deadlines, it outlines a serious flaw in the program to begin with. It tells me that the producers are not accessing the funds that were made available or announced to be made available. That is the issue that we should focus on today.

Members from the other side have talked about the issues. We have heard them say that we should be support the Minister of Agriculture. I take a different tack on that. We should be supporting our producers. I implore the government to read what is being presented and being put forward today so they can understand. We are not saying that some of the programs have not reached the producers. We are not saying that some of the programs have not worked. We are saying to the government of the day that producers are in dire need to have a change in a program that will impact not only the current month but the months to come and into the future.

This program, if we were to drop the requirement for a deposit, which is what we are asking the government to do, would help so many producers and communities. It is not just the producers that benefit from the programs and the money that is available. It is the entire rural community that is suffering. I suspect and I would suggest that the long term downfall of these types of programs that do not work, do not apply and are inaccessible will eventually hurt our major centres too, where the manufacturers produce the products that these producers buy.

It seems like the government, and I hear this time and time again from my producers, believes that by announcing numbers and putting numbers out on the record, the public will be soothed and think that everything is being looked after and that it is dealing with everything.

The minister and his colleagues continue in their comments to talk about the dollar value, but they do not talk about the accessibility. They do not talk about whether the program is actually working. It is easy and it is confusing. It seems to be a game that the Liberals choose to play. They put a number out there and they talk about the number. They do not talk about whether it is being accessed or utilized or benefiting the people that it was designed to benefit.

● (1545)

In Manitoba as in many provinces, I believe the provincial governments were brought into this kicking and screaming. They believed that this was a trade injury and should be dealt with in the national area as a disaster issue. The government chose a different tact. From my experience and from what I have seen, I think it strong armed, cajoled and forced all provinces, which did participate, into doing so only to access the absolute desperate need of the producers they represent.

The questions that have arisen today do not deal specifically with the motion. The motion is very simple. If members are truthful and honest in their comments, when they travel throughout their constituencies, particularly in the rural communities, they will hear from their producers that they have no money or access to the funds that will kick the CAIS program off for them. They will know that there is a desperate need to change the program. Again, I cannot understand how a government wants to continually put up roadblocks that stop our producers from accessing the much needed money for which they are ask.

The Liberals have to immediately drop the CAIS deposit requirement. That is not a huge request. I think it is something that can be done. They talk about the money that they have put out. Obviously, it is available. Now we have to make it accessible, and that is what they are refusing to do.

We have heard from the start that CAIS has been a difficult program to understand, and not only for our producers. I am told that most of them had to hire accountants just to understand and apply for the program. Many are getting bills from their accountants of \$700, \$800, \$1,000 or \$1,500, then finding out that they do not qualify. How can a government with a conscience suggest that this is benefiting the people that it represents?

I support the motion. I urge the government to talk to the Minister of Agriculture and encourage him to support the motion, get the money in the hands of the producers who desperately need it and help save an industry that has struggled in the last few years.

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I appreciate the hon. member's intervention and I understand his concern on this issue. I have some difficulties though with what he said.

The member was upset when I put on the record the reality, the truth, the amount of money that has been invested and made available to producers. He has said that it is not accessible. Tens of thousands of producers have been able to access CAIS to date. Many more applications are being processed.

I will not stand here and suggest to the hon. member that everything in the industry is perfect or everything about the program is perfect. Long before the motion was put in front of the House, myself along with members of the industry and our provincial colleagues had been working on that specific program. I have talked about some of the things that have been done to date in terms of covering negative margins, increasing the cap and changing the way the deposit are done. Unlike the hon. member, being flexible in terms of deadlines in being responsive to producers is a positive thing, not a negative thing. However, he is entitled to take whatever perspective he wants to on that issue.

I know he does not appear to want to deal with the reality of the situation because CAIS is a federal-provincial program. It requires both levels of government to make any changes. That is why we have been working very closely with them because it is important to do that.

I wanted to ask a specific question of the member and it goes back to the use of the CAIS to provide advances to beef producers. Many in the party opposite said that it would not work. The reality is, \$115 million is in the hands of beef producers through the CAIS program, through a special advance, separate and apart from anything else that has to be done with CAIS. That is in addition to the \$1.7 billion that has been invested in the industry.

Would the hon. member explain on that specific point of the CAIS program where he has the difficulties?

• (1550)

**Mr. Merv Tweed:** Mr. Speaker, if we talk to provincial governments, they will all tell us that the program, and what they hear from their producers, is has not worked. If the Liberals are not hearing it from their producers, they probably should get out of the office more.

Again the minister is doing the predictable thing. We stand in the House day after day and question the minister. I can quote him the numbers that he uses constantly. What that does is it sets the public up to believe that all the money and available resources are being sent out there for access to farmers, to producers. We are telling him that they are not.

He talks about extending deadlines and flexibility in the advance program. I am asking him to be flexible one more time. The producers in our province and in the country are saying that the bar the government has set for the deposit is impossible for many producers who are in a dire predicament. Through the motion, we are asking to have that eliminated.

I ask the minister to be flexible on this point.

**Mr. Stockwell Day (Okanagan—Coquihalla, CPC):** Mr. Speaker, there is no question the agriculture community in all our ridings is in a time of severe stress and a time of crisis. The agriculture income stability program may have been well-intended. I am even willing to give that.

### *Supply*

However, when we see consequences that were not intended, then the government should be willing to make a move to address those. It is quite obvious that the CAIS deposit requirement has been pretty well universally rejected by producers. It ties up their money in deposits that could have been used for farm expenses. We know that these kinds of upfront costs make it more difficult for our producers to compete, especially internationally.

Getting rid of the CAIS deposit requirement would save taxpayers and producers millions of dollars a year. This relief would be well appreciated right now.

The member for Brandon—Souris gave an excellent presentation on this. I have been listening for a long time to get an answer from the Minister of Agriculture and I do not hear it. Therefore, I will ask the member the question.

In the work that the member for Brandon—Souris has done, what has he heard from the minister or any of his staff that is preventing the government from taking this move, which is wanted by producers? What has he heard that is significant? I would assume the minister has good reason for not helping farmers.

**Mr. Merv Tweed:** Mr. Speaker, I believe that the member for Glengarry—Prescott—Russell mentioned it in his comments, and this is not new. The last three ministers of agriculture have put together a cadre of colleagues to go around the country to find out what the problem is. That member was in my riding in the last few weeks. His major announcement, after meeting with municipal leaders across Manitoba, was that it was obvious we had a problem in agriculture. I resent that comment and the very fact that the government does not even acknowledge that problems exist.

We are asking the minister and the government today to move on a motion that would save our producers. I ask him to respect that motion and vote for it.

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, I will be sharing my time with the member for Sault Ste. Marie.

I rise today to support the motion, but with some caution. It states:

That, in light of the numerous recent disasters affecting agricultural communities across Canada and the government's failure to deliver timely financial relief to struggling farmers, whether by the Canadian Agricultural Income Stabilization (CAIS) program or other programs, the House call on the government to immediately drop the CAIS deposit requirement and honour the commitments it has already made to Canadian producers.

Many of my colleagues have already spoken today of the challenges faced by our farmers and our farming communities and how a well-intentioned program can cause great harm instead of helping those it was intended to aid.

Many of our farmers are in an absolute crisis. I come from a rural community on Vancouver Island that has been adversely affected by any number of current government policies, including its indifference around BSE.

I would like to speak a bit more about the people affected by the BSE crisis and, in particular, talk about how the government's spotty record of supporting our farming industry is really hurting our farmers.

### Supply

Our rural and agricultural communities are the backbone of Canada. There are many small farms in my riding of Nanaimo—Cowichan run by farm families trying to find niche markets to build a successful business. I want to talk about two of those families.

I first met Auke Elzinga when he stopped me at our local farmers' market to talk about BSE and how it affected him as a dairy farmer. Mr. Elzinga has been a lifelong farmer in our community, but I must point out that Mr. Elzinga has actually had to retire from dairy farming in the year since the BSE crisis started. He was faced with the problem of having dairy cows that had reached the end of their productive years as milkers. Those cattle would normally have been sent to slaughter as cull cows and Mr. Elzinga would have got back some of the money he invested. That stopped being the case once the border closed since our slaughter capacity was too low to handle the overflow of beef cattle, never mind cull cattle from dairy herds.

Mr. Elzinga found he was only getting 2¢ to 4¢ per pound compared to the \$1 per pound American farmers just over the border were getting for similar cattle. This is a shameful experience when farmers have invested their entire lives in farming.

One problem with CAIS is that it has never dealt with the systematic problems for our farmers. It could not help a farmer who had built up a herd regain the money he invested over the years and it certainly could not keep that farmer in the business.

The government needs to step back and look at the agriculture sector as a whole and stop responding only to crises. What it has failed to realize with some of these policies is the importance of food security in our country. We must protect our farmers so that they can continue to be in business.

I would like to share another example with the House, also involving my riding, and one which I do not think has been discussed in the House previously. I want to thank Pacific Sun Alpacas in Duncan for making me aware of this issue.

Alpacas are part of our farming community. For those who do not know, alpacas are a fibre producing animal from the Andes Mountains in South America. They grow a lovely soft fleece wool that is very popular. Many of my colleagues may recognize alpacas from the regular commercials on *NewsWorld* after Don Newman's political show.

Growing alpacas is a small and relatively new industry in Canada and the many farmers involved are actively trying to build the Canadian herd to provide a wide genetic variety in sufficient numbers to support the herds here, but that takes time and the closing of the border with the BSE crisis has stopped any trade in alpacas because the U.S. government included them in the ban on ruminants.

This group of farmers has not been recognized in any of the support programs that have been forthcoming and many of them are on the edge of going out of business. This happened even though alpacas are not food animals. We do not eat them. They do not enter the food chain. They are not true ruminants but camelids. There has never been a case of BSE in alpacas.

Alpaca breeders in Canada have not been able to increase their herd size or quality because no live alpacas could cross the border. This new and growing industry has been held back. The government

continues to talk about the importance of diversifying our economy, and yet when farmers try to diversify, roadblocks are put up all over the place.

As I said, this new and growing industry has been held back, but since there has been no "loss", as defined by the government under the CAIS program, this industry has not been given any help to weather the BSE crisis. This is another failure of the CAIS program. My letter to the Minister of Agriculture on this issue still has not been answered. The alpaca industry feels abandoned by the government.

• (1555)

As globalization increases the costs while driving the profits in conventional agriculture, many farmers are turning to smaller niche industries to survive. They are going organic, finding new products like alpaca fibre or developing local markets in which to sell their goods, but our federal farm policy works in favour of agribusiness, not agriculture.

The CAIS program is simply another example of this attitude and policy direction. Demanding that farmers pay a deposit to the government in the hope of perhaps receiving some future benefit may help large farming businesses, but small family farms do not have \$10,000 sitting around to throw toward a CAIS deposit. That money is rolled right back into the farming operation and is desperately needed in many of our small farm operations.

CAIS certainly does not support small business farmers like the ones in my riding of Nanaimo—Cowichan who are diversifying and trying to find a mix of farming practices that will help them weather a crisis in any one area of their operation.

My support for the motion today is given with some caution because I do not think simply removing the demand for a deposit will help our farmers stay healthy in our current economy. We need a long term agricultural policy, one that is proactive instead of reactive so that we can start supporting our farmers instead of patting their hands and saying, "There, there, it will all be over soon".

• (1600)

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, I thank my hon. colleague from British Columbia for her statement and her support as we in the NDP give our support for the Conservative motion today.

I want to reflect upon the Liberal government's attitude toward small farmers and small business farmers in that regard, because as we know, the same attitude was displayed across the country regarding our fishing communities.

As members know, what has happened to our fisheries resource is that slowly but surely more and more of this Canadian public resource is being controlled by bigger and bigger entities, the corporate entities. As well, we notice that now on the prairies what used to be small family farms are now being taken over by the big corporate farms. Thus, the little guy or the small family operation, as the member so eloquently pointed out, is facing more and more difficulty.

It appears that the Liberal government pays more attention or gives more service to the large corporate entities and passively ignores and does not give much attention to the small entities, the family farmers, those the member talked about.

With her experience in British Columbia, could the member indicate to us why the Liberal government shows this very negative attitude toward small family farms, and for that matter, toward small family fishing communities as well?

**Ms. Jean Crowder:** Mr. Speaker, I think the question speaks to a bigger issue, which is the fact that we often overlook small business generally. We do not have a really effective small business strategy and that relates to our small farming communities. Vancouver Island is a really good example of a thriving small farm community, yet I am watching our farmers gradually having to sell their farms and go out of business because we do not recognize the value, the diversity and richness of their operations.

I encourage the government to take a look at small farms as the backbone of our agricultural economy, instead of the agribusiness.

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I appreciate the hon. member making an intervention in the House today. I want to ask about one of the things that she said. Moving a little away from the specifics of the motion today, she talked about the need for an agricultural policy, a more broadly based policy.

I think it is important to point out that the agricultural policy framework does exist, and yes, it deals with business risk management, which we have been spending a good amount of time today talking about, but of course the agricultural policy deals with a far broader range of issues than business risk management. It deals with the importance of producing in an environmentally sound way and it provides producers with an opportunity to have assistance in being what they are, which is great environmental stewards of the land.

The agricultural policy framework talks about renewal and providing the tools to producers and their families in respect of that. It talks about science and the importance of Canadian agriculture being at the leading edge. The reality is that agriculture is a major portion of the Canadian economy. It represents some 8% of our gross domestic product. It is responsible for hundreds of thousands of jobs. It is responsible for wealth that is created through our ability to trade.

As the hon. member talks about a broader agricultural policy, could she enunciate on those additional things that she would like to see done?

• (1605)

**Ms. Jean Crowder:** Mr. Speaker, I thank the minister for being present during this very important debate. I think that is a valuable commitment to the agricultural policy.

I agree that we do have a framework in place, but I hear from farmers in my community that it does not meet the needs, particularly of the small farmers. My community is primarily small farmers.

### *Supply*

I think the situation of the alpacas is a really good example of where the policy fails. It does not recognize some of the spinoffs and the diversification. The policies like CAIS and those on BSE have completely failed them. They are not even on the radar when we talk about recognizing the fact that they are in an economic crisis as a result of the BSE crisis.

It is great to have a broad agricultural policy, but I think it has to include many more of the small farmers' voices at the table in a very meaningful way. I think that then we would get a policy that works on the ground.

I am fortunate enough to come from a province that does have an agricultural land reserve, but we are watching that policy being eroded as well.

**Mr. Tony Martin (Sault Ste. Marie, NDP):** Mr. Speaker, I appreciate the chance once again to speak on this very important subject in the House this afternoon. The minister who is here once again will know that I have been on my feet three times since the House came back last fall on this subject, so obviously this issue is not going away.

I want to again credit the fact that he comes and listens to what members have to say. He is probably out there trying to find a resolution and an answer to this issue, but the fact that it is taking so long, that we are here yet again having a debate on this issue must indicate to him that there are still problems out there. I am sure he is hearing it himself. I know the last time I spoke in the House his colleague, the member for Glengarry—Prescott—Russell, spoke very eloquently about what he was hearing in his riding and there was some dialogue back and forth at that time.

The issue has not really gotten any better overall. There are specific instances where farmers in fact have been given a bit of relief and we have to give credit where it is due. I think that was due to the pressure that was brought by the debate that happens here, by the information, the pressure and the lobbying that goes on from individual members to the minister and his ministry, and to the fact that they are working probably as hard and as quickly as they can to push the envelope, to put pressure on those pieces of government that must work in this instance to ensure that those farmers get what they need.

There are indeed some farmers out there who have gotten some money but still there is this black cloud hanging over the industry. There is still a lot of angst in the farm community about their futures. There is a lot of work that needs to be done and the issue of CAIS is only one small indication of the fact that there is such a big demand on it at the moment. There seemingly continues to be a big demand and the fact that it does not seem to be holding up well under the strain indicates to us that there are bigger problems.

The minister will remember that the last time I spoke in the House I indicated that there were two agendas flowing out there: the agenda of the big corporate farm industry, the packers, the international trade bodies and the work that goes on out there and the interests of those people; and then there is the agenda of the small family farmer and producer in areas like Algoma, Nanaimo—Cowichan, whose member spoke a few minutes ago, and Timmins—James Bay.

### Supply

I do not think there is anyone in this place who does not represent some piece of rural Canada and who is not hearing from their farmers and listening to some of the challenges. As a matter of fact, in the early new year, I attended the annual meeting of beef farmers, the Algoma Cattlemen's Association, in my own area. There is tremendous angst out there that even though there is some money flowing now to get them through the short term, in the long term they are still not confident that there is a livelihood here. They are not confident that there is an industry here that they can continue to participate in and continue to contribute to the overall economy of this country to make it work because CAIS is not giving them the resources and the wherewithal that they need. That in itself, as I have said, indicates to us that there are in fact bigger problems.

However, before I get to that, perhaps the minister might want to comment very briefly on the CAIS review. A committee was being established by the ministry to go out and take a look at how it is working, what needs to be changed, and how it could be improved, et cetera.

● (1610)

I am not quite sure what the status of that is at the moment. I wrote him a letter a few months ago suggesting a couple of things. Small farmers should be represented by a small producer. I suggested the gentleman who came here with his family last fall. He continues to have a keen interest, is continuing to work very actively and aggressively within his own farm community and on the provincial scale with the Ontario Cattlemen's Association, and has a wealth of knowledge and a good grasp of the very real issues that on the ground affect farmers on a day to day basis.

I think he will be able to contribute in a very constructive and positive way to this discussion. If it is not him, then somebody else, but I would suggest that if the minister is putting together a group of people to actually carry out this review, going across the country and listening to people, it would be good to have somebody of that nature on the committee.

I am not sure if he has acted on that yet, but he might want to share that with me. I would certainly be interested to know. Through the communications that happen in this place, perhaps he could speak to people who are watching the debate this afternoon to let us know what is happening on that front.

There was another issue that I raised in my letter, which I did not get a response to yet. I am wondering if there has been any progress made. I suggested that something be done to not factor into the formula, which kicks in when CAIS is applied for, those moneys that flow in particular instances like the BSE situation that we are still working our way through.

The border is to open in early March. We are still hopeful. There is still a green light on that. I think people are holding their breath. They are anxious about that and hoping that in fact it will happen.

Over the last couple of years they have had to apply to the government for special funds that were made available. Some of them were able to access that, but those funds and the restructuring that the farmers have to go through in order to survive that difficult period of time is now being factored into the formula for CAIS. In some instances it is affecting the results.

I know that initially there were some farmers in my own area who did not receive any CAIS funds because the computer kicked out the application that went in because of some of the restructuring that was done. Initially, they were not given the information as to why it was that the CAIS did not work for them or they did not receive their payout from CAIS. They were left not knowing and trying to make decisions on a day to day basis as to what their future would be, whether they would even continue in the farm industry. There are a lot of holes in this. There are a lot of cracks into which stuff can fall that farmers need addressed immediately.

I believe the issue before us today, brought forward by the Conservative Party on this opposition day motion, is that we drop altogether the contribution that farmers make in order to be registered in the CAIS program. I understand why that would be brought here, given the very difficult circumstances on a day to day basis of trying to stretch the dollars that farmers are running into and why that would be something the government should very seriously look at and consider. I guess on Tuesday of next week we will be voting on the debate that we are having this afternoon.

The system is not working. The CAIS program that was put in place to help farmers in situations where they are confronted with circumstances such as weather, fluctuations in the market, et cetera, that made it difficult for them to move from one year to the next has now run into a number of very huge tidal waves in the last couple of years. One in particular that everybody is aware of is the closing of the border to our beef by the American government and the challenges that presented.

It behooves us to take advantage sometimes of these realities, to actually take a good look at why it is that what we have put in place is not working and why it is that, as we look forward to the possibilities that might come at us and that we have experienced, we need to make some changes.

We have to ask ourselves why it is that programs like CAIS are needed in the first place. What is it that they are targeted or mandated to respond to so that the program can evolve, change and get fixed so that it does in fact respond in a meaningful way to the new realities?

● (1615)

The question is how quickly the government responds, how quickly farmers who phone and leave messages get responses, and how quickly they find out whether in fact they actually qualify. Or, if they do not qualify, how can they appeal and how that appeal process works, and the chances in that appeal that they might yet be successful once they make their case. All of that seems to be—

**The Deputy Speaker:** I am sorry, the time allocated for debate has expired, but we now have questions and comments, so we will go first to the Minister of Agriculture and Agri-Food.

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the member made a couple of comments which I would like to respond to and then perhaps pose a question.

Yes, indeed, it is absolutely critical that we review CAIS. That is something that has been ongoing for a period of time. It is important that it be done. There are number of ways that we are doing that.



*Supply*

He talked about our intention of putting forward a committee. We are in the process of doing that. We are making very certain to have at least 50% of the industry represented there. We are trying to get representation right across the country including representation from the federal and provincial governments.

However, in addition to that and it is something that I have done as well, it speaks a little bit to what the member is talking about in terms of the large entities and the smaller producers. As I travel around the country, I make a point as much as I possibly can, to not just have meetings with big organizations, but to bring producers together in a room and have a discussion with them.

I have done that in northern Ontario. I have done that in eastern Canada. I have done that in other parts of the country and it is really critical. That has to be part of the process. I know the opposition does not like me to bring this up today, but I do need to engage the provincial governments in this type of review process and to have a discussion.

The hon. member made mention of a number of things. He talked about the deposit and that is the subject here. The deposit always remains the property of the producers. They put it on deposit and then when they have to draw down on CAIS they take the deposit back, so it is actually always the producers' money. The question is, do we tie up capital for a period of time? That is the point that is being discussed here. However, the member put forward a number of other issues like inventory evaluation and the speed at which advances go through.

I have a very specific question for the member. From his discussions with producers, would he put forward specific enhancements that he would like to see in the business risk programming?

**Mr. Tony Martin:** Mr. Speaker, I have to be honest and say that I am not quite sure what to suggest in terms of the business risk program. Certainly, in talking to the farmers that I am in contact with, there needs to be a whole restructuring of the way that the food industry works.

Farmers are still working as hard as ever, taking the risks that they have always taken, being as creative as they can be, and yet they seem to be finding it more and more difficult with every day that goes by. Those of us who consume food are paying more and more money for the food, particularly the meat that we buy but it does not seem to be working its way back to the farmer. The farmer is not making the return on that investment that he should expect. There is a problem there somewhere.

I would hope that the minister when he comes to northern Ontario again would actually invite people like myself to some of those meetings because I want to learn too. I want to understand how I can be more helpful to the minister and to the government, and the farming community to actually improve its lot.

In our area we are looking now at the possibility of putting in place a small to medium sized processing plant so that the farmers themselves can be more in control of more of the pieces and have more profit centres that would generate some revenue that would keep them going. It would give them some return in the good times that they could set aside that would carry them through the more difficult times. That would improve the situation for all of us: the

consumer; the government, which is trying to manage this very difficult circumstance; and in particular the farmers themselves.

I would get involved in that kind of thing. Make it easier for the farmers to access the capital that they might need, as we are trying to do in Algoma, and set up a processing plant if the feasibility study says yes. That is something that would probably have some potential and if we were willing to make the effort, take the risk, and put the money in, there might be some good return on that. Partner with us on that and do not make it difficult, actually be there with real money on the table to share the risk with us, and at the end of the day share in the good news and the profit.

• (1620)

**Mr. Charlie Penson (Peace River, CPC):** Mr. Speaker, I will be sharing my time with the member for Saskatoon—Rosetown—Biggar.

This is an important debate. It is one of many debates on the important subject of agriculture in which I have taken part since I was elected as the member of Parliament for Peace River in 1993. I have to say that while we are talking about the CAIS program today, it could be about the FIDP, NISA or GRIP programs; we have gone through them all in agriculture.

I have to say that yes, there are problems with this program that have to be addressed, but there is a much more fundamental problem in agriculture. It goes back to what kind of value we give our farmers, what kind of value we give our food security and our whole agriculture industry. Do we need an agriculture industry or not? That is what Canadians have to address because I see an industry slipping away from us. As slowly and surely as the sun is going to rise tomorrow, this industry is going to be gone.

I have to confess that I have a bit of a conflict. We have an over 2,000 acre farm in Alberta. My son and his wife, and my youngest daughter and her husband are farming that operation. They are having very difficult times. All four of the individuals are working off farm. That is not an uncommon situation in agriculture in this country.

When I started farming in 1968 about 17% of Canadians' disposable income went toward paying for their food supply. It was very low even at that time. There were lots of countries where 50% of disposable income went toward paying for food. Now it has dropped to something like 7%.

Canadians have to think about whether they want an agriculture industry or not. This is more than just a partisan issue. This issue is fundamental to how Canada develops because I will put it to you, Mr. Speaker, that any civilization that does not look after its basic industries and does not recognize their importance has no future.

We can look at any great civilization in the past. My wife and I spent some time in Spain this winter. Even the Moors who invaded that area in the ninth century had to have their food supply secure before they could embark on any of their great adventures. Whether it was building universities or churches, the arts or whatever it was that they wanted to accomplish, it could not take place until they had secured their food supply.

### Supply

Some argue that we have a secure food supply in Canada. We produce a lot; however, we import a lot of food as well. Probably we are a net importer of food. Everything is going fine. That may be the case today, but it may not always be the case. What if we had a massive change in our currency rates as we have seen fluctuations in the past, our producers fall by the wayside and we have to start importing food into the country in a much more massive way than we do today? What if the exchange rates change again and all of a sudden food becomes very expensive? Then Canadians are going to ask us what we were thinking, why did we not look after this industry? They are going to blame us. All of us have to share in the dilemma that we have.

Let me talk about my own family history. My family came from the highlands in Scotland. They were driven out during the clearances. The clearances were when the lords owned the land and there were tenant farmers. They were part of my history. The lords decided that they could graze sheep and it would be much better than growing grain on the small parcels of land. While they may have been right, it caused massive disruption to the people living in those areas, depopulation in fact. All kinds of people came to Canada as a result of the clearances.

My family came to a little place called Vernon, Ontario, just 30 miles south of here. They had a small farm. They saw it as an opportunity, but it was not big enough. There was a lot of Canadian Shield. When the plough was put in the ground it hit rock more often than soil so they moved on. They moved out to the Peace River country in Alberta because there was an opportunity for land. They did that in 1910. The farm that we have in our family is almost 100 years old. That is the case with many people who farm today.

• (1625)

I saw something different from what they saw. They were looking for and saw opportunity, the potential to realize what they could develop. They were very good at it. They were very good at building their farms and exporting grain and food products all around the world, but something has changed. Canadians no longer value their farmers.

I predict as surely as I am standing here that the agricultural industry will not be able to survive the current assault on it. It will simply not be able to survive.

I have all kinds of neighbours and friends. I can give the House an example. After I was first elected in 1993, a young lady phoned me and she was crying. She asked me if I could do something because Farm Credit was taking their land away. She told me about their situation and I said that I would certainly look into it and see what I could do. It turned out that they were further behind in their payments than she had told me. I could see no hope for them. I had to phone her and tell her that I did not think they would be able to make it, that all they would be doing was paying interest.

They were good farmers. They were third generation farmers in an area of the Peace River country. These people had come from Quebec and settled in an area north of us. They were very good farmers, but they were losing their place. That young couple had to move on.

I saw that young lady last year, but I did not know who she was. She came up to me and said that she just wanted to thank me for what I had done for them. I asked what that was. She said that I had advised them that they would probably need to move on to some other industry. She said that they gave up the farm and it was like an elephant had been taken off their backs. They now have nine to five jobs. That is happening all over the country, but who will produce the food in the next generation?

I challenge the government and all parties in the House to give more thought to where we are going in this agricultural industry. On the trade side we know that subsidies worldwide are beating us up, but there are things we could do. We could reduce or take off the excise tax on farm fuel. We could take the excise tax off fertilizer. We could give tax breaks to farmers who are buying equipment. Those are things that are within our control.

We could be much more aggressive on the trade front internationally and talk to trade blocs like the European Union. We must tell them that their policies are driving our farmers out of business, and that if they continue to do that, we will have to take action against some of their products. We have been too timid on that front. It is hurting us a lot.

Our farmers can produce with anybody in the world on the basis of production and competitiveness, but they cannot compete with the treasury of the European Union with 500 million people to support it, and they cannot compete with the treasury of the United States. We simply have to lend them a hand. They cannot make those arguments for themselves. They expect their government to do it and the government has been far too timid.

It is time to step up to the plate. Otherwise we will lose a very important part that will affect our ability to grow as a country and develop, because I do not think any great civilization can exist if it does not have security of its own food supply. That is where we are going today.

• (1630)

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I really appreciate the comments by the hon. member. They are not directly on today's motion, but I think he brought up some very important points.

I agree very much with our, meaning the country's, needing to recognize that if we are to have a successful Canada, one that will work well, then both of its component parts, urban and rural Canada, need to be strong. Five large urban centres that are growing with increasing populations and expanding economies surrounded by weaker rural areas is not a model of this country that we want to promote or that we want to see.

I do not know if I would totally agree with the hon. member when he said that Canadians generally do not appreciate agricultural producers. They may not express that appreciation and they may not say it overtly all the time, but I believe that they do. I also recognize the importance for us to demonstrate, as the member said in his comments, the importance of that. I think deep down Canadians of all stripes see that.

The hon. member made a very good point. This is the basis of the question. He talked about input costs and trying to deal with some of those by using the tax system and other methods. Input costs are obviously part of the equation. The other side of the equation is the amount of income that comes out of the marketplace for producers.

We have been talking about disaster programs, and the CAIS program, which is there to deal with unexpected interruption of income, and it is very important and very critical that we make those investments. On the long term side of it is making sure that there is an appropriate return from the marketplace. My parliamentary secretary has spent a lot of time in that type of discussion.

The member broached that subject. I would be interested if he would come up with some ideas on how he thinks we should create that environment that would allow for a better return from the marketplace for our producers.

**Mr. Charlie Penson:** Mr. Speaker, I would be happy to do that.

Regardless of what kind of program is put into effect, there are difficulties with it. It has been subject to the same problems like the old GRIP, which essentially meant that if a farmer grew wheat year after year, he could make more money farming the program than he could farming other commodities that were not covered under other programs. It does not matter. No matter how well intentioned these programs may be, they are of a supplementary nature by their very description and necessity.

It seems to me that the minister is right. We have to get more money out of the marketplace. That is clear. That used to be the case. We used to export products to Britain. Canada was the biggest supplier of wheat to Britain for a long period of time. We have lost that market because other trade blocs have moved inward. The European Union for example basically does not allow any imports of products. Worse than that, it is using export subsidies to get rid of its overages every year.

There was some hope for a while that the European Union was going to move for trade liberalization and stop export subsidies, but as we see again this year it intends to use massive export subsidies to buy market shares, and that is really going to hurt us.

For example, if Canada were to tell Algeria that it had good quality wheat for sale for \$120 a tonne, and the European Union with its export subsidies told Algeria it would sell it for \$60 a tonne, there is no magic in knowing who would get the sale. While it is not an exact displacement in volume, it is enough to distort the market and it has been for a long time.

That is what I am talking about when I say we cannot compete with the treasury of the European Union with 500 million people to support it. We have to have some sanity in the market.

In other trade areas we have been able to get tariffs and subsidies down worldwide. Right after the second world war people decided that they had to do something that would stop the causes of the Great Depression and the war. They introduced international institutions such as the United Nations, the World Bank, the International Monetary Fund, the general agreement on tariffs and trade which evolved into the World Trade Organization. Those institutions gave a great deal of assistance. Agriculture has largely stayed outside that system, but we are trying to get changes.

### *Supply*

Canada has taken a very strange position. We are asking for trade liberalizations or access into other countries' markets, and we are telling those countries that they cannot have access into our markets in some other products. It is pretty dyslexic and it hurts our position. Basically it takes our position off the table and other countries say we have nothing to contribute.

That is what I offer by way of answer to the minister.

• (1635)

**The Deputy Speaker:** It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Calgary Centre-North, Oil and gas industry; and the hon. member for Vegreville—Wainwright, Firearms program.

**Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC):** Mr. Speaker, as I sat here this afternoon and listened to the minister's comments, he kept speaking about how much money has been put into the CAIS program. Therefore, I decided I would quickly phone my office and ask for some letters that we have received here in Ottawa. This is not the file cabinet full that we have at home in the riding.

I want to tell the minister about the frustration of producers. I also want to tell him about problems in his CAIS program. This is a letter I received from a farm widow who is farming. She says:

As I continued reading the requirements for these programs, FORGET IT!. I've done this for Aida, CFIP—the system has access to my income tax which records all this info. I refuse to do any more—just because some high priced CPA has decided to change what are eligible expenses for farming—which in itself is a joke—you can no longer claim machinery repairs!! That and interest expenses are probably the highest costs of the little farmer. Just goes to show governments are trying to force us off the farm!

The farm programs that have been introduced are just propaganda. The Joe Urban residents think farmers are getting money. Wrong! The only ones making anything are those shifting papers, making phone calls, asking stupid questions of farmers, reading insults re info on their forms.

I've had it and I will no longer be in the CAIS program.

Dorothy.

Here is another one. It says:

First off, the CAIS program, I would say has more holes in it than a fishing net... [We cannot make] our land payments, credit card payments, equipment repair payments, and land tax payments, on an annual basis. This is not due to lack of knowledge or effort. My dad is a skilled farmer, and is teaching my brother and I well on the ins and outs of running a farm. But I am afraid we are running out of chances and the next bullet we take may be our last. If it isn't drought and grasshoppers hindering feed and grain production, then it's BSE and poor grades of grain due to early frost. Dad cannot afford to retire even though he is seventy-one years old, and my brother and I want to continue the operation, but continue to see a bleak future in agriculture. This year we will again be short cash for bill payments, direct causes of BSE and a poor grade of grain. The CAIS program, from what I understand, is supposed to be aiding struggling farmers such as ourselves and get us through these tough times. Oh, really? It does? Perhaps this government could explain why we got only \$750 from CAIS when I don't remember the last time we had a good year? It's a joke. An insult. Why would we get \$750 when I can't sell cull cows for even 10¢/lb?

—but no, thanks, it can't even pay the power bill....

### Supply

We, however, are not going to quit, we are not “whining farmers”. The fight is not gone in us, just taking its toll. All I want to know is how bad do things have to be until you receive support? And, how long are we going to dangle before our government smells the coffee and gets support to those who really need it?

That was written by Andrew, a very young farmer.

Here is another letter from a young farmer. It says:

The Canadian Agricultural Income Stabilization program has serious shortcomings as indicated in the attached copy of a letter to the CAIS Appeals Board.

The CAIS program deficiency is highlighted by the following questions:

Is it reasonable and fair that the level of stabilized agricultural income should be based on financial returns for three years of disastrous growing conditions?

Should it be necessary that three years of devastated crops be followed by bumper crops in order to establish a realistic level of stabilized income?

If three years of bumper crops and above average income were followed by a fourth year of only average crop yield and income, should the fourth year qualify for CAIS assistance?

Your assessment of these concerns is respectfully requested.

The attached letter to the CAIS appeals board reads as follows:

● (1640)

The 2003 CAIS Supplementary Application by...was processed by the CAIS Program Administration, and it was determined that the farm operation should not receive assistance. A review of this decision is requested.

Farm income for the past three years (2001, 2002, 2003) was significantly below average. To use this record to determine a reasonable level of stabilized agriculture income is obviously unrealistic. In each of the three past years hail and drought have devastated our crops. The following is a summary:

2001—Hail

Average year of a total barley crop = 6.24 bushels/ acre

2002—Drought Total Crop Loss

Average yield of the total flax crop = NIL

2003—Drought

Average yield of the total canola crop = 9.3 bushels/acre

It was crop insurance payments in each of these three years that presented complete disaster for our farming operation. DOCUMENTATION IS AVAILABLE TO SUBSTANTIATE THE ABOVE INFORMATION.

If the income during such extreme growing conditions is used to determine the level of stabilized income, I respectfully suggest that the CAIS program is seriously flawed.

That was written by a young woman who was trying to farm.

I have another letter. It states:

I have now completed my application under the new CAIS Program for 2003. I fear a similar situation to the 2002 CFIP fiasco could repeat itself because of the inconsistency in advice and information given from your CAIS staff. Let me cite some of the examples.

When I called to see if there was anything besides the CAIS Supplementary Form to be sent in I was told that was all. So I completed these forms and sent them along with my 2003 and 2004 Options Notice for each entity, by Express Post on April 18, 2004. At the accounting office where I work during the tax season, discussion arose that CAIS would need a Statement A for our corporation in order to process our application. I called CAIS at 8 am on April 20, 2004 to double check the information I had previously been given and, sure enough, Marcel told me Statement A for Corporations would be coming and be required for all corporations.

On April 26, 2004, I called CAIS to confirm they had received my April 18, 2004 Express Post. David told me they received the Supplementary Forms on all three entities on April 21, 2004, the 2004 Options Notice had been entered, but not the 2003 Options Notices. On April 28, 2004, I called again. The 2003 Options still had not been entered, even though they were sent in the same package as the 2004 Options Notices, but Joyce assured me that she would enter them. On April 30, 2004, I called again, talked to Donald, and he confirmed that the 2003 Options Notices had been entered—thank you Joyce! this time. During one of these calls I was also told CAIS received the tax information for all three entities on April 27, 2004. How they had the tax information for our company when Statement A hadn't been sent in yet, I am not sure.

There is more, but I do not have time. Is the minister getting a sense of the futility and frustration that the people in our provinces are feeling. She begs, “Mr. Prime Minister, I implore you to do the right thing and rectify the situation”.

We need support. There is huge frustration in the rural communities because of this program. Like my hon. colleague from Peace River, I come from a family farm. I have a young son that wants to start farming. I implore the government and the minister to do what is right and fix this agricultural program before we have no family farms left in the country.

● (1645)

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I appreciate the hon. member's intervention. I think it is important, as we talk about the macro issues, that she take an opportunity in the House to talk about some of it in terms of real producers.

Since taking over the ministry back in July and being in my job for seven months, I have had the opportunity on six separate occasions to travel to her province to do just what she is asking me to do, and that is to deal with individual producers. I had an opportunity, shortly after August 20, to go south of Regina to visit with producers in their fields and see the crops and devastation that the frost had wrought on them. It was heartbreaking. After a number of years of drought and other difficulties, to have in their grasp as the summer went along what would appear to have been a bumper crop grabbed away in one night of frost was devastating. It was a heart-rending thing to see.

I am glad the hon. member mentioned production insurance. It is part of business risk management. It is jointly funded by the federal-provincial government and the producers. It is an important part of business risk management. I am pleased to see the hon. member mention the importance of that.

In our discussions today in respect of CAIS, I have made a couple of points. First, we have been on an ongoing basis, working with the province and with producers, trying to put additional component parts to it and improvements in it, things like adding negative margins, increasing the cap and changing the deposit requirements. We agree that we need to do additional ones.

In addition to that, we have also made the point about the importance of understanding that there is real help flowing to producers. We have seen over 15,000 producers in Saskatchewan receive payments of some \$236 million, and that is in respect to the 2003 CAIS program. That is not to say that the issues and the concerns raised by the individuals she spoke to are not important enough to put forward.

I would like to ask her the question because she has provided a number of examples about CAIS. In addition to the deposit issue which we have on the table today, are there other specific changes that she would like to see contemplated as the review of the CAIS moves forward?

**Mrs. Carol Skelton:** Mr. Speaker, there are a lot of things that we need to do in the CAIS program. It has to be spelled out for farm families exactly what the Liberal government is planning for them. We hear stories about environmental programs, but we have no concept of what they are. Farmers are scared that there will be more paperwork and more time spent on accounting and filling out forms than being able to farm the way they should.

The minister has to understand that there is a severe frustration out there. The secretary was recently in Saskatoon at a closed-door meeting. Members of Parliament were not even allowed to go to that meeting. We did not know who attended. It is beneficial to work together to solve the problems in agriculture in Canada by having all members of Parliament in attendance. We did not need to sit at the table with them, but it could have been an open forum so we could have sat back and listened to what the farmers had to say and to verify what we heard from our constituents.

I have files and files in my Saskatoon office from farm families who are devastated. We have acres of wonderful, productive land but no one to buy it. It will sit there until someone comes along and farms it. We heard it before today, it will not be the small family farm. It will be large corporate farms that will not care about the environment, that will not care about the rural communities and that will not care about the small businesses that are being devastated by a bad program and financial support from the government.

• (1650)

**Mr. Dave Batters (Palliser, CPC):** Mr. Speaker, I am thankful for the opportunity to rise today in the House of Commons to speak to this important motion. It is an honour to speak on behalf of the constituents of Palliser.

This is not the first time that I have risen in the House to urge the government to drop the CAIS deposit requirement, nor will it be the last.

I made a pledge during the election campaign last June to defend the men, women and families of Palliser whose livelihoods depend on agriculture. Given the lack of response from the government to the disasters in the beef and agricultural sectors over the past two years, it is vital that Palliser families have a voice in Ottawa that they can trust to do the right thing. The right thing, as the leader of the Conservative Party and my colleagues have told the Minister of Agriculture and Agri-Food, is to eliminate the CAIS deposit requirement.

There is no place in Saskatchewan that has been more affected by the agricultural crisis than in my riding of Palliser. This crisis goes back farther than the past year or two. It is a crisis the Liberal government has failed to address for an entire decade.

When the Liberals came to power, they joined with our provincial NDP government to scrap GRIP, the program that was widely seen as a helpful mechanism for farmers. Despite outcries from our agricultural communities in western Canada, the program was scrapped. Throughout the next decade the Liberals attempted to find another program which they could pawn off on western producers.

The Liberal government has failed. It has failed to stabilize the farming industry over the past decade and the CAIS program is a

### *Supply*

shining example of how the Liberals have slighted the agricultural industry in Saskatchewan and throughout western Canada.

CAIS was created in order to help the agricultural industry as a whole. However, like so many other programs before it, it is flawed. One of the biggest flaws with CAIS is that it is far too complicated. That is why the farmers in my riding are referring to the CAIS program as the “chartered accountant income stabilization program”.

Mr. Speaker, I neglected to say that I am splitting my time with the member for Macleod.

Farmers in the Palliser area have told me that it has cost them upwards of \$2,000 to fill out the application because they have had to hire accountants. This is preposterous. It is preposterous to expect a farmer whose crop has frozen and who has no means of income to come up with thousands of dollars to start the application process. However, the biggest cost of CAIS is the deposit, and that brings me to our supply day motion.

The deposit is the biggest problem with the CAIS program. The deposit is a huge cost and a terrible burden to producers. In order to even collect money through CAIS, farmers will need an extra \$5,000 to \$10,000 just to make their deposit payment.

Farmers coming off three consecutive disaster years should not be expected to come up with thousands of dollars to maintain their livelihoods. These families are the heart and soul of this country. They are the ones who put high quality food in our mouths every day and this government is only making their lives more difficult by requiring them to make a massive deposit that they simply do not have.

Prior to the Christmas break I rose in the House and urged the government to eliminate the CAIS deposit requirement. That was in November, prior to the deadline for registering in the program. Today I ask the members opposite: what has happened since the end of November with regard to the deposit?

Unfortunately, the answer is nothing. That is a familiar pattern for the government. There is a lot of talk but very little action, unless it is shamed into doing the right thing.

One would think it would have learned to act before Canadians became outraged. One would think it would follow the example of the Conservative Party and demonstrate leadership and vision on this issue. I would hope that would be the case, and I think families in Pense, Rouleau, Mossbank, Wilcox and communities throughout the great constituency of Palliser would also hope that would be the case. But I am afraid that when it comes to listening to people affected by this issue, the Liberals have once again failed.

Given that the Minister of Agriculture does not appear to have the time or the interest these days to come out and listen to the producers in Palliser, let me tell him and this government what I have heard, because I have been listening to my constituents.

### Supply

● (1655)

People are calling because of the administrative problems with CAIS. My constituents are telling me that those administering the CAIS program cannot seem to keep up with the applications that are being submitted. That means farmers who are able to come up with the deposit are being forced to wait extra months for the money to arrive. That is disgraceful.

If our farmers are expected to meet deposit deadlines, then the CAIS program should provide payments quickly to ensure the survival of those same farmers. For some farmers in my riding, that is the only money they have left. If it is not received in time, it may be the difference between keeping the farm and losing the farm.

Before I conclude, let me tell members what the people of Palliser are saying. Last fall one of my constituents wrote to me. I would like to quote from that letter:

We have just received our notices for our deposit requirements due in the spring. Our 2003 application has been processed but we have received no funds—going on 9 months. I ask you to tell me why this deposit is needed and how is it expected that producers will be able to meet this new deadline?

I had another letter from a constituent who has farmed north of Moose Jaw for the past 39 years. He wrote:

We in the farming community have had the worst farming year in my career.

We began 2004 fairly normally. On August 19th we had what looked like a good, maybe even a bumper, crop.

Then came the frost on August 20th. The crop was gone.

We did not realize how much damage the frost had done until we started harvest.

Our crops yielded well but the quality of our grains was very poor...by and large grading feed quality. Some of our wheat was so badly frozen, that it has no value at all.

Our farming income from the 2004 crop is going to be 25% of what would be normal.

The result of these low prices means that, without some help, many prairie farmers will not survive. I will not be able to pay my land taxes for this year, nor will I be able to plant a crop in the spring of 2005.

Maybe the Minister of Agriculture could tell the House how this man is supposed to come up with the money for his CAIS deposit when he cannot pay his property taxes and he cannot even afford to plant this spring.

These people speak from the heart and their sentiments illustrate the depths of the agricultural crisis in Saskatchewan. In my riding, hundreds of people have signed a petition calling for the elimination of the CAIS deposit because they recognize that it is a barrier to enrolment. I will present this petition later this session.

The deposit amount may not seem like much to a government that is running a \$9 billion surplus or that shovels \$250 million in sponsorship money into the hands of Liberal Party cronies, but it makes a big difference to the farm families around me and to everyone who has had to sell a vehicle or borrow money just to pay their CAIS deposit.

Today is the day for action. I ask the members opposite to support this motion. I ask them to do the right thing, drop the CAIS deposit requirement and honour the commitments they have made to our producers.

● (1700)

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, it was good to hear from another member from Saskatchewan. We had the discussion with his colleague before about the very difficult situation that the frost of August 20 caused for producers in Saskatchewan. As I said, I have had an opportunity to see that first-hand and it is indeed a very difficult situation.

I am glad as well that the member also brought up, as did the previous member from Saskatchewan, the importance of production insurance and how important that is as part of the business risk management program. When we talk about business risk management we are talking about the CAIS program, yes, but we are also talking about production insurance. We are also talking about the spring and fall advances, which are an important part of the process in Saskatchewan and which are also funded by the governments as well. I think that is important to note.

I made the point before in Saskatchewan and I will make it again. Some \$237 million to date has gone out to producers in Saskatchewan. That is important. That is not to suggest for a moment that it is all of the solution, but it is important to note that this kind of assistance has gone forward.

I do have a question for the member. He talked about the need to act. In September, long before the House came back, we put forward the \$488 million for a repositioning strategy in terms of BSE and we put in place set-aside programs for both fed and feeder cattle. As a result of that we saw a price recovery in both of those areas from the lows in July, a price recovery which is helping producers. The hon. member said that nothing was being done. Is there something with that kind of initiative that the hon. member objects to?

**Mr. Dave Batters:** Mr. Speaker, the producers in Palliser and the people in Saskatchewan certainly appreciated the minister coming to Saskatchewan and making that announcement in September. Yes, the prices seem to be stabilizing and improving, as it looks like our border will open. We pray that it is going to happen on March 7.

I do hasten to point out to the minister that eligibility for disaster relief in terms of the BSE crisis was conditional on participation in CAIS. So our producers were asked to pony up the dough in order to get disaster relief, which I am sure the minister will recognize does not happen in terms of individuals who are so unfortunate as to suffer a flood, for instance. We do not ask people who suffer a flood to pony up dough for flood relief. Why do we ask this of our producers? They have made some good points, but that is absolutely bizarre.

Before coming to the House today, I spoke to a gentleman who does not know how he is going to afford seed or buy fertilizer and spray. For the first time we are seeing people financing parts through Farm Credit Corporation. This producer says that for the first time we are financing parts.

The Minister of Agriculture needs to do the right thing. Help our producers out. Cancel or waive the deposit. It is the right thing to do. Our producers would commend the minister for it. It is high time that he took a stand here and did the right thing.

*Supply*

**Mr. Myron Thompson (Wild Rose, CPC):** Mr. Speaker, I thank the hon. member from Saskatchewan for his words as I come from a riding that probably has as many ranches and farms as any riding in the country. The picture that the hon. member painted was practically the same as one I could paint in Wild Rose except that we did not have a frost. What we had were droughts and grasshoppers and a couple of really terrible seasons just before the BSE crisis.

Other than that, putting everything in a collective basket, he might as well have described my riding. I know that this is true in many more ridings across the country. We are just repeating over and over what is happening, what is real and what the facts are.

The member is right. The deposit is something that has become impossible to face. People do not have it. They cannot pay the power bill. They cannot buy an extra tank of gas.

Does the member agree that the government is not listening right down to the grassroots problem? We are not interested in programs that take hours and hours of education in order to figure out how to fill out a form when there is no guarantee we are going to get anything from it and we have no money to put into it.

Can the government not see the picture? Is that the problem as the member sees it?

• (1705)

**Mr. Dave Batters:** Mr. Speaker, my colleague from Wild Rose and I share the same deep concerns. We hear the same stories from our constituents. People out there are desperate. People do not have any working capital that they can invest in their operations. Not only can they not buy new equipment or upgrade it, as the letter I read today indicates, people are wondering how they are going to put a crop in the ground and buy the chemicals and the fertilizer necessary to somehow pull themselves out of this mess.

We are just asking that the government do the right thing and help give producers a hand out of this terrible struggle that they find themselves in. We could not have picked a worse average than the past five years to come up with this average that the CAIS program deals with.

We have been subjected to some really tough times in rural Canada and on the farm. People need a hand. It is time to do the right thing.

**Mr. Ted Menzies (Macleod, CPC):** Mr. Speaker, it is an honour to stand in the House today to address this issue and to support the motion to drop the deposit for the CAIS program.

The reason I find this such a fascinating topic of discussion is because it is my life. I farmed for 30 years before I came to this House. I can sense the frustration that farmers are going through.

We need to remember that it is not only the farmers. It is the ranchers. It is the agricultural industry. It is the supply industries that provide all the input to those producers who are maybe not feeling the pinch yet, but who certainly will very soon if we do not address what we need to recognize as very dire circumstances.

My riding of Macleod is very representative of the broad scope of agriculture in this country. We have some of the largest cow-calf ranches in my riding of Macleod. Certainly they have felt the impact

of BSE. We certainly hope to hear encouraging words today from Mr. Johanns who is the new agriculture secretary in Washington. Let us hope that continues and that we actually do see that border open on March 7.

The grains and oilseeds industry is very large in my riding and that was my background. I was a grains and oilseeds producer for 30 years. I sensed the problems even back then.

We are always accused of bouncing from pillar to post and from crisis to crisis in agriculture. That is probably because we have not addressed the long term issue of how we deal with this. I got very involved earlier on in trying to make a difference, trying to influence policies that could improve the situation for not only primary agriculture, but value added agriculture.

I fought long and hard through many debates at committee tables. I have had the privilege of actually sitting on both sides of committee tables now. I have the honour of knowing what questions to ask because I have had them asked of me. I was very much involved, and I am almost scared to admit this, in the formation of the CAIS program, but I must admit that I was dragged along kicking and screaming.

What we are talking about here today are the exact issues that I and my colleagues that sat on the national safety nets advisory committee warned the government about. We said that it should not require a deposit because it would not work.

We had a NISA program that was working but the former minister of agriculture decided that there was too much money in that account. That was always brought back and thrown in our faces when we said that there was an issue with agriculture. That money was capital tied up.

What do we have today in this program if we do not have capital tied up? We have over \$600 million in deposits. That is the working capital of farmers. That is money they cannot use to buy inputs for this spring and money they cannot use to make their payments. It is critical that we change that.

By the time the end of March comes around it looks like we will be at \$1 billion. Is that good use of farmers' money to be tied up in a bank account somewhere else when they have to go back and borrow more money, that is if they can, to be able to put a new crop in for this year?

There are some tremendous flaws, which is why I am speaking out loud and clear that we need to remove this deposit part of the CAIS program.

The other part of our motion that I have not heard as much talk about today is following through on the commitments the government made to agriculture, one being the commitment to defend agriculture at the WTO.

*Private Members' Business*

●(1710)

The government has not done much of a job in promoting the trade on which this country is so dependent. We need to have a stronger position. We need to work harder at the WTO to be able to open markets in other parts of the world, to remove the export subsidies that the Europeans seem to love so much and the domestic support on which American producers are dependent.

The U.S. farm bill that we are still dealing with is having an impact on the barley producers in my riding. Barley that is landing in southern Alberta right now is well below the cost of production for my producers. Uncle Sam is adding 70¢ a bushel to each farmer's bushel of barley coming in to Canada with no tariffs on it, competing against our products.

We need the government to stand up and say that is wrong. We have heard government members say a lot of things about Americans that have not helped, and that is part of the issue. We do not have the respect that Americans should provide to us to try to get rid of those barriers and those subsidies which they provide to their producers.

In 2003 we had thousands of tonnes of subsidized corn coming into this country competing with our products. These are the types of things that the government could make a difference.

I work very hard within the WTO trying to make some of these changes, both as a private producer and as member of producer organizations. I often felt like we were not getting the kind of support that we needed from our government.

This is the way we can fix some of these problems but working through the WTO is long term. Something we can do for producers right now is to get rid of this onerous deposit that is certainly hurting us.

The European common agriculture policy is still allowing the Europeans to subsidize their exports. The American farm bill and the U.S. common ag policy has cost Canadian grains and oilseed producers \$1.3 billion a year. That has been going on far too long. We have not seen enough hard work to try and get rid of that.

Let me talk quickly about my farm. We heard talk about whether CAIS is working. We have heard many arguments from the other side of the House saying that it has worked. I spend a lot of money on an accountant to look after the books for my farm. I have a very good accountant and I keep very tight books. From all of the indications, we assumed that I would be getting a sizeable CAIS payment. I received the initial advance on that and then when I finally read all the rules and the actual accounting was done, I found that my farm had to pay back money to CAIS. That is how the CAIS program is working.

I urge those on the other side of the House to support the motion.

●(1715)

**The Deputy Speaker:** It being 5:15 p.m., pursuant to order made earlier today, all questions necessary to dispose of the opposition motion are deemed put and a recorded division deemed requested and deferred until Tuesday, February 8, at 5:30 p.m.

**Hon. Larry Bagnell:** Mr. Speaker, I rise on a point of order. I wonder if we could see the clock as being 5:30 p.m. so we could start private members' business.

**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.

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## PRIVATE MEMBERS' BUSINESS

[*English*]

### INCOME TAX ACT

**Mr. David Anderson (Cypress Hills—Grasslands, CPC)** moved that Bill C-285, an act to amend the Income Tax Act (exclusion of income received by an athlete from a non-profit club, society or association), be read the second time and referred to a committee.

He said: Mr. Speaker, I am glad to be able to bring the bill to the House today. The bill has actually been a collaborative process and it has come from a number of MPs in Saskatchewan. I want to recognize some of them. My colleague from Battlefords—Lloydminster is seconding the bill today. He has been involved with this right from the beginning. The MP for Prince Albert has been involved with this, as has the MP for Saskatoon—Humboldt. Actually Mr. Roy Bailey, before he retired, was instrumental in bringing forth this issue.

I think it is going to be an interesting discussion today. This whole bill actually rises out of an ethic that this Liberal government has, which is basically that it has never seen a dollar that it did not want to tax. What has happened here is that it has gone out of control and we are trying to remedy a situation that has taken place.

For several years we know the government has been hiring more auditors. We have often heard the government brag that for every dollar it spends on auditors it can gain \$7 back. Clearly, that is what it is trying to do here. As it has hired those auditors it has stretched its reach further and further into the Income Tax Act trying to grab more money, and that is certainly what has taken place in this situation.

I would like to give the House a little history behind the bill. It involves amateur athletes, particularly tier two junior hockey league players. From 1969 until 2002 there was no problem. There was not an issue or anything that would have come up from this issue. However, in June 2002, Revenue Canada walked into Saskatchewan and decided that it was going to audit all the SJHL teams, the tier two junior hockey teams, in Saskatchewan.

There is a difference between tier one junior A hockey teams, which would be teams like the WHL, the OHA, the Quebec major junior hockey league, and the second level of hockey leagues, the tier two junior teams.



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The tier one teams have always been considered to be employees of the team. They pay EI and CPP. The tier two teams have always been considered to be amateur athletes.

One of the first problems that arose from this is that Revenue Canada only walked into Saskatchewan, nowhere else, and targeted the 12 teams in Saskatchewan. What it did was tell the players that it thought the players were receiving income and so it was going to tax them on that income.

The reality is that on some of the teams the kids receive from \$50 to \$200 as a monthly allowance. They also receive about \$300 that goes to billets. Anyone who has ever fed young people knows that \$300 does not go very far in feeding a teenager. The billets are not even getting the money to cover the cost of what they are spending on the players. The players are not getting enough money to cover the cost of the expenses that they have had through their hockey career as well.

By October 2003, the teams had been audited and Revenue Canada tried to say that the players were employees of those teams. Because of that, it assessed the teams and players for EI and CPP. What is frustrating about that is that of the 12 teams that were assessed in Saskatchewan, the average taxes that Revenue Canada wanted to put on them were \$8,000 to \$10,000 each.

I just want to read from an article in the *Melfort Journal* at the time that talked a bit about the situation. It reads:

Our Saskatchewan junior hockey league and 10 of its 12 teams are locked in a legal battle with Canada Customs and Revenue over payments to their players and billet families. Auditors from the government agency are going through the books of SJHL teams and assessing penalties of between \$10,000 and \$15,000 per team.

The chairman of the SJHL's Board of Governors said:

It is very scary to each and every team. There are teams that have told us they can't handle it (financially). If you haven't got the money to pay it you get locked up.

One team in the SJHL, the Melfort Mustangs, said that they were subjected to an audit on November 12. The team president said that the auditors arrived at the team's office mid-morning and by mid-afternoon the Mustangs were informed they owed \$13,000. That is a pretty efficient use of auditors, going in that quickly and attacking the teams.

He went on to say, "surprise doesn't even begin to describe what the organization was feeling". He went on to say:

It was something completely unexpected. If you expect it you can plan for it, budget for it. We were unable to plan for it so this becomes an out of budget expenditure. If the ruling goes ahead we will have to figure out how to pay for it.

Of course it caused some excitement and consternation in Saskatchewan when Revenue Canada declared that these employees were subject to taxation and, actually, people stepped in. Dave King, who was the coach of the Columbus Blue Jackets at the time, stepped in and talked about the fact that these were non-profit teams and that there was no reason that the government should be going after them and after their players.

● (1720)

One of the good things that happened was that members of Parliament got involved and I mentioned some of their ridings earlier. They stepped forward, got involved and raised a real stink over the fact that the government had targeted only one province.

Saskatchewan was the only place where it was taking place. We assume that the government was going to begin there, establish its grounds for taxing and then spread out across the country. That seems to be what it is doing now. Also, the players were clearly amateurs. We believed that the government was way out of line by trying to tax these young players.

The Canada Revenue Agency because of the pressure from the MPs stopped the audits. We thought common sense would prevail but it did not because it took the SJHL to court. They are still in court fighting over about \$100,000 worth of tax money. It is very frustrating to the league. In fact one of their officials told me, "It seems like they are just trying to grind us down". The league is running up legal bills that it says it cannot pay. The government has all the money it needs to continue pushing the league. It is getting to the point where the league cannot fight it any longer.

The present situation is that the government is still pressuring the SJHL. It has not backed off on this at all. Worse than that, it seems that the government intends to continue to press this issue and spread it out across Canada.

The revenue minister actually sent out a notice on Tuesday, January 18 to all MPs and senators; everyone in the House would have received it. When I read it I got very alarmed very quickly because it is a re-release of the government's 2003 position. It talks about the fact that the government considers these young men to be employees of the team. It gives a number of criteria of why it thinks that in the case of hockey players the CRA has found that employer-employee relationships exist.

I just want to talk for a minute about the four criteria the CRA uses, the four criteria that must be met to form an employer-employee relationship. First, there needs to be control from one of the parties. Second, there needs to be an ownership of tools. If it was not so ridiculous it would be funny because the team, I guess, owns the hockey sticks or whatever. Third, there needs to be a chance of profit or risk of loss, and the employee cannot suffer that risk of loss. Fourth, there needs to be an integration between the commercial activities of the worker and the person who is paying the bills.

I started thinking about that and it would fit a whole number of things. I was thinking about private schools that take kids on school trips. If the kids are receiving any kind of indemnity for doing that or any kind of help, it could get so ridiculous as to try to tax even that kind of thing.

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There is a lot more that I would like to say, but we do not have a lot of time today. I want to talk about the fact that we need a balance. We believe that balance is in this piece of legislation. The bill is very short; it has only one paragraph. It is an amendment to the Income Tax Act. The bill simply says that we would like to exclude income for the year, not exceeding \$8,000, received by an athlete from a non-profit club, society or association that is operated exclusively for the purpose of improving athletic performances and promoting amateur athletics. It is very straightforward. It gives amateur athletes a chance to get up to \$700 a month from a non-profit association or club. That would be excluded from the athlete's income.

We find this to be very important for a number of reasons. We have really looked to the government to provide a balance and it has not happened. Most disappointing, and I think some of my colleagues from Saskatchewan would agree, is that the finance minister has been of absolutely no use to us at all. We heard earlier today that he does not seem to want to provide Saskatchewan with any kind of an equal deal on equalization. For some reason his home province is not important to him. This issue is something that costs hardly anything, yet he does not seem to be willing to move in any direction on this.

I have sent a letter to him asking if he would consider putting this into the budget. It is a very small dollar amount. Actually there are 12 teams. That is 10% of the teams in the country. The government went retroactively on them and the amount is still less than \$100,000. It is not a big amount of money. We are looking for the finance minister, who is from Saskatchewan, to step forward and defend his province for a change. We think that perhaps he has been Ottawashed a little bit too much. He is only too willing to represent Ottawa's interests to Saskatchewan. We would like to see him represent Saskatchewan's interests in this part of the world as well.

The bill is not at odds with anything that is happening right now. In fact, an athlete assistance program has been set up for Olympic athletes which is very similar to this. They are provided a tax-free stipend from the government. They do not pay tax on that money. We do not think that this would be outside what is happening with them.

● (1725)

We want to highlight some of the reasons we think this is important legislation. First, it is focused on non-profit organizations and amateur athletes. That is a good place to put the focus. The organizations the teams are running that have been audited are non-profit organizations. They are not doing this to make money. Many of them exist in very small communities, communities of 5,000 and less. People in the communities get out, fund raise, buy things, help out and contribute to different things just to keep the teams going. It is important that those organizations be recognized.

These young people are definitely amateur athletes. We cannot call them professional in any sense of the word. What is the point of trying to tax kids on \$50 or \$70 a month? How much does it cost to try to get that money out of them? It is just ridiculous.

These players clearly are not employees. They are spending far more money than they are making out of this program of being in the hockey arena. Some receive only a small monthly allowance, as I mentioned, and the billet money.

I actually talked to one of the billets today. She asked me, "Do you have any idea how much these kids eat? There is no way I am making money on this. I could have 10 of them and I would still be losing money because of the amount they eat".

As I mentioned before, we think this is unfair. The government targeted one area of the country. We realized that it was going to spread out from there. Some of the other leagues have said to me that it does not affect them. They do not think it affects them, but in reality it will. If the government is going to go after those monthly stipends, it could easily go after equipment expenses and all kinds of other things that virtually every team has.

We believe in tax relief. This is a step in the right direction. It is a small amount.

The bill is retroactive to 2000. It would take care of some of the problems that have arisen in the past and which need to be dealt with.

In conclusion, the bill offers protection for non-profit organizations, clubs and associations. That is a good thing. It offers protection for players, young men who are playing because they love hockey. This is not the level of hockey where they expect to become professional athletes. It offers protection for billets.

As the bill goes forward, we would like the members of Parliament of the other parties to support it. I would ask for their support.

● (1730)

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, I laud the hon. member's efforts in trying to put the bill together. I appreciate the matter he is trying to remedy and I appreciate even more the politics of the matter.

My first question has to do with the term "athlete". Why is it that he did not define athlete in the bill? It appears to be a serious error and might well lead to some abuses. That is what we have to worry about on this side of the House. For example, trainers and coaches of young athletes presumably would qualify, as would men and women who teach or supervise skating, swimming or gymnastics. I am not quite sure why that is not in the bill.

Second, is his exemption on top of the base exemption of \$8,000? I am assuming that it is. As we know every tax filer has an \$8,000 personal exemption. I am assuming that the athlete that the member is intending to benefit would actually have \$16,000 worth of income before it would be taxed.

Third, assuming the member could arrive at a definition of an athlete, why does he preference an athlete over another person, such as a dancer or people who are not athletes, or other forms of income, such as people who earn their living in fishing, farming, or things of that nature? Why is there a specific and unique exemption for an athlete as opposed to an artist for instance?

**Mr. David Anderson:** Mr. Speaker, I did not get all of the member's questions down, but I will try to answer them as best I can.

I found it interesting that the hon. member acknowledged that the Liberals have to worry about abuse on their side of the House. I guess we had not approached the bill from that perspective.

One of the reasons we have dealt with this in terms of athletes is that is who is being affected by this. In a *Leader Post* article a couple of weeks ago a government spokesman said that the Canada Revenue Agency does not go looking for people who are breaking the rules, but as information is brought to its attention, the CRA needs to investigate it. The article went on to say that the revenue minister said that the tax agency only pursues teams about which it receives complaints.

We are trying to deal with a situation where the government has come in with a heavy hand and has decided it is going to hold this big stick over these young people.

If the member wants to make amendments to expand the bill to include dancers and people in some of the other areas that would be considered to be amateur, that would probably be okay with us.

[*Translation*]

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Mr. Speaker, I am pleased to take part in this debate. I will come back to the parliamentary secretary's question. First, I have a question for the hon. member who introduced this extremely interesting bill.

Since I have been involved in sports for over 30 years, I find this bill extremely interesting. I have the following question for the member. Members have the impression that this bill was introduced for a category of athletes that fits the profile of hockey players. I wonder if this is not also intended for athletes at all levels.

The word "amateur" needs to be dropped, since the government stopped using it in 1991. I have a question. All athletes, be they at the elite or the developmental level, have a coach. Whether the sport is gymnastics, swimming, cycling or downhill skiing, athletes have a coach who is often underpaid.

As the parliamentary secretary mentioned, I want the member to confirm that this bill does address athletes and coaches at all levels, be it elite or developmental. I also want him to confirm that this amount will be added to the \$8,000 exemption that everyone, athlete or not, is allowed.

• (1735)

[*English*]

**Mr. David Anderson:** Mr. Speaker, I mentioned in my speech that there is a program already in place for the Olympic athletes. They receive tax-free stipends, so there is a similar type of thing going on for them.

I want to point out that the bill talks about all athletes but the focus is on a different place, which is non-profit clubs, associations or societies. We are talking about amateur athletes who are receiving funding from amateur organizations. Both of those things need to be kept in perspective.

I will not say that I know all of the implications of this as far as the taxes go, but it is my understanding that with the basic personal exemption, people pay EI and CPP on it. The issue here has been more on the EI and CPP payments and the government demanding that these young athletes be considered to be employees than it has been on the fact that they might be making the first \$8,000 and then trying to add another \$8,000 on top of that. These are 17 to 21 year

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old athletes who are involved in the present situation, so that really does not affect them for the most part.

**Mr. Russ Powers (Ancaster—Dundas—Flamborough—Westdale, Lib.):** Mr. Speaker, I welcome the opportunity to speak to the bill put forward by the hon. member for Cypress Hills—Grasslands.

The bill would exempt from tax, on an annual basis, up to \$8,000 received by an athlete from a non-profit organization to the extent that the organization is operated exclusively for the purpose of promoting amateur athletics.

I understand why the hon. member has put the bill forward and I understand the specific issue he is trying to address. What I do not understand is how the hon. member could possibly think the bill would address his concern.

Although the proposition may sound attractive, it is the government's position that this is not the right way to enhance government support of athletics in Canada. For this reason and for other reasons on which I will elaborate further, the government does not support the bill. I also recommend that hon. members of the House not support the bill.

Granting an exemption under the tax system is not the right approach to enhance government support of athletics in Canada. It would be easy to say that leaving more money in the pockets of athletes will help them somehow. This can be said for any group of taxpayers. However, the question must be asked, is there a better way to achieve the same goal?

Promotion of athletics in Canada is not done best by helping those athletes who receive compensation, but by creating infrastructure and supporting the governmental and non-governmental organizations that support all our athletes.

The exemption in the bill would call into question the allocation of the tax burden and the justification for such allocation under the current tax system. The government uses the tax system to raise revenues and tax policy provides justification for distributing the tax burden among all taxpayers based on economic, social and political considerations or based on fairness or equity.

In this regard, it is the basic premise of our tax system that similarly situated taxpayers should be taxed similarly, regardless of their source of income. Thus, although the tax system categorizes income on the basis of its source, the income from the various sources are pulled together and a graduated tax rate is applied. For instance, an individual earning employment income is taxed at the same rate as someone earning income from an office or business.

The bill proposes to exempt part of an athlete's income from tax in order to show support for amateur athletics in Canada. It aims at differentiating income received by an athlete from a non-governmental organization from, say, income received by a waitress from her employer. Would it be fair to say to the waitress that her income is fully taxable and give an exemption to athletes? Is income not the same? Is income not income, no matter where it is coming from? To give athletes an exemption is not fair to other hardworking Canadians who, day in and day out, go to work and pay their fair share of taxes.

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In addition, in our opinion the wording of the bill is flawed. The bill, as drafted, would open the door to abuse because it is easy to set up a non-profit organization and because anyone participating in sport or fitness activities could be considered an athlete. Any individual could argue that they qualify for this relief simply because of their physical condition or involvement in athletic activities. Indeed, the bill does not provide the basis for differentiating athletes from non-athletes.

Also, it would be easy for professional sports teams to set up non-professional, non-profit organizations in order to extend the exemption provided under the bill to professional athletes.

The proposed cap on the amount of eligible income would limit, but not eliminate, this potential problem. The ease by which the intent of the bill could be circumvented strongly undermines its validity. The bill proposed by the Conservative member would make exempt for tax purposes annually up to \$8,000 received by an athlete from a non-profit organization operated exclusively for the purpose of improving athletic performances and promoting amateur athletics.

As I have explained, there is simply no basis for granting athletes this exemption. There is no reason to believe that this is the best way to help promote amateur sports in Canada. There is no answer to those other hardworking Canadians who must pay tax on all of their income. Finally, there is no justification to enact into law a bill that could be so easily abused. For those reasons the bill should not receive the support of the House.

● (1740)

*[Translation]*

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Mr. Speaker, since we are resuming the debate, are we not allowed to ask the hon. member a question?

**The Speaker:** Questions may only be asked to the member who introduced the bill. Now, there will only be 10-minute speeches.

The hon. member for Abitibi—Témiscamingue has 10 minutes.

**Mr. Marc Lemay:** Mr. Speaker, the Bloc Québécois will vote in favour of this motion. We will explain why to the hon. members from the governing party.

For 30 years I have been involved in sports locally and internationally. I have a few words for the hon. members from the governing party. I want to know how much money Olympic athletes receive to be able to train year round. After deductions, they can barely make ends meet.

The purpose of this bill is not to increase the amount of money that goes to elite athletes such as Despaties, Heymans or others who are currently sponsored, who receive money from sponsors and file annual income tax returns. I am talking about the up and coming athletes, those who are at the developmental level. My focus is on them this evening. That is why we will support this bill.

It is the parents who pay for these athletes, who get up every morning at 6 a.m. to train. These athletes do not get a break on the weekend either. Sometimes a foundation might be set up to help them improve and get a little further, foundations such as the Gold Medal Club in Montreal, the athlete's fund in Abitibi-Témiscamin-

gue and others. However, these athletes should be able to get a tax break for the money they receive from these foundations. It is totally unfair and unacceptable for this not to be the case.

The tax break would be \$8,000 in addition to the \$8,000 that every citizen in Canada is entitled to claim. That way, our athletes, whether at the elite or the developmental stage, especially those who show great promise, can have \$16,000 of income that is not taxable. That is the very minimum.

I will read the bill as presented:

income for the year, not exceeding \$8,000, received by an athlete—

If the hon. member agrees and if Parliament allows, I would add the word coach because they have coaches.

—received by an athlete from a non-profit club, society or association—

The athletes do not get help from major companies. It is the little regions and the little villages that end up creating a foundation when a local athlete is suddenly thrust into the spotlight, so that they can help him get to the Olympics, the Commonwealth Games, the Pan-Am Games or even a world championship. When such a foundation is created, the athlete ought to be able to deduct what he received from it on his income tax return. Otherwise, this is totally unfair.

The government tells us that it has programs available to help our athletes. It does in fact have programs to help those at the elite level. But those at the developmental level receive a mere \$900 a month for accommodation, living expenses. We know that athletes need to travel to meets. I know of some badminton players who will be in the Ottawa region this weekend and will have travelled from as far away as Abitibi, the North, or Yellowknife. These competitors have had to pay their own way and they do not get any money back.

We accept the solution the hon. member has come up with. I think that Canadians would agree to giving our athletes a tax break on the first \$8,000 of their income.

● (1745)

I think that is a bare minimum when we look at how much it costs for housing, food, clothing, sports gear and tuition fees. We will define the term athlete. Sport Canada already has one and we will apply the same one. They are just trying to create a problem where there is no need of one.

With respect, we are going to support the hon. member's proposal, and we hope that this bill can get passed as quickly as possible. We must not forget that we have the Vancouver-Whistler Olympics coming up in 2010. Our athletes are in full preparation mode already and we know they are going to be there. They must be helped and this is one way of helping them.

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[English]

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, I want to thank the hon. member for Cypress Hills—Grasslands for bringing this bill forward in order for us to have a proper debate on something that we do not debate often in this House, which is what to do with physical activity and sports in this country.

I absolutely believe in what the hon. member is trying to do. The member believes that we can enhance sports activities and encourage further sports activities through the taxation system.

As the member knows and as the House knows, I have a private member's bill myself on a similar issue, Bill C-252, which I hope to be able to debate one day in the House. My bill would offer a tax deduction to any citizen in the country who participates in a physical activity, be it in a dance club or a gym, be it hockey, soccer or baseball, whatever physical activity it is.

For argument's sake, I will use the example of a soccer registration fee of \$100 a year. That \$100 should be tax deductible. This is similar to the limit we have for charitable donations. For example, if a person gives the Red Cross \$100, the Red Cross provides a tax receipt for a certain amount. At the end of the year we are able to file that with our income tax. I believe that the same principle should apply to the registration for sporting fees as well.

We in this House all know that all members of Parliament have been hit up many, many times by various groups and organizations in order to support individuals going somewhere in an individual sport or a team sport.

At this time, I want to convey on behalf of the House our sincere condolences to the hockey team from Windsor that had the unfortunate accident and suffered the loss of life of four great residents and some injuries. We extend our condolences to their families and their friends and to the teams as well.

We in the NDP will be supporting the initiative of Bill C-285. We do know, as was pointed out by one of the Liberal members, that there are a couple of preambles that need to be expanded upon. This is why it is so important to bring this bill to a committee. Then the committee itself can look at the concerns that have been addressed. It can look at furtherance in terms of expansion in allowing the committee, in an all party sense, to really seriously look at the bill.

If we really sit down and think about it, the Olympics of 2010 will be here in Vancouver and Whistler. Everyone is talking about how if we put in  $x$  number of dollars we will be able to have more athletes standing on the podium. The reality is that this is very important for the Olympic athletes and for those training for that high level, but what about the athletes and the sports enthusiasts who will never achieve that level? What about the athletes that play sport for the pure love of the sport, be it team sports or individual sports? We need to support those organizations that in turn support those athletes.

The definition of an athlete is a bit of a misnomer. That is something we can work out. We notice that every single time an initiative comes from the opposition through the tax system in order to assist our citizens, the Liberals generally oppose it. They absolutely oppose it. Yet when it comes to tax incentives for the

oil and gas industry, let us say, to make it more competitive, to bring in more investment or to have more economic activity in the country, there is no problem. Right away those incentives are put through.

If we look at physical activity, not economic activity but physical activity, we should be trying to get our citizenry more active physically in order to prevent the obesity that is increasing in our country at a rapid rate, to prevent the health issues that occur with it, and to prevent justice issues and social issues because of that. I believe that every kid in this country has a right to play. I believe that every community should have facilities for its citizens to participate in, regardless of the age of the individuals and regardless of the activity they wish to participate in, be it curling, lawn bowling, be it whatever. If we can get Canadian citizens more active and more cohesive as a society in terms of team and individual sports that would be a very good thing for this country.

There is no question about it: as Canadians we are generally out of shape. There is no question about that. In fact, I would question if the average grade 12 student could run a mile around a track. I question whether a person of that age could do it.

This particular type of initiative is something that we need to expand upon, not only in the committee but in the general discussion of this country.

● (1750)

The hon. member who introduced the bill may or may not realize this, but the fact is that federal government investment in sport in this country is one-tenth of 1% of total GDP. That is one-tenth of 1% of the total GDP for the federal investment into sport in this country.

The hon. member and his party know what that means. Volunteers and sporting groups of all kinds are picking up that slack by doing bottle drives, by standing in front of the grocery stores with their cans and their bottles asking for donations, by holding bake sales, and name it, they do it. These are the activities that Canadians have from coast to coast to coast. They will support their individual athletes and their team sports because it is the Canadian thing to do.

There is nothing better than watching teams from across the country competing in sports, not only at the adult level but at the children's level as well. I have coached soccer for over 30 years in British Columbia, Yukon and in Nova Scotia. Being with those kids has been a tremendous experience. I play organized sports as well, but I do know that there are many people who cannot participate in a sport, not because of physical infirmities but because of financial reasons.

Various organizations, as we know, are "volunteered out". Our volunteers are getting burnt out. They are getting to the point where, after raising funds and money time after time, they are looking for assistance and leadership from the government, not just at the federal level but at the provincial and municipal levels as well.

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One thing I have been advocating for quite some time is to have the provincial governments use the lottery funds for their initial purpose: sports, culture and recreation. We know that the initial lottery of Montreal in 1976 was for sports, culture and recreation. That is what the 1976 lotto was all about. In the mid-1980s the responsibility was transferred to the provinces and territories and now most of the provinces put that revenue into general revenues, whereas in our own province of Nova Scotia less than 2% of those total revenues actually goes to sports, culture or recreation. That has to change.

The federal government cannot just do it on its own, but it can show leadership in an initiative by the bill that was brought forward by the hon. member. It can also encourage dialogue with the provinces, the territories and the municipal governments to see what can be done not only to advocate changes within the tax system to assist our athletes and their organizations, but also in the development of fields, arenas and sporting events. We owe this to our future.

I know that my hon. colleague from Cape Breton who has just come into the House has been a long-time advocate of sports and especially the great sport of hockey. I will say that his reputation as a coach far exceeds his reputation as a member of Parliament, but that is just my own political view. The reality is that he knows, on the Liberal side, the value of sport. He has his own children involved in sports, as I do my own.

It is very clear that we thank the hon. member for bringing the initiative forward. We would hope that in turn when our bill comes up that party would support our initiative as well. The member is absolutely correct when he says that we can increase physical and sporting activity in this country through the taxation system.

If there are any concerns within this bill that the Liberals would like to discuss, we believe that instead of voting it down they should be supporting it and working with us in bringing this bill to committee so that we can enhance its opportunities and intentions for the good of all Canadians. Once again I thank the House for this opportunity and I thank the hon. member for bringing forward this important initiative. He has the NDP's total support for this initiative.

• (1755)

**Mr. Gerry Ritz (Battlefords—Lloydminster, CPC):** Mr. Speaker, it is a pleasure to stand today and support my colleague from Saskatchewan in this initiative.

The Liberals try to hide behind expressions like “this is not worded right” and “this could be done differently” and “how about these folks”. We agree. We are not master writers of legislation. That is what committees do. The one thing we know for sure is that the Liberal government and the bureaucrats at Revenue Canada got this wrong. We may not have it right but they got it wrong. They are continuing to reinforce that point in lawsuits and so on in trying to collect these fees from amateur sports groups.

Nothing gives one a stronger foundation in life than team sports. It has been said by every member who has spoken to this issue that team sports are a boon to Canadian society. We have let a lot of that slip. We have to reinvigorate it. Yet Revenue Canada is chasing down kids and the amateur sports teams. Amateur sports teams are the community backbone in a lot of cases and the CRA is chasing

them down and fining them, and then taking them to court to try and collect.

It is only in Saskatchewan. No other province has been assessed \$100,000. That is the amount I am talking about for 12 teams in Saskatchewan. I am sure the federal government has spent more money than that on lawyers in trying to collect this money.

This is not about fairness or initiative or anything. Those guys just do not get it that every once in a while they have to admit that they made a mistake and back up.

We saw that in spades with the little town of Wilkie in my riding. Revenue Canada assessed it retroactively for not charging amateur sports clubs and figure skating groups the GST on ice rent. Revenue Canada said that if Wilkie and the recreation community leased the ice to each individual hockey player, and these kids are amateurs, and each individual figure skater, there would be no GST charged. However if the ice was leased to a group, GST had to be charged. That is the opposite to buying doughnuts. We pay GST if we buy one doughnut, but we do not when we buy six. Revenue Canada got it backwards.

The crazy part of this whole thing was that the community of Wilkie paid the bill. It sent in \$7,000. It did not know it could fight this charge.

I happened to be at a function in Wilkie and somebody mentioned that this had happened and thought it was ridiculous. I said, “You bet your sweet bippy it is”. I got on the phone to Revenue Canada the next day and spoke to the person in charge of this audit. I asked, “Who sent you out to do this audit? Where did this direction come from? I want to talk to that person, and when I am in government I want to fire that person”.

I was sent up the food chain and I found the person who had sent the auditor out. I asked her to send me the paragraphs in the tax code that authorized that. She said she was not sure she could get her hands on them. I told her she had better because I wanted to see them. A little over a day later I received them by fax. Right in the tax code it said there was an exemption if it was for amateur sports and figure skating. Exemption means it is not collected and it is not charged. Revenue Canada was going against what is in the code.

I phoned her back and said that the code indicated an exemption. It did not say to go for the jugular. I told her the code was being read wrong or maybe it had been translated wrong or something. We fought back and forth but lo and behold a week later the money was sent back to Wilkie with an “Oh, sorry”.

How many other communities have been nailed and do not realize that this is ridiculous? The community of Wilkie thinks I am a hero now which is great. Revenue Canada has a tainted name out there to begin with and it keeps compounding it with these stupid initiatives, going after amateur hockey players.

I have two teams in my riding and this is killing them. They raise their money with bottle drives and bake sales and whatever else the parents can put together. A lot of these kids are away from home and need to be billeted. As was said before, it costs money to feed these kids. I raised a young hockey player and he could eat his weight on a weekly basis. The \$300 or whatever one gets does not even come close to that amount.

In its exuberance Revenue Canada has said that is income and somebody has to pay EI and CPP on it. What a ridiculous supposition. None of these kids can afford that type of thing. None of their parents can afford that type of thing. None of the teams can afford it. However, Revenue Canada is sending lawyers after these folks, but only in Saskatchewan.

• (1800)

That cost the Liberals in the last election. We are down to one Liberal minister in Saskatchewan. What has that Liberal minister, who is now the finance minister, done about this? ET call home. We have not heard from him. We have written him letters saying that he is the lead minister, that he is now the guy with the purse strings and that he should fix it. He has not even begun to address it. He is ignoring it.

The devil is in the details in situations like this. These are the types of things that rev people up. It is not the billion dollar boondoggle at HRDC or approaching \$2 billion for the gun registry, which make some people mad. This makes everybody mad. They are picking on our kids. That is not even fair.

The Hon. Eleanor Caplan, who was the minister at that time, responded to Mr. Roy Bailey. I would be wrong if I did not say what a great job Roy did on this. He put his heart and soul in it. He deserves the respect of every hockey player across Canada, not just the kids in Saskatchewan. In a response to Roy, the Hon. Eleanor Caplan said, "The Revenue Agency is to administer the Income Tax Act in Canada fairly so that it applies equally to all Canadians".

The last time I checked, all Canadians do not live in Saskatchewan. We are kind of scattered out across this hunk of ground. It did not apply to anybody else other than Saskatchewan, so there goes the fairness thing out the window. There is a fairness initiative in Revenue Canada that should apply, but it does not because those guys do not want to look at it.

Even Don Cherry became involved in this. When he heard about it, like Don does, he gave the most scathing attack on Revenue Canada. It probably has him pinned to the wall somewhere, but Don does not back down, and thank God for that. This is ridiculous.

Whether we have the wording in the bill right, who the hell cares? The whole point is that this has to see the light of day. The finance minister from Saskatchewan is running and hiding. He will not bring it forward. The government will not bring it forward. Revenue Canada will not apologize. Somebody has to push back. That is what we are doing here tonight. We are giving them a shove.

### *Private Members' Business*

One of the Liberal members said that this was totally unfair to other Canadians. Other Canadians have not found themselves in the crosshairs of Revenue Canada. It will happen. These revenue guys are cash hungry. They have to pay for all the money that oozes out under sponsorship scandals and goes back to the Liberal Party. They have to find it somewhere, and that is what they are doing.

The Liberals wasted \$150 million in the sponsorship fiasco. Here they are clawing back \$100,000, chump change. It will cost them probably three or four times that to collect it. Shame on them. Stand up and vote for this bill when it comes before us. If they have any kind of backbone, that is what it will take.

There is a glaring problem. They cannot run, they cannot hide. They have to fix it. It will not take a lot to do it. Reword it, rewrite it, I do not care, but get off of these young kids. By doing nothing, they are part of the problem.

Mr. Bailey asked question after question and made statements on it. I have copies of them here. A point Roy made one day was that the Minister of Revenue kept saying that they were looking at it and that they were going to check it out. That was maybe what led to it taking almost two years to get this on the floor, other than private members' bills which are hit and miss at best. We kept thinking this was such a glaring error that nobody could walk away and not fix this, but she did.

The next person who looked after Revenue Canada did. We called them all. Nobody responded. We finally contacted the member for Wascana, the finance minister, who has the purse strings—

**An hon. member:** The last member from Saskatchewan.

**Mr. Gerry Ritz:** Yes, the last standing Liberal member from Saskatchewan. He still has done nothing. He will not even return calls. He is affecting the future of these kids and the future of the small town that they play hockey in.

Roy kept up that battle. He just did yeoman's work on it. She kept going on about having to be fair, having to apply the rules and it had to be Canada-wide. None of those criteria were met. It has become ludicrous and laughable that these people perpetuate this thing.

The Liberals talk about the lack of funding, that we do not have good teams going to the Olympics, that we need better teams going to the junior hockey tournaments and this type of thing. It takes money. They are going to ramp that up. They want the good news story. They get the headlines out there saying, "Look at what we are doing for our Olympic teams". The flip side of that same coin is, look at what they have done to other teams, but only in Saskatchewan. They have to fix it. It is discrimination against Saskatchewan alone. We did not vote right, according to them, so they pick on our hockey kids. It will not fly. It did not work in the last election and it will not work in the next one.

The minister at that time, Eleanor Caplan, kept saying that these kids needed access to social programs. They did not care about the social programs. They only wanted to play hockey. The members on the Liberal side have a choice: they can lead, follow or get out of the way.

*Private Members' Business*

● (1805)

**Mr. John Maloney (Welland, Lib.):** Mr. Speaker, I am very happy to rise to speak to Bill C-285. I would agree that the member opposite who sponsored the bill, his heart is in the right place, but it is time he also put his head where his heart is.

I am quite frankly surprised that the Conservative Party is so strongly in favour of the bill. This is a party that is opposed to grants because they are bad. It is opposed to subsidies because they are bad too. It is opposed to any government intervention because that is awful. However, this has curb appeal. It is glitzy. It appeals to the heartstrings and frankly that is so superficial. We should look a little deeper into this legislation.

I would like to provide some input regarding the bill which, if enacted, would give athletes and exemption of up to \$8,000 of the income they receive from non-profit organizations operating exclusively for the purpose of promoting amateur athletes. We have heard about youth, but as I look in the bill, I see nothing about youth. It is athletics and amateur athletics of any age. It could be an octogenarian and also qualify for this. Let us look at it in all honesty.

As my colleagues opposite have already made the case for not supporting the bill, I will speak to a few issues which I believe merit further attention.

First, they suggest that the bill would support our amateur athletes by exempting up to \$8,000 of their income received from non-profit organizations from tax. That is leaving more money in their pockets. Let me note that our tax system already provides a basic personal tax credit of approximately \$8,000 to all taxpayers. Therefore, the extent that an athlete has revenue of less than \$8,000, he or she will pay no tax.

Take the example perhaps of a junior hockey team as has been referenced opposite. A living allowance of \$4,000 given to a player would not be taxable because it would be below the basic personal threshold of \$8,000. In this regard the bill is unnecessary because the tax system already provides a mechanism to ensure that a basic amount of income is not taxable. However, the effect of the bill is to provide an exemption to Canadians who, in addition to earning another source of income, also receive income from a non-profit organization. If that is true, let me submit that it would run counter to basic tax policy to enact the bill.

On what basis can we justify exempting \$16,000 of an athlete's income from tax when other low income taxpayers receive only an \$8,000 basic personal exemption? As is shown from this example, the bill does not stand the test of scrutiny.

Second, it is my understanding that the bill is intended to aid amateur athletes who are struggling financially by exempting part of their income from tax. The manner in which the bill is drafted leaves me to wonder who it is really supposed to help as there are no limits as to who can take advantage of this exemption. In other words, and it was alluded to earlier, the exemption would apply to an athlete whether he or she earns \$10,000 or \$100,000 of income. It goes without saying that to allow the exemption to apply to someone earning \$100,000 would be just totally unjustifiable.

Has the member costed out what the financial impact would be on government revenues and where the additional revenue would come from to pay for our health care expenditures, our child care expenditures, perhaps our seniors' pensions and our military? Frankly, it would be difficult to speculate because there are so many Canadians participating in so many types of sporting activities. We all wish to encourage sporting activities, but this initiative I submit is not well thought out.

Lastly, I agree with my colleague when he mentioned that providing a tax exemption is not the best way to support amateur sports in Canada. The practice of a sport is primarily an individual and perhaps a family decision. To the extent that the government should involve itself, it should not be through the tax system.

● (1810)

In short, the bill fails as a good alternative for supporting struggling amateur athletes and amateur sports in general.

That is dealing with the bill as it reads, but let me speak just on the general principle.

The Minister of Finance will not be supporting this private member's bill that introduces tax measures outside the budget process. Tax decisions should be made in the budget not as one-off initiatives, as in this case, pre-empting consideration of all priorities outlined in the Speech from the Throne. This is a fundamental principle from which we should not waver.

The current minority situation raises significant concerns with regard to private members' tax measures and their pressures on the fiscal framework. At present, there are currently 13 private members' tax measures before the House which total a very conservative estimate of \$2.5 billion per year worth of tax reductions. That is a lot of money.

If we take \$2.5 billion out of our general revenues, where will we make up the deficit to pay for much needed programs such as our health care, our pensions, our seniors pensions, child care, the military, all these items which members opposite think are so important, and they certainly are.

The majority of these initiatives are well-intentioned targeted tax reductions, such as making the cost of tools for employment tax deductible, creating a deduction for volunteer emergency service, creating a deduction for adoption expenses, which I would personally support. We also have the current one, better tax treatment for our athletes in amateur sport. Again, we all agree with that principle, but not to do it through the tax system.

Which of these does not have merit in some aspect? Which one would we pick in priority if that were possible? These private members' bills, while in some instances have merit on their own, present a very serious challenge because of their cumulative impact, \$2.5 billion. Where does one draw the line? I respectfully suggest the line must be drawn on Bill C-285. As we have heard, the bill has serious flaws as drafted.



For all the foregoing reasons, the bill should not receive the support of the House. I encourage all members of the House to get over the emotional aspects of the bill. Let common sense and reason prevail. That is a comment we have often heard from members opposite. We were elected to do that. Vote no to Bill C-285. It is common sense.

• (1815)

**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.

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## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

### OIL AND GAS INDUSTRY

**Mr. Jim Prentice (Calgary Centre-North, CPC):** Mr. Speaker, on November 30, 2004, during question period, I rose in this honourable House and asked the Minister of Indian Affairs and Northern Development a question in relation to the Mackenzie Valley pipeline and, in particular, the regulatory confusion surrounding the pipeline and which currently imperils it and which imperils not only the pipeline but the prospect of economic progress for the aboriginal Canadians who are affected by that pipeline and which indeed threatens the resolution of environmental issues concerning the pipeline as well.

The minister's response at that time was that he was working together with the President of the Treasury Board on the smart regulations report that the government had received and that he was attempting, with the President of the Treasury Board, to define a regulatory regime in the north for the Mackenzie Valley gas pipeline.

More than two months have passed since that time and virtually no progress has been made. I am again asking the minister to tell the House and Canadians what he has done to advance one of Canada's most important energy projects.

The project is immense, by any standard. The required capital investment for the pipeline and the associated infrastructure will be over \$7.5 billion. The project will result in an enormous increase to the overall Canadian gross domestic product of more than \$57 billion. The total direct and indirect employment resulting from this project has been estimated at 157,000 person years. Yet, today the project is mired in morass, in a regulatory miasma created by this government.

Just recently, in the past week or so, the joint review panel provided the proponents of the Mackenzie Valley gas pipeline with its second round of information requests, in effect, following up on the massive submission that was filed as required. Those information requests are over 600 in number and follow on the first information requests, which were of a similar size and scale.

Clearly, the result is that valuable time has been lost. Originally, the in-service date for the pipeline was 2009 and the economics of

the pipeline were predicated upon that. That date has now slipped to 2010 or even 2011.

Surely the government understands that whether this important Canadian pipeline gets built at all depends upon the resolution of the environmental issues, the regulatory issues and the aboriginal issues which are now swirling around this pipeline. Only the Government of Canada can resolve these issues.

The authority for the statement I have made is not myself but rather the government's own external advisory committee, the smart regulation report, which describes the northern regulatory framework as the "...complex and unpredictable cobweb of regulations involving multiple federal government departments, and territorial and Aboriginal authorities.

Could the minister assure Canadians that the government will take the necessary steps to ensure that the Mackenzie Valley project maintains its competitive advantage over the American pipeline? Will he assure Canadians that the Deh Cho settlement negotiations will be resolved? The government has been very quiet on that front. I would ask the member to please advise the House on what is happening. Could he also tell the House when the regulatory confusion will be resolved and will he report to us on the status of the access and benefit agreements which the proponents have been endeavouring to negotiate?

• (1820)

**Hon. Roy Cullen (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, I thank the hon. member for Calgary Centre-North for providing me with an opportunity to inform the House about the progress being made in the area of northern development and to assuage any concerns he may have that progress on the Mackenzie Valley may in any way be threatened. I can say with certainty that this is not the case.

As has been indicated in the House by the Minister of Indian Affairs and Northern Development, the government continues to work with the President of the Treasury Board on smart regulations, specifically dealing with the regulatory regime in place in the north with respect to the development of the Mackenzie Valley pipeline.

Over the last several months we have been reviewing the recommendations contained in the smart regulations report. I am pleased to report to the House that one of the regulations related to the Mackenzie gas project highlighted the cooperation plan as a model for streamlining the regulatory regime in Canada's north.

We are continuing our review of this and other recommendations that relate to the northern regulatory environment. We do so with a view to determining how they can be best implemented in our northern operating environment.

I wish to remind the hon. member opposite and assure him that the environmental assessment and regulatory regime in the Mackenzie Valley is the result of aboriginal land claim agreements negotiated and legislated between these parties and the Government of Canada. Working together, we want to ensure that the spirit and intent of settled land claims are met and done so in a spirit of trust and respect.

*Adjournment Proceedings*

There could be no mistaking the government's commitment to the effective and sustainable development of Canada's north. I should emphasize that the Government of Canada's participation in the environmental assessment and regulatory review of the Mackenzie Valley gas project is being undertaken on behalf of every individual in Canada.

Let me further assure the House that through the Department of Indian Affairs and Northern Development and its pipeline-readiness office, the government continues to meet its commitments as outlined in the cooperation plan. A coordinated and effective environmental assessment and regulatory review process, which reduces duplication and meets the legislative needs of all parties, are in fact key elements of the cooperation plan.

In short, I wish to applaud the hon. member for his commitment to sustainable development of the vast potential of Canada's north. We continue to work with vigour to address any issues that arise. We are committed to working together with first nations governments and we will continue to forge ahead to the benefit of all Canadians.

**Mr. Jim Prentice:** Mr. Speaker, the essence of the matter, in short, is that the government has created a regulatory spiderweb in the north which imperils development and which imperils this important project. Frankly, the real question is whether this generation of aboriginal Canadians will have economic opportunity that is in keeping with their potential and whether they will have the opportunity to enjoy the benefits of their resources.

That question hinges entirely upon what the government does in respect of this regulatory spiderweb that it has created. Its own smart regulation report has indicated that this situation imperils the Mackenzie Valley gas pipeline and in fact can damage the Alaska pipeline as well for the same reasons.

That report was put forward for very specific recommendations. I do not hear from my friend today that the government has done anything other than review those recommendations. What concrete action is the government taking?

• (1825)

**Hon. Roy Cullen:** Mr. Speaker, a coordinated effort among key regulatory bodies is critical to the success of our endeavours in respect to the Mackenzie Valley pipeline.

It is important that the government should continue to play a leadership role in building on the shared vision embodied in the cooperation plan. In doing so, we are creating a broader, long term framework for regulatory cooperation among northern regulators that benefits the process through ensuring timeliness, transparency, predictability, clarity and certainty.

In short, our work in the north in respect to the Mackenzie Valley pipeline continues and our efforts in ensuring its sustainability endure.

FIREARMS REGISTRY

**Mr. Leon Benoit (Vegreville—Wainwright, CPC):** Mr. Speaker, I asked a question in the House on December 2 regarding the firearms registry. The background to my question read as follows:

Mr. Speaker, the government keeps talking about the benefits of its bungled gun registry, which it now says will...cost [by its own estimates] \$1.4 billion, 2,000%

more than the Liberals said it would. They are so confident of the benefits that they keep the cost benefit analysis locked away as a cabinet secret.

I want to refer to the fact that while the government continued to say that the gun registry was providing a great service to Canadians, it went to the expense to carry out a cost benefit analysis of the program. The results obviously came back extremely negative because they refused to make the results of the cost benefit analysis public. The reason it gives for not providing the information under access to information is that it is a cabinet secret, which is absurd.

I therefore would like to try asking my question again in the hope that the parliamentary secretary, in his response, will say that the government will release the cost benefit analysis. I doubt that will happen but that is what I am hoping for.

I want to make it very clear that the benefit is not there for the gun registry and we know that. The following are the top 10 items that demonstrate that very clearly.

Ten. Of firearms used in homicides, 86% were unregistered and 80% of murderers were unlicensed.

Nine. A briefing note dated April 12, 2001, to the current securities minister, the minister from Edmonton, when she was the minister of justice, said that staffing levels associated with the firearms program were 1,800 employees.

Eight. The firearms registration in Nunavut was temporarily suspended by the courts for more than two years.

Seven. There is no requirement in the Firearms Act for gun owners to tell anyone where they store their guns or who they loan their guns to. So much for the Liberal promise that the police will know where the guns are.

Six. There are only 282,000 of the two million firearm licence holders who have taken a firearms safety course.

Five. There are more than five million of the seven million firearms in the gun registry that have still not been verified, contrary to police demands.

Four. More than 315,000 owners of a registered handgun still have not registered their handgun. They know they are out there but they are still not registered.

Three. More than 400,000 firearm licence-holders still have not registered a gun.

Two. More than 300,000 owners of previously registered handguns still do not have a firearms licence.

One. The Liberals have only registered 7 million out of 16.5 million guns.

I think those quick facts demonstrate very clearly that the Liberal firearms registry program simply is not effective. I am hoping that the minister or the parliamentary secretary—

**The Deputy Speaker:** We are going to hear from the Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness.

*Adjournment Proceedings*

• (1830)

**Hon. Roy Cullen (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, I thank the hon. member for Vegreville—Wainwright for the opportunity to rise in the House today and answer his questions.

[*Translation*]

First I want to say that the Canadian Firearms Program is complete and fully operational. It is up to us to ensure that any government program is carried out as efficiently and cost-effectively as possible.

[*English*]

Significant steps have been taken to reduce costs and provide more information to Parliament on the Canada Firearms Centre and the Canadian firearms program. Costs to the centre are now half of what they were in fiscal 2000-01 and will continue to decline to \$85 million in 2005-06 and beyond.

Hon. members will also recall that in May 2004 the government announced an annual \$25 million cap on firearms registration activities to be implemented beginning in 2005-06. By 2006-07, when revenues from firearms licences and other fees are taken into account, the net annual cost of the Canada Firearms Centre to Canadians will be approximately \$57 million annually.

Effective firearms control is contributing to public safety. According to Statistics Canada, the firearms related homicide rate in Canada in 2003 was less than half the rate in 1975. Other firearm related crimes, such as armed robbery, have also declined significantly.

[*Translation*]

As I already mentioned, not only do the Canadian Firearms Program and the Canadian Firearms Information System work, but they work very well.

[*English*]

Police are using the firearms program information in their day-to-day work to respond to calls to prevent crime and investigate offences. There have been 3.6 million queries on the Canadian firearms registry on-line since 1998 by police and other public safety officials. The Canada Firearms Centre produced more than 2,200 affidavits in 2004 to support firearm related criminal prosecution.

More than 13,000 licences have been refused or revoked to date by firearms officers across the country on public safety grounds, including reasons such as a history of domestic violence, drug offences, mental health issues and other concerns. The Canada Firearms Centre responds to numerous calls annually on its 1-800 line for public safety or spousal violence risk.

I would like to emphasize that Canadian police stand by the firearms program. Both the Canadian Association of Chiefs of Police and the Canadian Professional Police Association support the firearms program, including the registration of all firearms. The majority of Canadians do support the firearms program.

In fact, an Environics survey taken in January 2003 found that 74% of Canadians supported the current gun control legislation. When Canadians obtain a firearm licence and register their firearms, they also support safe and healthy communities across the country.

Compliance is high as there are almost 2 million firearms licence holders in Canada, representing about a 90% compliance rate. Also, there are almost 7 million firearms registered, representing a rate approaching 90% of estimated firearms in our country.

This speaks to the large benefit in relation to the costs that are now managed and will be sustained at those levels.

**Mr. Leon Benoit:** Mr. Speaker, I am sure the member is red-faced having to defend this program. The fact that the government will not release the cost benefit analysis tells the story. Once again the member is spreading some information that is less than complete.

For example, he talked about a poll done in January 2003 where 74% of Canadians supported the current gun legislation. The fact is that a poll done in April 2004 by JMCK Polling stated that a substantial majority, in fact 77% of Canadians, wanted the registry scrapped.

Why did the parliamentary secretary not refer to that survey and that poll result? Those are the facts. This program has done nothing to help the police deal with the issues of crime.

In fact, the chief of police for Toronto, the place we would think would be supporting this legislation, has said that the registry should be scrapped and that money should go into policing instead. That is what should be done.

**Hon. Roy Cullen:** Mr. Speaker, let me reiterate that the Canadian firearms program is contributing to public safety.

As hon. members know, licensing and firearm registration data is kept in the Canadian firearms information system, also known as CFIS. We know that law enforcement agencies need accurate and complete information from the Canadian firearms information system in order to do their job. That is why licensing and firearms registration are so important.

Canadians are doing their share in ensuring public safety. When Canadians obtain a firearms licence and register their firearms, they support safe and healthy communities across the country. Our compliance rates represent a major success for such a new regulatory program of this nature.

• (1835)

**The Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24 (1).

(The House adjourned at 6:36 p.m.)



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