



CANADA

# House of Commons Debates

---

VOLUME 140 • NUMBER 037 • 1st SESSION • 38th PARLIAMENT

---

OFFICIAL REPORT  
(HANSARD)

**Thursday, December 2, 2004**

—

**Speaker: The Honourable Peter Milliken**

## **CONTENTS**

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

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

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

# HOUSE OF COMMONS

Thursday, December 2, 2004

The House met at 10 a.m.

---

*Prayers*

---

● (1000)

[*Translation*]

## BUSINESS OF SUPPLY

**Ms. Pauline Picard (Drummond, BQ):** Mr. Speaker, discussions have taken place between all parties and I believe that you will find consent for the following motion:

That the member for Laurier—Sainte-Marie be authorized to speak first on the motion, and that the author of the motion speak later today during the debate.

**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.

---

## PRIVATE MEMBERS' BUSINESS

● (1005)

[*Translation*]

### ELECTORAL BOUNDARIES READJUSTMENT ACT

Bill C-302. On the Order: Private Members' Business:

December 2, 2004—Mr. Myers (Kitchener—Wilmot—Wellesley—Woolwich) — Second reading of Bill C-302, An Act to change the name of the electoral district of Kitchener—Wilmot—Wellesley—Woolwich.

**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, discussions have taken place between all parties with respect to Bill C-302 and I believe that you will find consent for the following motion:

That notwithstanding any Standing Order or usual practice, Bill C-302, An Act to change the name of the electoral district of Kitchener—Wilmot—Wellesley—Woolwich, be deemed to have been read a second time, referred to a committee of the whole, reported without amendment, concurred in at report stage and read a third time and passed.

**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, bill deemed read the second time, considered in committee of the whole, reported without amendment, concurred in, and read the third time and passed)

\* \* \*

[*English*]

### ELECTORAL BOUNDARIES READJUSTMENT ACT

Bill C-304. On the Order: Private Members' Business

December 2, 2004—The hon. member for West Vancouver—Sunshine Coast—Sea to Sky Country—Second reading of Bill C-304, an act to change the name of the electoral district of Battle River.

**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, other discussions have also taken place among all parties with respect to Bill C-304 and I believe that you would find consent for the following motion:

That notwithstanding any Standing Order or the usual practices of the House, Bill C-304, an act to change the name of the electoral district of Battle River, be deemed to have been read a second time, referred to a committee of the whole, reported without amendment, concurred in at report stage and read a third time and passed.

**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, bill deemed read the second time, considered in committee of the whole, reported without amendment, concurred in and read the third time and passed)

\* \* \*

[*Translation*]

## BUSINESS OF SUPPLY

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I believe that you will find consent for the following motion:

That at the conclusion of today's debate on the Bloc opposition motion, all questions necessary to dispose of this motion be deemed put, a recorded division deemed requested and deferred to 3:00 p.m. on Tuesday, December 7, 2004.

**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.

*Routine Proceedings***ROUTINE PROCEEDINGS***[English]***GOVERNMENT RESPONSE TO PETITIONS**

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

\* \* \*

**CANADA LABOUR CODE**

**Hon. Joe Fontana (Minister of Labour and Housing, Lib.):** Mr. Speaker, since my appointment as Minister of Labour and Housing, I have met with workers, union leaders and business representatives. I have heard about issues that go straight to the heart of Canadians: job security, minimum wage, work-life balance, hours of work, annual vacations and maternity and compassionate care leave. All of these issues are covered by federal labour standards.

Labour standards are a key tool to ensure fairness in the workplace, to protect employees and to provide them with minimum conditions of work. For many employers, labour standards also help create a level playing field that allows them to compete on a more equal footing with other businesses.

*[Translation]*

Therefore, we have to ensure that federal legislation on labour standards is relevant and adapted to the changing needs of the Canadian workers and employers of today. This is why we are initiating a review of the federal labour standards, that is part III of the Canada Labour Code.

● (1010)

*[English]*

Part III of the code has been amended in recent years, but its overall framework is largely based on the world of work of 1965. Let us consider how dramatically our society, economy, workforce and workplaces have changed since then.

Today we think of work-life balance, flex time, and telework, where an employee can work from the car, the airport and the home. We are seeing a rise in self-employment as well as in the number of employees holding part time or term and casual jobs. The workforce is aging and is more diverse.

Also, many Canadian workers are feeling overworked and overwhelmed, especially those parts of the so-called sandwich generation. These are the workers who struggle to balance their work with their responsibilities to raise children or care for aging relatives.

*[Translation]*

Many workers also feel vulnerable and want more protection as well as a wider and more rigorous application of labour standards.

*[English]*

Employers today face many challenges. Canadian businesses need to be able to respond rapidly to technological change and stiff global competition. They want to boost their productivity and competitive-

ness. They want to attract and retain highly skilled workers and ensure that labour laws are applied in a fair and consistent way.

Today, I am pleased to announce the appointment of Professor Harry Arthurs of York University, one of Canada's leading labour law experts, to conduct the independent review of federal labour standards. He will be supported by a panel of advisory experts and business and labour representatives.

Professor Arthurs and his team will examine the needs of Canadian workers and employers through research, international comparisons and a series of nationwide public hearings. Their work will lead to recommendations for both legislative and non-legislative measures aimed at producing practical and workable solutions to the difficult questions of regulation in the modern economy.

I strongly encourage parliamentarians as well as their constituents who have a stake in the modernization of federal labour standards to participate actively in this review process. By working together, we can build quality workplaces in Canada that will assure our economic success and a high standard of living in the future.

**Mr. Ed Komarnicki (Souris—Moose Mountain, CPC):** Madam Speaker, there is no doubt that our nation, our economy, our workforce and indeed our world has undergone significant change since 1965 when the major portion of part III of the Canada Labour Code was reviewed. It started back in the days of the Hon. John G. Diefenbaker and ended in the days of the Hon. Lester B. Pearson.

The review is predicted to take place in the next year or year and a half, and certainly I can understand, with part I of the Canada Labour Code dealing with industrial relations being reviewed in 1999, part II of the code dealing with health and safety being reviewed in 2000, why the minister feels it is important now to have part III reviewed. It will be interesting to see how the process will work and how it will end.

Today's society requires much flexibility, ease of movement and cooperation between employer and employee and a collaborative effort in meeting the challenges of new and developing markets and increased competition in the marketplace and indeed in the global economy.

Business must continue to be economically viable and profitable and at the same time the basic rights and interests of employees must be addressed.

Having said that, there must be a blending of interests of not only employer and employee but that of commerce, industry and the prosperity of our nation as we know it.

*Routine Proceedings*

Today's announcement of a commissioner and three experts, and with the contributions from business and banking interests, combined with those of the labour movement and employee representatives, should result in a broad based collaborative approach to the review. It must take into account large and small business interests, large sector employee-employer relationships, small sector employee-employer relationships and those in small towns and villages and the rural parts of our country.

Circumstances have changed and relationships have developed that are not necessarily one of employer and employee, but independent relationships where substantial business can be conducted out of a home with computers and modern technology that makes business tools available right on our desktops and, in fact, on our person as we go from place to place.

We have a generation where there are many two worker families with young children to look after and other dependent adults, maternity leave, paternity leave and compassionate leave and these have to be considered in the balance. We need the flexibility to meet ever changing demands and ever changing needs.

The Vanier Institute of the Family published a document entitled, "It Keeps Getting Faster: Changing Patterns of Time in Families", and this applies as well to the workplace. It states that "—every day routines are hurried and, at times, regimented and largely beyond our control...and there is that nostalgic tug that draws us back to a longing for simpler times when life was uncomplicated".

However there has been a rapidity in change in recent years and the pace of change has accelerated dramatically with advances in information technology, engineering and the globalization of the economy.

It is in that context that the review is being undertaken and certainly the work of the commission will be monitored and watched closely as it addresses the many issues that have been raised. In the end it is my hope that there will be a blending of interests to the benefit of all of us.

●(1015)

[*Translation*]

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Madam Speaker, what a good idea it is to review part III of the Canada Labour Code. All the changes made will have a direct impact on 10% of Canadian workers and 7% of Quebec workers in industries governed by the Canada Labour Code. They will also have a domino effect on all collective agreements and on labour standards in Quebec and each of the provinces.

We may perhaps all have preconceived ideas about what is contained in this part of the Canada Labour Code: annual leave, statutory holidays, salary deductions. It is, however, fair and justified to mandate an independent commission to carry out research, consult the public and make recommendations on each of these elements. But would it not be better to aim at modernizing all working conditions, whether covered by part III or not, to mandate the commission and its new head to study and analyze labour conditions in today's economy and to see how labour relations in Canada and Quebec can be changed?

This examination ought not to be only through the lens of part III of the Canada Labour Code, but rather with a view to adapting to the new requirements of life today and a changing world.

There is of course the matter of balancing work and family, reconciling work life and personal life, as the minister has said. Ought we not to also look into the possibility of allowing parents with children under the age of 12 to work a four-day week if they want to? As well, ought we not to look at the possibility of having as many workplace child care facilities as possible? What about specific working conditions for natural caregivers? Then there is psychological harassment, not in itself anything new, although our intolerance of it is and it also warrants looking at.

Another manifestation of our changing times are contract workers. In some companies, it used to be that 70% of workers were permanent and 30% on contract, but now the opposite is true.

Then there is the new phenomenon of the workers approaching retirement age, those who are 50-plus and want to retire gradually. Could this new phenomenon not be combined with preparing the next generation of workers? Are the two unrelated, or could these two new problems solve each other?

Should antiscab legislation not also be considered by the Arthurs commission? Replacement workers are responsible for the unnecessary length of labour disputes. In Quebec, where the statistics are easy to analyze, workers under federal jurisdiction represent only 6.6% of the workforce but are responsible for 48% of the work days lost as a result of labour disputes. This is a telling statistic.

To reassure the minister, I must also add that Quebec employers have no complaints about this legislation, which has been in effect in Quebec for the last 25 years. On the contrary, it suits them.

Precautionary cessation of work also straddles Parts II and III of the Canada Labour Code. Here too, humane solutions must be found, and the current commission would have difficulty justifying any failure to address this issue.

With regard to globalization, a specialty of Professor Arthurs, protection must be given to workers who might be victimized by the demands of employers who introduce new requirements in order to meet the international competition.

In Quebec in particular, the disparities between the Canada Labour Code and Quebec's labour standards have led to the creation of two categories of workers: those subject to the Canada Labour Code and those working under Quebec's labour standards.

Finally, we should take advantage of this opportunity to resolve certain issues that still remain in regard to federal infringement on Quebec's areas of jurisdiction. Regarding parental leave in particular, the federal government signed an agreement in principle with Quebec a few days prior to the election call last June and continues to refuse, despite signing that agreement, to withdraw its reference to the Supreme Court. Compassionate leave also constitutes an infringement on Quebec's areas of jurisdiction.

*Routine Proceedings*

Such negotiations are extremely important for the Bloc Québécois, which defends the interests of workers and defends the Quebec consensus on—

• (1020)

**Mr. Michel Guimond:** Madam Speaker, I rise on a point of order. With respect to the last sentence in the speech of my colleague from Saint-Bruno—Saint-Hubert, I would like to know why you decided to rise and prevent her from saying it. I believe that this sentence had some value for the *Hansard*, the House of Commons Debates.

[*English*]

**The Acting Speaker (Hon. Jean Augustine):** I am delighted to respond. My understanding of the rule is that the length of time the minister spoke is the length of time that is assigned to each response from the various parties. I did signal one minute and actually went over the time by a number of seconds as I signalled that she was getting close to the end of her time.

The hon. member for Hamilton Centre.

**Mr. David Christopherson (Hamilton Centre, NDP):** Madam Speaker, we in the NDP are pleased to see that minority government is working once again for the people of Canada. This review is important, timely and one that we support. We also support and applaud the appointment of Professor Arthurs. He is a well-renowned, respected individual who we believe will serve the people well.

We are dealing with the Canada Labour Code and, first and foremost, we in the NDP caucus believe that the best protection for an employee is a union and a collective agreement. This deals with those workers under federal jurisdiction who do not have the support and protection of a collective agreement and, therefore, they need minimum protections in the law. This is about reviewing that law.

The minister has indicated that the government is prepared to look at a number of areas and we are pleased to hear that. These are crucial areas, such as the hours of work, seasonal employment and ensuring there is a minimum floor of rights and protections for workers.

I have to say, however, that we were disappointed the other day to hear the Liberals indicate that they would not support the legislation proposed by the Bloc member in terms of anti-scab legislation. We see some reference in the notes to this. Hopefully this will be an opportunity for the government to have a second, sober thought and realize the importance of bringing in anti-scab legislation and that it promotes peace and harmony between the parties involved.

We also believe that the federal legislation should be the best available in the country. It ought to be the model but in many ways it is woefully inadequate to achieve that goal. We would hope that the government and the commissioner, in agreement with the Bloc, but with a little different twist, will look at all provincial legislation, not only to ensure that it becomes the bare minimum that is entrenched in the federal labour code but that we take a leadership role at this level and show Canadians, through the actions of Parliament and the laws that we pass, what the acceptable minimum standards of employment protections and rights that workers have, whether they are unionized or not, and that regardless of whether they are covered by provincial legislation or federal legislation, this would be the bare

minimum and that nothing less will be acceptable for any worker anywhere in this great country.

I will close by suggesting two important things. First, we would hope that the government would be serious about implementing the results. We are giving the government the benefit of the doubt but the timeframes do raise some suspicions that the government is hoping that this will not come back until after the next election, in which case there may or may not be a minority situation, which takes me to my last point. I hope, whether it is in this Parliament or the next Parliament, that this comes back, if not with an NDP majority, then at the very least—

**Mr. Rick Casson:** In a dream world.

**Mr. David Christopherson:** Hope springs eternal. It has happened before. I was there.

However, at the very least, hopefully it will be a minority situation where the kind of pressures that force the government to take the action today that it is taking will also be there to put pressure on it to actually enact the legislation. If we do not have legislation at the end of the day, all we have done is taken up a lot of time.

\* \* \*

• (1025)

[*Translation*]

**COMMITTEES OF THE HOUSE**

## PROCEDURE AND HOUSE AFFAIRS

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Madam Speaker, I have the honour to present the 18th report of the Standing Committee on Procedure and House Affairs, concerning the list of members of the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness.

If the House gives its consent, I intend to move concurrence in the 18th report later this day.

[*English*]

## ACCESS TO INFORMATION, PRIVACY AND ETHICS

**Mr. David Chatters (Battle River, CPC):** Madam Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Access to Information, Privacy and Ethics in accordance with its order of reference of Thursday, November 4, 2004. The committee has considered vote 45a under justice in the supplementary estimates for the fiscal year ending March 31, 2005, and reports the same.

## ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

**Hon. Sue Barnes (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Madam Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Aboriginal Affairs and Northern Development. The committee has considered its order of reference of Tuesday, November 2, 2004, Bill C-14, an act to give effect to a land claims and self-government agreement among the Tlicho, the Government of the Northwest Territories and the Government of Canada.

[Translation]

The committee has considered Bill C-14 and has agreed to report it without amendment.

\* \* \*

• (1030)

#### EXCISE TAX ACT

**Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ)** moved for leave to introduce Bill C-305, An Act to amend the Excise Tax Act (children's diapers).

She said: Madam Speaker, I am very pleased to introduce this bill, which would amend the Excise Tax Act to exempt cloth and disposable diapers for children from the goods and services tax. In this day and age when the family is considered important, I am counting on all the support of all parliamentarians for this bill.

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

\* \* \*

#### INCOME TAX ACT

**Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ)** moved for leave to introduce Bill C-306, An Act to amend the Income Tax Act (public transportation costs).

She said: Madam Speaker, I take great pleasure in introducing a bill that amends the Income Tax Act in order to allow individuals to deduct certain public transportation costs from their income tax. This is, of course, in keeping with the Kyoto Protocol.

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

\* \* \*

#### COMMITTEES OF THE HOUSE

##### PROCEDURE AND HOUSE AFFAIRS

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Madam Speaker, if the House gives its consent, I move that the eighteenth report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

**The Acting Speaker (Hon. Jean Augustine):** Does the hon. member for Glengarry—Prescott—Russell have the unanimous consent of the House to move the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

[English]

#### PETITIONS

##### CANADIAN FORCES HOUSING AGENCY

**Mr. Jay Hill (Prince George—Peace River, CPC):** Madam Speaker, I have two petitions to present to the House today.

The first petition is on behalf of the citizens of Windsor, Ontario, and is like many others that I have presented in the House. The citizens of that city wish to draw to the attention of the House the fact that the Canadian Forces Housing Agency provides on base

#### Routine Proceedings

housing for some of our military families, but unfortunately, many of those homes are below acceptable living conditions. At the same time, our military families are facing annual rent increases on those homes.

The petitioners call upon Parliament to immediately suspend any future rent increases for accommodation provided by the Canadian Forces Housing Agency until such time as the Government of Canada makes substantive improvements to the living conditions of housing provided for our military families.

• (1035)

#### TAXATION

**Mr. Jay Hill (Prince George—Peace River, CPC):** Madam Speaker, the second petition I wish to present today, like many others that I have presented, is on behalf of the citizens of Mackenzie in northern British Columbia in my riding.

The petitioners wish to draw to the attention of the House the fact that Mackenzie is a small, northern isolated town that has far less amenities than many of the nearby cities. Yet, those cities are fortunate enough to enjoy the northern living tax deduction. They feel this is discriminatory toward the residents of Mackenzie.

The petitioners call upon Parliament to immediately reinstate Mackenzie's residents' eligibility for the northern residence tax deduction by adjusting the zone to include the regional district of Mackenzie by moving the latitudinal boundary a bit further to the west.

#### MARRIAGE

**Mrs. Lynne Yelich (Blackstrap, CPC):** Madam Speaker, I rise today representing constituents from Lockwood, Lanigan, Drake, Jansen, and Guernsey in my riding, who put together this petition with other Saskatchewan residents. The petitioners wish to draw the House's attention to the fact that they would like marriage to be defined as the lifelong union between one man and one woman which is the best foundation for families raising children.

The petitioners also wish that Parliament have exclusive jurisdiction over the definition of marriage. They pray that Parliament define marriage in federal law as being a lifelong union of one man and one woman to the exclusion of all others.

\* \* \*

#### QUESTIONS ON THE ORDER PAPER

**Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Madam Speaker, Question No. 22 will be answered today.

[Text]

Question No. 22—**Mr. Brian Masse:**

What was the cost to the government of the independent security audit of the Census Test operations site and what are the costs for the de-scoping of the contract with Lockheed Martin for the 2004 test run and the 2006 Census?

*Supply*

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, the estimated costs incurred to independently assess the census test operations total \$187,500. Of this amount, information technology and physical security assessment costs, from areas independent to the census operations but within Statistics Canada, totalled \$12,500. Assessments external to the agency totalled the balance, \$175,000.

The estimated costs associated with the de-scoping of the contract with Lockheed Martin for the 2004 census test totalled \$70,000. Given that the contract was structured in three phases, and that the third phase of the de-scoped contract with Lockheed Martin was finalized separately and after Statistics Canada's conduct of the census test, there are no additional contractual costs for the 2006 census.

As a result of the decision to reduce the scope of the outsourcing contract, Statistics Canada will conduct all processing activities in Government of Canada facilities with Statistics Canada employees hired under the Public Service Employment Act. Under the original outsourcing plans, processing costs would have been \$11 million lower than under the de-scoped contract because of differences in wage rates, performance related compensation, benefits and overheads.

However, the data processing costs under the de-scoped contract will still be some \$3 million less than if the 2001 census data processing approach had been repeated in 2006.

The 2006 processing approach is part of major methodological changes to how the census is conducted. The new approach to conducting the 2006 census is a reaction to a number of opportunities and pressures that have been built over the past two censuses. Detailed evaluations had indicated that given the tight timeframes involved in running the 2004 census test and the actual 2006 census, these changes would not have been possible without leveraging on existing private sector expertise. Repeating the 2001 approach was not a viable alternative because it would not have dealt with the privacy issues associated with the use of local enumerators, the need to provide a totally secure Internet option and the need to replace a manual data entry process.

[English]

**Hon. Dominic LeBlanc:** Madam Speaker, I ask that all remaining questions be allowed to stand.

**The Acting Speaker (Hon. Jean Augustine):** Is that agreed?

**Some hon. members:** Agreed.

**The Acting Speaker (Hon. Jean Augustine):** I wish to inform the House that because of the ministerial statement, government orders will be extended by 17 minutes.

**GOVERNMENT ORDERS**

[Translation]

**SUPPLY**

## OPPOSITION MOTION—AGRICULTURE

**Mr. Roger Gaudet (Montcalm, BQ)** moved:

In light of the inadequacy of current federal assistance, that this House call upon the government to implement specific measures as soon as possible to help the cattle and cull cattle producers who are suffering the impact of the mad cow crisis.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Madam Speaker, I wish to be the first to rise on this motion today, to speak in a very important debate about agriculture in Canada and Quebec, which has been hard hit by the mad cow crisis.

This crisis has occurred because of the decisions made by a finance minister who has now become Prime Minister. Few countries have abandoned the agricultural sector as much as Canada in the last 10 years. This situation is unhealthy because in a period of crisis such as the one we are now experiencing, this is the time when producers need help from the Canadian government.

According to figures from the Canadian Centre for Policy Alternatives, the federal government has cut its agricultural spending in half over the past 10 years. Ottawa's intervention in this crisis consists in establishing pan-Canadian measures that do not meet the specific needs of farmers in Quebec. The source of this problem is the American decision to ban Canadian and Quebec beef from the U. S. because there was one mad cow in Alberta.

Nearly a year ago, when the current Prime Minister was beginning his job, we were told that progress would be made, the problem would be solved, and relations would improve. President Bush has just left Canada. Little was said about either softwood lumber or mad cow. President Bush said quite a lot more about the missile defence shield. But in terms of progress, nothing was done.

For 18 months we have heard that the solution was coming. It is getting closer. Those who keep repeating that make me think of people who say they can see the light at the end of the tunnel but do not realize that it is from an oncoming train.

I would like to talk now about health practices in Canada. It should be obvious that the situation is much better in Quebec than elsewhere. I mentioned the mad cow found in Alberta, 5,000 kilometres away from Quebec. There is a lot more livestock traded between Alberta and North Dakota, Idaho and Montana than with Quebec. However Quebec is being penalized.

During the avian flu outbreak in New Castle, Canada banned the importation of poultry from four states, not from every state in the U. S. In his wisdom, the agriculture minister at the time realized that a Los Angeles rooster had nothing to do with a New York City hen. We could have asked the U.S. to take the same approach with regard to Quebec beef and cull cows.



I asked the agriculture minister at the time why the issue was not being dealt with on a region by region basis. He answered that Canadians should have the same standards from one end of the country to the other, whether that worked or not. When you turn mad cow into a symbol of national unity, something is wrong. It is irresponsible.

As I was saying Quebec's regulations are much better than elsewhere. We have a well established traceability system. We can therefore follow the animal from birth to sale. Quebec banned ruminant meal four years before it was done elsewhere. I remember the scrapie outbreak. Quebec had already taken action.

I personally met people all across Quebec who suffered the consequences of Ottawa's inertia during the scrapie outbreak and now it is the same story all over again with cull cows and the beef industry.

If Quebec were a sovereign country, it would not have this problem. I heard the Prime Minister say "The North American market is integrated. The same conditions prevail throughout North America".

• (1040)

A crash course in geography might have helped refresh the Prime Minister's memory, because Mexico is part of North America and NAFTA. And Mexico is not affected because it is a sovereign country, even if it is physically closer to Alberta than Alberta is to Quebec.

Let us examine markets where the economies are much more integrated, such as the European Union. When England had to face several cases of mad cow disease, Germany was not affected. When mad cow disease was found in France, even Italy, a border country, was not affected. They were not affected because they are sovereign countries. We would not have been affected if we had not been part of Canada. At the very least, we could have regionalized.

Allow me to quote Laurent Pellerin, chairman of the UPA:

If the provinces were separate and had distinct inspection systems and regionalized product marketing mechanisms, only one province would be facing this crisis today.

We would then have a lot more resources available to help Alberta, because beef producers in that province also need assistance. They too suffer because of this crisis. However, using all available federal resources to give better help to Alberta, and leaving the rest of Canada alone, would have been a logical solution.

The president of Maple Leaf Foods, Michael McCain, who is not a sovereignist—but this does not stop him, unlike others, from thinking for himself—recently said that he supported dividing Canada into different zones, from an animal health point of view. This is feasible to the extent that there is a political will and enough intelligence and realism to ensure that we have in place programs geared to the needs of the different realities across Canada and Quebec.

This is why we are saying that it is absolutely necessary to decentralize certain components of the food inspection system. If there had been such decentralization, Quebec producers would not have been affected.

### *Supply*

I see that some members opposite are smiling. They think it is very funny. But they are too scared to attend the UPA congress. They are smiling, but they are too cowardly to go and talk to the farmers who are waiting for them in Quebec City this morning. These are cowardly acts, no more and no less.

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

**Mr. Gilles Duceppe:** Now, they just woke up. When we talk about cowardice, they recognize themselves.

The Quebec minister of agriculture, fisheries and food, Ms. Gauthier, asked the federal government to ensure that the Agricultural Products Marketing Act is implemented in order to have a floor price. This would have helped Quebec's whole agricultural sector, including producers. The federal government had the power to do that, but it did not, because some provinces were opposed to such a measure. When the time comes to help Quebec, if certain provinces are opposed, this government does not make a move. However, when Quebec has difficulties, it matters little that the solution also benefits others.

A series of assistance plans were proposed. A figure of \$366 million was mentioned. According to Quebec's federation of beef cattle producers, only \$90 million has been received from Ottawa since the beginning of the crisis, under the specific measures taken. The government cannot take all the budgets for agriculture and say "We gave x number of dollars". This is an exceptional crisis and it requires exceptional measures.

If we add to the federal compensation the \$60 million received from the Quebec government, producers have to absorb losses of some \$241 million, after compensation. There is no direct aid to make up for the drop in the price of cattle, and there is no interest free loan program either.

Speaking of the centralizing vision of the federal government and the lack of recognition of Quebec's distinctiveness, Laurent Pellerin said:

The needs of Quebec's dairy farmers are neglected for the simple reason that the intervention model is based on a reality that does not exist in Quebec and which cannot be applied, especially in its final phase, to the cull cow and calf sectors.

Cull cows, bulls and calves all have four legs, but that does not mean they are one and the same. In his position, the Minister of Agriculture and Agri-Food should at least understand that.

The producers who raise cattle for meat are concentrated in Alberta. They receive compensation for all the animals they slaughter. Fifty per cent of dairy production is in Quebec, where most cattle producers are dairy producers, who slaughter cows that do not produce enough milk. Those cows are called cull.

Each year, producers renew 25% of their herd. Unfortunately, the federal aid package compensates them for only 16% of their herd. This means that, since prices have dropped by 70%, they are getting compensation for only two-thirds of the cows they slaughter every year. The federal aid package has to be improved.

Recently, the Minister of Agriculture and Agri-Food said he recognized the problem. After 18 months, he told us there was a problem with cull. We questioned him and, as usual, his answer was, and I quote:

## Supply

•(1045)

[English]

“I have a plan”. It is a six-point plan or a seven-point plan. It is always a plan, but never a solution. That is the problem with the Liberals.

[Translation]

If the minister recognized the problem, why did he not do something 18 months ago? If he understands, why is he afraid to go to Quebec City and tell producers he understands and explain what he plans to do? He would rather not leave Ottawa, and it is a sign of cowardice.

We are told the border will open six months from now at best, because it will take 90 days to sort out the proposed settlement between the two countries so as to reflect the American legislation and the available budget. After that, there will be a 60 day public consultation period. Only then will we know if the proposal has been accepted. It will not be accepted any earlier than six months from now, if indeed it is accepted at all. But federal programs will not last that long. Most of them have already run out. Even the last one that was announced on September 10, 2004 will run out on February 29, 2005.

In the meantime, people are losing their farms. Some have committed suicide. But people across the floor are indifferent. For them, this is just a matter of figures, statistics, and neat six-point or seven-point plans with no solutions. They are bureaucrats to the core. We do not need them. What we need is specific steps. By that, I mean real direct assistance programs providing immediate help. We need action right now, not six months from now, and we do not need a plan dependent on another plan dependent on yet another. We do not need a process within a process within a process. We are fed up with this. Farmers need a solution now. That is what they were waiting for this morning in Quebec City. People in Ottawa keep hiding instead of talking with Quebec producers.

We want an interest-free loan program to be set up. This requires no federal funds. This would help people. We want the implementation of a real program for cull animals covering overall herd renewal, which is approximately 25% annually, and not a program covering only 16%.

We must also consider veal calves and finishing calves. We must improve the existing programs for producers of cattle and cull cows. The latest program covers only 15% of the needs of Quebec producers. As I mentioned earlier, barely \$90 million was provided. The existing programs must be extended, at least until the borders open.

There is an alarming situation. People are losing their way of life, people are losing their farms, and we turn a cold shoulder here in Ottawa.

This is an extremely important industry in economic terms, but it is more than that. Every country needs a healthy agricultural industry. Every country needs to have an agricultural industry able to feed its own people. This is fundamental. The bureaucrats here do not understand that. We also do not like this unchanging attitude in

Ottawa that Ottawa knows best. It is the same everywhere. Whether it works or not, the same rules apply across the board, instead of trying to adapt and take a humane approach in this crisis that is affecting human beings. These people have devoted their lives to this. They work seven days a week, like few others in our society. They are at the end of their ropes. They have no future; they will lose everything and they are desperate.

We must provide help with programs that meet their needs. I want to share a statistic. Last year, the annual income of producers across Canada was in the red. In other words, they worked 360 days a year—that is the reality—and they ended up with less money than they started. They paid to work. They generated negative incomes. That is the situation. In the meantime, the minister has a plan, another plan that never works.

Therefore, I urgently request that exceptional measures be taken in view of this extraordinary crisis. To refuse is simply irresponsible and cowardly. The refusal to take part this morning in the UPA convention is an irresponsible and cowardly act befitting a minister who can only be described as a wimp.

•(1055)

[English]

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Madam Speaker, I have been in the House for a little over 11 years, and I have never heard anything more duplicitous than the comments of the leader of the Bloc Québécois.

That party, through its own choice, choosing its own time, knowing full well what else was going on, has decided to put a motion to the House criticizing the government about its agricultural policy. Then it has the audacity to suggest that I should not be in the House to debate and defend it. How duplicitous can one possibly be? The Bloc chose this date, it chose this motion and it chose what the subject would be here today. That is how duplicitous the member is across the way.

He says that there has been no additional support provided to agriculture over the last 10 years. Would he explain to the House, and to the producers who might be watching this, the \$4.8 billion that was provided to producers in 2003, and \$3 billion plus that have already been provided to producers in 2004? Would the hon. member please explain how that represents no assistance or a decline in assistance?

[Translation]

**Mr. Gilles Duceppe:** Madam Speaker, this is the height of hypocrisy. Yesterday, that minister refused to go to Quebec City because President Bush was here in Ottawa. The President was in Halifax. The minister was here and he could have gone to Quebec City. I call that taking liberties with the truth, to use a polite term.

This morning, he could very well talk, immediately, take a plane, fly to Quebec City and come back. I have a plane at my disposal. If he wants to, he can go there. If he has not understood that, he has not understood anything. He could have gone there himself or sent an other minister. No, they have not gone there because of their cowardice and fear of the reception they would get; there is no other reason. This morning, in the newspapers, we could see it.

This is what producers are saying about that minister; the only tie he has with agriculture is that he is a chicken, pure and simple. That is what he is.

He is telling us about cuts; well, indeed, let us talk about cuts in the realm of agriculture. We can see it in budget after budget. Today, there will be other Bloc speakers who will show that the current Prime Minister, when he was finance minister, cut agriculture budgets in half. I have had a number of meetings with representatives of the UPA, as well as with farmers from the rest of Canada. They all say the same. That is the current situation. We will prove it to him conclusively.

[English]

**Mr. Gerry Ritz (Battlefords—Lloydminster, CPC):** Madam Speaker, it is great to have this opposition supply day motion before us today. It is time this debate happened, not just on an emergency basis or in a take note debate like we had one evening.

A myriad of questions have been asked of the Minister of Agriculture and Agri-Food over the past fall. He just made a comment about the year 2003. He said that producers in the country benefited from the largesse of the Liberal Party with \$4.8 billion, but 2003 was also the worst net income year for Canadian producers in 25 years.

Could the leader of the Bloc stand and explain where the heck the money went? I know my producers could not trigger it because of the flawed programs and the way they were delivered. Could he explain what happened in Quebec? I know the money goes directly there and then it is disbursed. What happened to the \$4.8 billion? We certainly did not trigger it.

[Translation]

**Mr. Gilles Duceppe:** Madam Speaker, it is an interesting question. I think it reflects what is being said here. There have been countless plans. It seems this is the find of the century.

In Quebec, for over 20 years, there was a plan that ensured the financial stability of farmers and the Financière agricole worked much better. Then came the plans. To this day, no federal plan has lasted more than two years. These people are plan experts. There are plans and nothing else. The money is spent for the most part on plans, paperwork and processes, but it is never directly committed to those in the field.

That is the problem with this arrogant Ottawa knows best attitude, these Liberals that fail to honour their responsibilities, that are scared today, for example, to go to Quebec City, that tell us that there are no planes between Ottawa and Quebec City when in fact there are Challengers. They should take the plane. There is one at his disposal. I offer him the plane that I booked, if he wants it, if he has enough courage and dignity.

• (1100)

[English]

He should have enough guts to face the people over there. Stand up and come with me to Quebec. I will go with the member. Okay?

**Mr. Tony Martin (Sault Ste. Marie, NDP):** Madam Speaker, I appreciate the opportunity to speak on this issue today because it is

### Supply

certainly a problem in my area in northern Ontario. We are all facing it.

We are hearing from the various members and particularly the Leader of the Bloc Québécois the frustration that is out there and the real anger that is building up in farmers. They are hearing about these programs, but it is not happening for them. It is not happening for them in their fields and for their cattle.

They are saying that they are carrying the burden on their shoulders and they are not getting the information that they need. Their applications are not being processed properly and they are having to go through a very tough winter. There is nothing it seems out there that is concrete for them to actually grab hold.

We had this discussion a month or two ago. Some promises were made. Some information was shared, but nothing really of any substance has come forward. The leader of the Bloc spoke about regionalizing the food industry in the country. I am wondering what his thinking is on ownership of that industry.

Most of the big packing plants are owned by two or three large corporations headquartered in the United States. How do we factor that into the regionalization proposal that he has made?

[Translation]

**Mr. Gilles Duceppe:** Madam Speaker, there are two aspects to what the member told us.

On the one hand, one can look at concentration from the point of view of both the farm and the slaughterhouses. These are two separate things. In Quebec, there are many farms left which are not owned by big corporations or else there are big farms, as small farms would have disappeared, although a sizable number of them do disappear every year.

The problem with slaughterhouses is a major one, on the other hand, and this is what Quebec is debating today. The Union des producteurs agricoles is now trying to acquire a slaughterhouse.

I have met with Premier Doer of Manitoba, who is thinking about this issue. It is vital that we arrive at a floor price or any other means, such as a tax, during this period and until the end of the crisis, to make sure that people receive what they are entitled to. I have seen farmers receive a 7¢ cheque for a cow. Imagine what these people are facing. This is cause for despair.

It is all the more cause for despair because they see ministers who do not have the courage to go and meet with them and who invoke all kinds of reasons going back to the 18th century. It no longer takes two months to travel to Quebec City. It does not even take one hour. They could get a move on. The courage is lacking.

*Supply**[English]*

**Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.):** Madam Speaker, I listened closely to the remarks made by the Leader of the Bloc Québécois. I was hoping there would be something concrete other than venom and anger. There was little reality in terms of the comments he was expressing in the House. He knows full well that it puts the minister in an impossible position in having to be here for this debate in the House today rather than where he should be. It is typical of the Bloc Québécois to play political games and to put the government in a difficult position.

I have a specific question for the leader of the party opposite. However, before I do that, I want to point out that there has been strong action taken by the Government of Canada. Just look at some of the numbers. He is expressing it as if nothing was happening. Here are the facts: in January 2003, \$528 million was put into the BSE recovery program; in November 2003, \$120 million was added; in March 2004, \$930 million was added; and the September 10 announcement has also helped the industry. There is a lot happening. We have made it very clear on this side of the House that we are looking at other options. We want to see other options.

In the motion, the Bloc talks about “implement specific measures as soon as possible”. That is typical of the Bloc. The motion does not talk about any specific measures. The Bloc is talking hot air. It should lay the specific measures on the table so we can see where it really stands.

• (1105)

*[Translation]*

**Mr. Gilles Duceppe:** Madam Speaker, we have made lots of specific proposals, still more in our speeches today. We made proposals throughout the campaign. They now have only 21 members in Quebec because they are too arrogant.

I will point out to his colleague that he has just demonstrated something: he is as much of a hypocrite and a coward as the minister. Indeed, the minister was scheduled to speak at 9 o'clock this morning in Quebec City. He would have had time to speak, board a plane and would arrive as we are speaking to make his speech. That is nothing but lies, nothing else.

*[English]*

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Madam Speaker, may I suggest that the hon. leader may want to stay and hear the alternative perspective rather than scooting out of the House. He does not want anything to do with the House of Commons. He wants nothing to do with debate. He wants nothing to do with people having an opportunity in this place and at this—

**The Acting Speaker (Hon. Jean Augustine):** Order, please. The hon. member for Lac-Saint-Jean.

*[Translation]*

**Mr. Michel Gauthier:** Madam Speaker, I rise on a point of order. The hon. member for Roberval—Lac-St-Jean and Bloc Québécois House leader would remind the Minister of Agriculture and Agri-Food that he is not allowed to refer to the whereabouts of the members inside this House, their comings and goings, whether they are present or absent. Comments of that kind have always been

contrary to all the rules. The minister should seek advice from the hon. member sitting next to him, since she used to chair the proceedings of the House of Commons. She could probably give him some good advice.

I invite him to return to order, to give his speech and to explain to this House why he could not find a way to travel to Quebec City—

*[English]*

**The Acting Speaker (Hon. Jean Augustine):** The hon. member is correct. I will ask the minister to continue the debate.

**Hon. Andy Mitchell:** Madam Speaker. Excuse me for not following the rules. I apologize.

I am pleased to have an opportunity to debate this supply motion. It gives us an opportunity to have a debate about the issue, particularly in respect of cull animals, but more broadly about BSE and the impact that it has had on the border.

As was mentioned in one of the questions, we have had an opportunity to have a take note debate in the House, which I had an opportunity to participate in. I am pleased that we have a chance to talk about the issue again today.

This is a significant issue for producers. I should make the point that, as important as it is for producers in Quebec, it is a national issue with ramifications for producers in all of the provinces.

It is really critical as we approach this particular set of challenges that we understand the importance of looking for solutions in the short term. We need to deal and address the issues that producers are facing on the ground on a daily basis, as well as looking at medium term solutions, and dealing with some of the longer term solutions.

We need to remember, and it is important to bring this up at this time, that it is not just simply cattle producers. There are other ruminants that are affected by what is taking place with the border closing. It is imperative for all members to know that because we have those types of producers in our ridings as well. We must remember the importance of dealing with their issues as well.

In essence, dealing specifically with cull animals, it is important to exactly understand the scope of the problem and what is occurring here. First of all, obviously, there is the issue of the closed border. That has had a very direct impact because it has impaired the ability, as was happening prior to May 2003, of producers to ship their older cull animals into the United States for slaughter. The border closure has obviously curtailed their ability to do that.

The problem is a little bit more complex than that. In addition to the inability to move live animals and because of the rules that were put in place surrounding the movement of boxed beef into the United States, it has changed the rules in respect of how slaughtering can take place. There is a provision in those rules that does not allow for the commingling of younger and older animals going to slaughter. That in itself has also created additional problems in that the cull animals have less places where they can be processed.

There are two different sets of producers that are affected by this. In both cases it represents a portion of their income. It does not represent all of their income, but it certainly represents a portion of their income.

*Supply*

In respect of dairy producers, the vast majority of their income comes from the production of milk. That income stream continues. However, they do have the necessity of culling their herd. It is those animals and the price they are receiving for those animals that is a challenge and one that needs to be dealt with.

The same thing is true for cow calf operators. Their income is derived in a large part from selling calves, but they also have cull animals. Again, the same situation faces them where a portion of their business and their cow calf operation has also been impacted by BSE.

It is important to remember, and I think all members recognize this, that even though on the cull animal issue we may be only talking about a portion of producers' income, it is an important portion of their income. It is something that is an important part of their overall operation and something that really needs to be addressed.

Specifically, the motion before us suggests that the government has taken inadequate measures. I reject that. The government has aggressively been dealing with the BSE issue and the drop in farm income. The hon. member across asked a question about farm income and he is quite right. The year 2003 has been a very difficult year for farm income.

The point is that the government did not turn its back on producers when they faced that kind of situation. In fact, there have been record payments made by the government to producers, reflecting the types of income situations that they faced. As I have said, considerable payments were made in 2003 and those trends will continue in 2004.

• (1110)

In addition to that, we have had a number of specific initiatives designed to deal with the BSE issue. We have had the BSE recovery program, which was put in place shortly after the border closed. It was there for the specific purpose of getting the market to re-engage, to allow animals to flow through the market and to ensure that the animals were continuing to be slaughtered and brought to market. The program was successful in accomplishing that.

We had a cull animal program which was put in place to deal with the issue of cull animals, and that program delivered support to producers.

We have had the TIS program, the last payments of which just went out last month. That program has disbursed well over \$900 million to producers.

Last September 10 we announced the BSE repositioning program which has a multifaceted approach and is designed to assist in repositioning the industry so it can return to profitability with or without a border opening. I should mention that one of the primary objectives of that program was to take measures that would allow producers to gain much more benefit from the marketplace. Through the initiative, particularly in the fed and feeder set-aside programs, we have seen a substantial recovery in the price for fed cattle and for feeder cattle. The prices are still not to the levels that we would like to see them but they are way beyond where they had fallen to in mid-summer when fed cattle was around 65¢. I believe it reached 85¢ last week. It has dropped back a bit since then as it fluctuates with the marketplace, but it is very good progress.

Despite what the hon. leader of the Bloc has said, there has been substantial investments made in Quebec, both through the programs that I enunciated, as well as through our business risk management programs. However that is not to suggest that there is not and continues to be an issue with cull animals for dairy producers. There does. That is true for dairy producers in Quebec, but I should also mention that although the dairy industry is large in Quebec, it is not exclusively contained in Quebec. Other parts of the country have a dairy industry. As we address the issue of cull animals, it is absolutely essential, as the federal Minister of Agriculture, that we take a position and a perspective that will be inclusive of all producers, regardless of where they are operating in Canada, and to ensure we have programs that address all producers. We are certainly about trying to do that.

I should mention that, particularly in our business risk management programming this year under CAISP, some \$450 million already has been advanced to producers, a portion of that in respect of the 2003 year and a portion of that both in terms of advances in 2004, as well as our special advance program which we announced as part of September 10. Those advances are very critical because they are designed to put cash into the hands of producers in the current year at the time when the need for that cash is necessary.

The reality is that over the next while, and this is particularly true in terms of the dairy industry, there will be some changes taking place that will have an impact on the processes and the way that we want to move forward.

Some time in December, taking effect at the beginning of the next year, the Canadian Dairy Commission will be establishing a new price for milk. That is important, particularly in the cull animal situation, because part of the calculation that the commission has to undertake in establishing the price is to evaluate what it calls the salvage value of the cows and to determine that value. If the value has decreased, and certainly it has decreased, that is to be factored into any price increase that may be considered. That is an important variable and we will have an opportunity to see how that plays out over the next short while.

• (1115)

However that is not to suggest that, in and by itself, is the whole solution to the problem, but it is an important ingredient. I believe it is critical that we understand that and, as we move forward with our medium and long term solutions, we take it into account.

We also need to understand how changes in the status of the border may affect cull animals. It is not just the issue of what age of live animals may be permitted with a rule change in the United States. It also has to do with the issue of allowing for the commingling of slaughter. If that rule is changed it will certainly add to the capacity to process older animals. If there is an increased capacity to slaughter older animals, that will certainly lend itself to a more competitive environment and allow for a price recovery. That is important for us to take a look at.

### Supply

However, even with those things, and I have said this in the House on many occasions, a number of ways are being considered to see what, in addition, may need to be done in terms of assisting producers, both dairy and beef, with respect to the cull animals. We have been in vigorous discussions with the producers and with our provincial colleagues in Quebec to determine the best approach that we would want to take. In this respect I do agree with the motion that states that we should be taking additional actions and we should be doing it as quickly as possible. However I reject categorically that no action has been taken to date.

It is also important to understand what the long term solution needs to be in terms of cull animals. Quite frankly, that is to make sure there is sufficient slaughter capacity for the number of animals that exist in a competitive environment. It is the marketplace, when it is able to operate in a rational way, that will set the price of animals. The challenge right now, because of the distortions being caused by the closed border and by the rule that does not allow for the commingling within slaughter plants, the marketplace is not operating in a rational way.

When we made our announcement on September 10 and put forward initiatives to help increase slaughter capacity, both in terms of providing increased resources to our regulatory agency, as well as providing a low loss reserve, that has to be a long term solution. It is something we need to pursue and work on. That is one way of bringing the increased slaughter capacity on line. The rule change, as I said, may bring additional slaughter capacity on line. We need to take a look at exactly what that may be.

What should not be forgotten is the importance of expanding our markets so they go beyond the United States.

It is disappointing to listen to the leader of the Bloc because he continually talks about closing in, isolating, moving and pushing everything away, when what we ought to be doing is increasing our marketplace, making it more international and ensuring we have additional markets, which is what we have been doing in Japan, for instance, and we were pleased to see the changes that it was making in its domestic policy which will allow it to change its import policy.

We are hosting technicians from Taiwan who are taking a serious look at and making recommendations on our ability to export there. Specifically on the dairy side, we signed an agreement with China that will allow us to export genetic material, both embryos and semen, into that market. Just this past week I was pleased to hear that Japan would be reopening its market to meat from animals under 30 months.

The member from the Bloc says that there has been no progress. Well this is progress. In terms of the United States, the White House's office of management and budget now has the rule change up for review with a specific timeline that is placed on it. It must complete that review within 90 days.

● (1120)

When the President of the United States was here yesterday and the day before he said that it was his intention and desire to have his officials move that as expeditiously as possible. That is progress and that is progress which we will continue to urge the Americans to move on expeditiously.

We should not for a second have any doubt that our producers have faced a very difficult and challenging time. They have been dealing with this BSE crisis for almost 20 months and have done so through a great deal of hard work and with fortitude. We must remember that our producers, both on the beef side and on the dairy side, have built strong industries in this country, second to none in the world. Our job, as a government and what we have been undertaking in those 19 months, is to support those producers in terms of financial support. I have mentioned the programs that we have set up because it is essential that we work in partnership with our producers. At the same time we must also deal with some of the structural issues, such as working to build increased slaughter capacity and to increase the markets that we have.

We should not forget, and this applies to the dairy industry as well, that there are other issues other than cull animals that we need to deal with. There is the whole issue of how we deal with the heifers. That has been a loss of a market for our producers as well. It is important that, as we try to find an overall solution, we remember that particular component.

We have to make sure that we protect the genetics of our herds. We are the best in the world and, therefore, in looking for solutions and at a way forward, we cannot allow ourselves to forget that.

We also have to look at the over-inventory and the oversize of the herd. That is why we have had to deal with something like having and putting forward a managing older animals program as part of our September 10 announcement.

All these programs are important. All of these issues are critical. Our work with the industry has been important. In fact, the events of September 10 and the program that we put in place was built working in conjunction with the industry and the provinces. I can say that we are working and will continue to work with producers in Quebec and in the rest of the country. We will continue to look for the solutions, both specifically for cull animals and in the broader issue, in respect of all of the impacts of BSE.

● (1125)

[Translation]

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Madam Speaker, I am extremely surprised because we have heard those words before from the minister. On October 5, at the beginning of the session, the House held a take note debate where the minister told us that there were solutions out there. He urged us to come up with some temporary solutions that he could use until the border is reopened.

We recommended that a floor price be set. I clearly remember the minister telling us that he was indeed considering the issue and would be coming back to the House in a few weeks with something very similar to a floor price. It has been almost two months now, and what has he done? That is my first question.

Second, does the minister read the French media? For more than 13 months, all the media have been reporting disasters on a daily basis. I am going to give him two examples today.

Quebec newspapers are talking about a national crisis today, which explains the Bloc's proposal.

Lastly, I want to draw the minister's attention to a huge problem. In Abitibi-Témiscamingue, we had found a temporary solution thanks to a slaughterhouse located in North Bay. However, the Canadian Food Inspection Agency, which reports to the minister, just put a stop to any transactions between Quebec, northern Quebec, Abitibi-Témiscamingue to be precise and northern Ontario, insofar as the slaughtering of our animals is concerned.

I do not know if the minister has heard about this, but I would like him to tell the House that such agreements are always an option until a solution can be found.

So, here is my question: What happened to the proposals made in this House last October about a floor price?

[English]

**Hon. Andy Mitchell:** Madam Speaker, a number of things have happened on the overall BSE issue since October. In increased slaughter capacity, we have licensed a new federal plant in British Columbia and it is now in operation. We have had the first of the test kills in the Atlantic Canada plant, and we would expect that plant to come online.

The fed auctions have begun, and we see a recovery in the price for fed animals. The sign ups have begun on the feeder program. In fact, at the request of the government of Quebec on both of those programs, we have seen a willingness and flexibility to allow it to be delivered, using the Quebec instruments for delivering such projects. That has taken place as well.

We have also seen progress in our external markets. I mentioned the agreement that we signed in China. I mentioned the opening of the border in Hong Kong. These are all very positive things.

Over this past weekend we worked with producers and their representatives in Quebec and suggested a number of very specific solutions that could be employed. At this moment, we have been unable to get a consensus on exactly how to move forward on that, but we are making progress.

On one specific point, as the hon. member knows, some abattoirs are federally regulated and others are provincially regulated. The plant in North Bay, if it wants to deal with interprovincial trade, can apply to be a federally regulated plant. We will ensure that the CFIA will give it all due attention and effort so that it can be federally regulated. It needs to make an application for that and, we will work with it.

• (1130)

**Mr. Rick Casson (Lethbridge, CPC):** Madam Speaker, I have a couple of specific questions I would like to ask the minister. Has he seen the proposed rule change that the USDA has come up with, which is now in the office of the OMB? If he has not, when will he? Exactly what is in it that will affect the way the industry in Canada operates or will have to operate after the rule changes are implemented?

The minister talked about the low loss reserve as being the government's plan to increase slaughter capacity in Canada. How exactly will the low loss reserve, I believe it is in the \$30 million range, help increase capacity in the country when the estimates that have come in for a plant of a size that would have any value for the

### Supply

industry is in the \$140 million range? How will that low loss reserve get the capacity on the ground under construction, which we so badly need? What is in the proposed rule change with which the USDA has come up.?

**Hon. Andy Mitchell:** Madam Speaker, I will answer my colleague's questions in reverse order.

With regard to slaughter capacity, it is a \$38 million plan and the idea is to lever additional private sector investments. Investments between \$140 million and \$150 million could be triggered.

I believe the hon. member was with the member for Newmarket—Aurora, the trade critic. She made some very straightforward comments. She said that farmers did not want government handouts to do this. She said that they wanted loan guarantees and a loan loss reserve. I agree with the member in this instance. That is the program we put forward. If we need to tweak it or if we need to make some changes to it to make it more effective, we certainly will take a look at that.

The process in the OMB is we see the rule as it went to USDA. When it comes out of the OMB, we only see any changes to it. We are anxious to see the particulars of that. We will react quickly to the specifics of what the changes may be.

**Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.):** Madam Speaker, from the beginning the minister has been concerned with the day to day crises with regard to this issue. I wonder if he would think a bit about the sustainability of the industry when these things are behind us, such as the abattoir capacity for all ruminants, including sheep and bison, in my area of Peterborough or about the matter of traceability. I know the federal government supports research into DNA traceability.

Does the member have any thoughts about the future of the industry and the things we should plan for when the tragedy is behind us?

**Hon. Andy Mitchell:** Madam Speaker, those are two good points.

In terms of increasing slaughter capacity, in my view, that needs to apply to all ruminants, not just cattle. It needs to apply to bison and sheep. We need to have the capacity. There are regional issues on how to develop that capacity. The loan loss reserve is available for that. As I mentioned to the hon. member across the way, if we need to tweak that to make it work better, particularly for producer-owned operations, which we may conceivably see in other ruminants as well as in beef, then we will do that.

In terms of traceability, as part of the announcement we made on September 10, as well as our previous announcement, providing and investing in traceability is a key and critical component. Part of having access to foreign markets is to ensure that we have a strong traceability system so we can demonstrate to foreign markets that our animals are safe. We are undertaking that major initiative in conjunction with the industry. We will have the best in the world.

## Supply

• (1135)

[Translation]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Madam Speaker, the minister has now made his speech. It is 11.35. I am offering to drive him to the airport. He can be in Quebec City in one hour to meet Quebec producers, who are furious. But in fact, the minister is behaving like a coward. Instead of going to tell them he had nothing to offer to get them out of the slump in which he put them, he has preferred to use the motion as a pretext to say he was detained in the House.

I ask the minister the following question. Will he stop behaving like a coward and take the plane to meet Quebec producers and tell them the truth about his inaction?

[English]

**Hon. Andy Mitchell:** Madam Speaker, how duplicitous. What cowards. The cowardliness is putting a motion before the House criticizing the government specifically for agriculture and then asking the minister responsible to flee the House so they can talk about this issue without the minister present.

The reality is this. I had been the minister for only four weeks when I travelled to the headquarters of the UPA in Quebec. At my request and at my volition, I met with the head of the UPA and we discussed those issues. We have been interchanging with the UPA on an ongoing basis since that time.

## MAIN ESTIMATES, SUPPLEMENTARY ESTIMATES (A)

**Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.):** Madam Speaker, there has been consultation between the parties, and I would like to move the following 48 hour notice motion. I move:

That, notwithstanding any Standing Orders or Special Order, for the Supply period ending December 10, forty-eight hours' written notice shall be given of motions to concur in main estimates, supplementary estimates (A), to restore or reinstate any item in the estimates and to oppose any items in the main and supplementary estimates.

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

**Some hon. members:** Agreed.

**The Acting Speaker (Hon. Jean Augustine):** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

## OPPOSITION MOTION—AGRICULTURE

The House resumed consideration of the motion.

**Mr. Rick Casson (Lethbridge, CPC):** Madam Speaker, I would like to start by saying I will be splitting my time with my colleague from Renfrew—Nipissing—Pembroke.

I also want to thank the Bloc, the member for Montcalm and the member for Laurier—Sainte-Marie for bringing forward this opportunity today to debate in the House the ongoing crisis in the cattle industry in Canada.

I want to preface my remarks by saying that this does not only deal with cattle; it deals with all the other ruminants in the country and certainly it deals with the people who supply the feed and the services to the industry. It is a far-reaching problem that stretches out from the cattle industry and moves right across the economy, certainly in my riding. Feedlot alley is right in my riding. When this crisis hit, of the 950,000 head of cattle on feed in Canada over 600,000 of them were in my riding, so this is an issue that is very dear to my heart.

The Bloc is calling for specific programs to be implemented to deal with cattle producers who are being hurt, whether they have young cattle or mature cattle, and are suffering from the effects of BSE. It is a good motion.

I respectfully disagree with some of the ideas that the leader of the Bloc came up with as far as separating the country into regions and hiving off certain parts of it. To say that if Quebec was not part of Canada it would not be affected by this is basically not the way it would play out, because even in the U.S., which is still taking our beef, the price of beef to the consumer in that country has gone up considerably. The fact of that close association, regardless of whether Quebec is part of this country or not, would still have an effect on its cattle industry.

I want to get to some specifics later about one particular area I want to key in on, which is the increased slaughter capacity in Canada. I believe that is one of the critical issues we need to face.

I want to get back to a comment made by the foreign affairs minister last week before the President of the United States came to Canada. In that comment, he indicated that there would be a definitive timeline to end this crisis. The President came to Canada and left and that was not given.

The unfortunate part of that, and I think we have all learned this over the last 18 to 20 months, is that any time anybody in authority puts out a false message, it sends a ripple through the industry. The industry is so looking for good news that anything sent its way gets a reaction in the price that is paid for feeder cattle, for fat cattle, for cull animals, or whatever it is.

Therefore, we have to be very cautious about how we put forward these ideas. Certainly, if the foreign affairs minister did not have a serious or definite indication that something would be left behind by the President of the U.S.A., he should not have gone there. I think that is a very unfortunate issue. It just brings about false hope and creates further turmoil in the industry.

The process in the U.S. has started now. I think the minister has commented on it many times. The rule change has gone from the USDA into the OMB and there is a 90 day period. After that, there is a 60 day period, so we are looking at 150 days.



I would like to read out some news headlines that have come out of the U.S. in recent days in regard to cattle. One is from the agriculture digest of the *Billings Gazette*. The cattle groups sent a letter to Ann Veneman, the secretary of agriculture, asking her to quit using the term "North American beef industry". They want her to start saying "the United States beef industry". That may not sound very crucial, but it is, because what the beef producers in the U.S. are telling their secretary of agriculture is to forget about a North America market. They are telling her they want to concentrate on the U.S. market.

Those kinds of signals that get sent out to the public are not good and do not bode well for the border opening quickly after all these rule changes and all the technical processes are put in place.

I have another story from a U.S. organization called R-CALF, which has been put together to fight Canadian cattle coming into the United States in all avenues. This was in a publication called *Lean Trimmings*: "R-CALF is preparing to fight in court to stop USDA from lifting its 18-month ban on Canadian cattle".

• (1140)

*Lean Trimmings* continues:

The article states that R-CALF's Chief Executive, Bill Bullard, "said the group will act swiftly as soon as the government moves to allow Canadian cattle across the border".

The 150 days may very well not be the end of this crisis.

To keep sending that message, I believe, would be very unwise of the government, the minister or the foreign affairs minister. We have to be very practical in this regard.

I believe there is an opportunity presented to Canada to build a stronger, better and bigger industry. It is an opportunity that has to be handled very carefully or it is something that will get away from us.

In regard to today's motion, I think many Canadians do not understand that there are different classes of cattle. We have cattle under 30 months and I think there is an almost worldwide acceptance that cattle under 30 months of age do not have BSE, are not susceptible to it and never will have it. They are a special class. The Japanese might be talking about 21 months. Perhaps the minister could comment on this later.

Younger cattle have been accepted. We are shipping out of this country to the United States in boxes all the young beef that can possibly be slaughtered. That is an issue which probably will be the first to be solved. Live cattle under 30 months also will be part of that.

However, the older animals are ours to deal with in Canada. If they are over 30 months of age they are going to have to be dealt with by us. No other country is going to come to our aid.

How do we go about doing that? Last February, the Conservative Party of Canada put forward our action plan on BSE and agriculture. In it, we had a huge amount of money to deal with the overpopulation of the herd in Canada. To me, and it may not be the most politically correct way to go about this, a lot of these animals are not going to find room on anyone's table. They are going to have to be taken out of the stream in order to keep up the value of what is left.

### Supply

I think we have to look at that, but certainly as a last ditch procedure. When everything else has been considered and nothing else will work, then possibly we have to look at that happening. It has to be on people's minds that it may in effect be the only way to get out of this.

The government has put forward programs to set aside cattle. We have a calf set-aside program to take the younger animals out of the stream and hold them back for a year. We have the fat cattle set-aside, which is a reverse auction bid. The farmer can say, "If the government will give me \$1.50 a day to feed my cattle, I will put so many aside". This is to reduce the numbers, to increase demand and to increase the price.

So far, it seems to be working to a certain degree. However, the only way that it will be of any value is if the slaughter capacity in Canada is increased to eventually take those cattle being held back, so that when they come to market age we can market them or we can slaughter them. If that does not happen, we are going to have numbers of cattle coming forward, which will just drop the price. Any advantage that has been gained through the programs will be lost. The price will absolutely fall right through the floor.

There is another issue we have to keep in mind. Lobbying in the U.S. is an important aspect of what we need to be doing to educate the Americans about the fact that they are paying more for milk and more for their beef, quite a substantial amount more, the reason being that their government has the border closed to Canadian cattle based on nothing. There is no scientific proof to keep the border closed. It is politics. The American people should get the pressure on the right people and get the border open. We have to be very cognizant of the fact that we need to be educating the people south of the border. I would like to see the government put more effort into that.

We also have to find the markets around the world to take the cattle when we do increase the slaughter capacity. I asked the minister earlier how the \$38 million loan loss reserve would increase capacity. The numbers I have are that it is going to take about \$190 million to build a 2,000 head per day single shift plant or a 4,000 head per day double shift plant that can compete in the market with the plants that already exist. We are talking those kinds of dollars.

The producers and the people who are ready to go need direction from the government on how to access that money and how to turn that \$38 million into \$150 million to \$190 million so they can get started. We have to get some concrete in the ground. We have start building to send a message to the U.S. that we are serious about finding new markets and going past them. They will have to find their beef somewhere else because we are going to have markets elsewhere. We have an opportunity, but if we do not handle it carefully we are going to lose it.

• (1145)

*Supply*

**Mr. Gerry Ritz (Battlefords—Lloydminster, CPC):** Madam Speaker, I have chatted with the member opposite on a number of occasions. He has the largest feedlot sector in Canada within his riding. He really has been hit hard by the beef dispute. A member of his constituency has led off on a chapter 11 challenge to the U.S. government on the inadequacies of the U.S. response to our BSE crisis, I guess that would be the basis of it, and how they have held us out of their marketplace.

I was wondering if the member has chatted with Mr. Pascal on that issue and what Mr. Pascal's thoughts are on what he would like the government to do. There are things such as a chapter 20 that governments can do and so on. Does Mr. Pascal feel that he is out there all by himself leading this challenge? Would he like some support from his federal government?

• (1150)

**Mr. Rick Casson:** Madam Speaker, certainly that is part of what is going on. Some of the producers got together. They felt that the government was not representing them properly. They felt that a chapter 11 challenge was the way to go about this. We can have all kinds of debate on whether it is right or wrong, but they have started this. It is an expensive process.

One of the other issues that needs to be addressed is whether a chapter 20 government to government challenge should be started. Some people say no, we have to hold back, but what if we are not using all the levers? When a country the size of Canada is dealing with a country 10 times our size like the U.S., the only protection we have is strong, rules based trade. If the rules that are put in place to protect us are not maximized to the benefit of producers in this country, then we are not doing our job as a country.

I would ask the government to consider possibly helping these guys with their chapter 11 challenge and looking at a chapter 20 government to government challenge. The comment I kept hearing from many of the producers is that they just did not feel their government was representing them or listening to them. Through me as their representative they kept pushing.

Certainly in the House at every opportunity where I am able I have brought forward the issue that this is such a serious thing that the message has to get through to the people who control the chequebooks and the regulations in this country. The message is that we have to really look at all the angles to bring this crisis to an end.

There are people in the industry who have gone to extraordinary lengths. Last summer they loaded up semi-trailer loads of hamburger and delivered them all over the country. They sold it out of the backs of trucks, whether it was in Ontario, B.C., Alberta or Saskatchewan, trying to bring attention to the issues. There has been a lot of effort on behalf of the people involved in the industry to bring attention to the industry. At times, they felt they were out there alone.

I think it is important for us to look at all the tools and all the levers we have to support the industry, whether that is through trade actions or the rules of NAFTA or whatever. We must explore these tools and levers. We must have a look at them to see if they are viable.

Also, it is very important for us to educate United States consumers, to tell them that they are paying far too much for their beef and far too much for their milk because the actions of their government are based not on science but on pure politics.

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Madam Speaker, my question is for the hon. member specifically on the development of slaughter capacity. The numbers are in that \$150 million to \$190 million range as the estimate of investment necessary.

I am interested in the hon. member's opinion. From our perspective, we see government being a part of that, but we see that the role of government is to trigger private sector investment so that the plants put in place are subject to financial due diligence. This is so they are sustainable, they have sound business plans and they will be sustainable with or without a border opening. That is the sort of approach the government has tried to take.

Does the member see an alternative approach or does he have some specific comments on how we should tweak what is being done? I would appreciate hearing his comments.

**Mr. Rick Casson:** Madam Speaker, the numbers that I have been given this morning to create a slaughter capacity of 4,000 head a day on a two-ship plant are \$111 million to build the plant, \$30 million to get the inventory flowing through it, and another \$10 million for start-up.

The people who are proposing this particular plant have done a lot of background work and are ready to go, but they need some direction. They are looking at loans, not grants, from the government, to be repaid when the plant is operational.

This size of plant will be competitive with the ones that presently exist. We are looking at \$1 put up by our producers to \$4 matched by the government, or somewhere in that range. If that leverage can be used, the money that the producers can put forward on a loan from the government, this would start the construction that we need in this country, hopefully a big plant in the east and another one in the west, to deal with the issue.

• (1155)

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Madam Speaker, on behalf of the farmers in my riding of Renfrew—Nipissing—Pembroke, I would like to thank the hon. member for Montcalm for putting forward this motion today.

There is no doubt that for those farmers who have been affected by the BSE border crisis, there is a crisis. It is only by continually bringing forward motions like this one to draw attention to the plight of Canadian farmers can we even hope for any action.

On Saturday, November 20 I held an information meeting for farmers at the Cobden agricultural hall. It was the second such meeting to be held in Cobden. The first was held in July 2003 and was the first such meeting of any in Ontario.

That first meeting was the largest meeting of farmers in Renfrew County's history. As the second largest cow calf producing county in Ontario, farmers in my riding have been particularly hard hit by the border crisis created by a single case of BSE.

*Supply*

I thank Mr. Jim Wheeler, assistant deputy minister of agriculture for the Province of Ontario, and Mr. John Ross, assistant director of the red meat section for the federal agriculture department, for taking the time to come out to the meeting in Cobden on that Saturday morning.

Both officials updated farmers on the latest assistance programs. They provided any news available as to when the farmers might see some relief to the current farm crisis.

I also thank provincial MLA John Yakabuski who participated in the information meeting, and Wilson Rae of the Renfrew County Cattlemen's Association.

I also would like to give a big thanks to the Whitewater Region Ministerial Association for hosting a free beef barbecue after our meeting. Together with the Cobden Civitan Club, led by President Keith Sparling, the members of the ministerial association cooked up a creative way of showing support for our farmers in their time of need.

Once again our community came out for a well-attended show of support. Special thanks are extended to all the people who took the time to come out and support our farmers.

I want to be clear that the meeting I held in November was advertised and conducted as an information meeting. Unlike the last time when the federal officials were gratefully invited to participate in our farmer information meeting, no questions asked, this time a staff member of the Minister of Agriculture phoned my office to screen the request for a federal bureaucrat to attend the November 20 meeting. In the end, Mr. Ross was permitted to come. However, I have to ask, why the third degree?

One cannot help but think that the call from the minister's office was prompted by fear on the part of the federal government. The fact is that regardless of the bravado shown in question period, whenever the federal Minister of Agriculture is asked a question about the BSE crisis, he knows the assistance programs are not working. It would seem that the fear of facing farmers outweighs the need to provide timely information to them.

When this crisis first hit, there were immediate suggestions for individual animal testing and from people like beef farmer Howard Boland, who lives out near Eganville, for the need to increase Canadian slaughter capacity.

Unfortunately for our beef farmers, those are longer term solutions.

The government has always been wedded to the idea of a short term fix and prays that the problem will solve itself. In the meantime, the provincial government has moved to stop barnyard kills. Therefore, the little bit of relief farmers had in being able to feed themselves has gone too.

That approach is not working and the government knows it. This approach reminds me of the way government operates with the equipment crisis in Canada's armed forces. Rather than bite the bullet and buy the necessary modern equipment to have a fully functioning, combat capable Canadian military, the government squanders millions, if not billions, of dollars buying second-hand castoffs

from other countries, or spends millions of dollars trying to repair 50-year-old aircraft.

The so-called assistance programs are no more than a band-aid approach to an industry that needs a long term solution, not a short term political fix. Government aid programs are a cruel joke on our farmers by a Liberal government that is happy to have cheap food at the farmers' expense.

Designed to beat the financial soul out of a lifetime of work on a family farm, that endangered species, program criteria make it very difficult to qualify. If farmers even qualify for any assistance, they are not seeing anything meaningful. Thirty-four dollars an animal.

A government bureaucrat at our farm meeting told farmers that they did not want to be on the Canadian agricultural income stabilization program, CAIS, because it meant that their current year was worse than their average and being on the program meant that things were getting worse. Once on the program, it would be tougher to re-qualify because year after year the averages declined. The short term fix has become a prescription for bankruptcy.

● (1200)

Interesting points were made at our information meeting such as the fact that part time beef farmers were left out of any programs and that will not change. Forget the fact that farmers have been forced to find off farm employment because prices are so low. They would not be part time farmers if they could make a full time living by being farmers.

While the farmers in my riding listened very carefully and patiently to what was said, they had a message of their own that they wanted me to deliver here in Ottawa: The current programs are not working well, nor is the handling by the government of the BSE situation working very well either.

This is what Trudy Desjardins of Westmeath had to say: "At some point, someone is going to have to take real leadership...until we get rid of cows that are creating the surplus there is no real solution".

Preston Cull of Douglas, Ontario was more blunt: "We are sick and tired of all these meetings. People in this room have been losing thousands and thousands of dollars...you guys are going to have to quit talking and start doing stuff".

Early on it was recognized in Renfrew County that we need to get the border open to live cattle. It was also recognized in a resolution at Renfrew County council that we do not build goodwill by calling others names.

I am proud to recognize the leadership in Renfrew County council when former reeve Gordon White, seconded by reeve Jack Wilson of the township of Laurentian Valley made the following motion:

### Supply

THAT the Warden, in conjunction with Renfrew County staff, send a letter directed to Mr. Jean Chrétien, Prime Minister of Canada, regarding the article of Thursday, February 27, 2003, Federal M.P. on Americans: "I HATE THOSE BASTARDS", as stated by Liberal M.P....on February 26, 2003, M.P. of Mississauga Centre re: This type of comment toward American neighbours is totally irresponsible, despicable and not acceptable in the fostering of ongoing public relations with our trading partners south of the border. A copy of the letter be sent to M.P. for Renfrew—Nipissing—Pembroke.

It is my privilege to publicly acknowledge the following mayors and Reeves who were on Renfrew County council and who endorsed this motion: reeve Janice Bush, Killaloe, Hagarty and Richards; reeve Bill Croshaw, Head, Clara and Maria; reeve John Doering, Horton; reeve Arlene Felhaber, Bonnechere Valley; reeve Audrey Green, Renfrew; mayor Russ Havelin, McNab Braeside; reeve Norm Lentz, Brudenell, Lyndoch and Raglin; reeve John Frost, Greater Madawaska; warden of Renfrew County and mayor of Madawaska Valley Bill Schweig; mayor Bob Sweet, Petawawa; reeve Harold Weckworth, North Algona Wilberforce; reeve Gordon White, Whitewater Region; and reeve Jack Wilson, Laurentian Valley.

It is interesting to note that of the three county councillors who voted against the motion condoning the anti-American remarks in the process, two no longer hold office. The Renfrew County councillors who voted for this motion were smart enough to understand the economic importance of American markets.

The U.S. is, in the words of former reeve Gordon White, our lifeline when it comes to selling agricultural and lumber products as well as attracting tourists.

Canadians can only ask, would the border be open today if the Prime Minister had provided some leadership sooner in curbing the rantings of his party against our closest ally and our largest trading partner?

It is time for the government to listen to farmers. As Cobden farmer Bruce Burwell put in a letter he sent to the Prime Minister, "We have wasted enough time at the expense of the farming industry. We are sick and tired of hearing all the B.S."

On behalf of all our farmers, what we are doing is not enough. We need to do more. It is time to think outside the box, and we had better do it quickly because time is running out for our beef farmers.

• (1205)

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, as always, it is an honour to rise in the House to speak about the families of northern Ontario, particularly families across rural Canada. As we know, these families are living through the worst economic crisis in Canadian history, much worse than the dust bowl because it only hit one region of the country.

As I always do, I prepared for this speech by phoning home. I spoke with producers who I had not had a chance to talk to in a week or two to see if there had been any changes. What I heard was a very depressing and damning indictment of the September 10 BSE package. Perhaps the clearest response I got was from the wife of a cattle rancher, who I phone often. She said, "I don't think my husband is going to phone you back this time. He says all we hear is talk and nothing is changing".

I spoke to another farm woman and asked if she could give me an update on what kind of CAIS program money was going into the region. She said four words, "Zero, zero, zero, zero". There was none. It had not come into the region. The only thing people were receiving from CAIS were rejection letters.

Thinking maybe she was wrong, I phoned another woman, who is very connected in my region of Timmins—James Bay. She said that she had not met a single family in the region, who had applied under CAIS program, who had received anything more than a rejection letter. Yet day after day in the House the minister stands and spins a lot of great numbers about how great the CAIS program has been. Unfortunately, farm families cannot feed their cattle or their children on sound bytes. The CAIS program is not disaster relief. It is simply a disaster.

We have a situation now where farmers who have been forced to hold back cattle or who have been unable to pay for new cattle because of the financial losses they took in 2003 now have been ruled ineligible for CAIS because there has been a change in their inventory.

One producer told me that the CAIS officials told him that because his inventory in 2003 was so markedly different, they would have to affect his reference margins for the last five years. He took his hit from BSE, and what does CAIS have to offer? Zero, zero, zero, zero.

I have talked with dairy producers who have put up \$35,000 to be in the program and they are ineligible for anything. In fact, the word among the dairy producers who I know is stay away from CAIS.

It has been nearly two months since I challenged the minister to meet first-hand with the Algoma cattle farmers who came the night of our emergency debate. I commend the minister for stepping out and meeting with them. At that time, there was a lot of talk about how we would make this work. In that time, they have heard nothing back. In fact, I just phoned Algoma this morning. Ten of the eleven farmers who were involved had not even received letters from CAIS. They know what they will get when it comes: more rejections.

For almost two months, I phoned the minister's office to speak with him, or with his staff or with CAIS program representatives with regard to a producer who had received a letter of rejection from CAIS. The bank is moving in on him now. After weeks of calling, we were finally told by the so-called MP's hotline that they were having logistical problems; logistical problems meaning that they do not have any staff to deal with the massive volume of rejection letters. In the last correspondence we received, we were told they would get to this file "as soon as we can". We are talking about third and fourth generation farm families who are going under.

In terms of the set aside program that is being offered, I find it shocking that our buffalo ranchers are not eligible. We know the buffalo market is up to 240,000 head, most of it based in western Canada. They are not eligible for this program, yet they have taken serious hits from the border closing.

*Supply*

We are talking about trying to build our export markets overseas. Meanwhile, we are stuck with 240,000 head of bison, most of them in western Canada, and ranchers cannot even get their markets into eastern Canada. While we are talking about foreign markets, where are the incentive programs and the work to help restore the buffalo economy by getting sales into eastern Canada?

We have been talking a lot about slaughter capacity. I have heard the minister use the phrase “market distortion”. The only market distortion I see in terms of slaughter capacity is the market distortion that has been created by the giant packers. The money they are paying out is a disgrace.

We talk about loan guarantees. Loan guarantees will not build a plant because we are not in normal market times. Loan loss guarantees will not help the dairy producers who get 16¢ a pound for cull cows. They will not help the farm families who now have been told that they cannot ship to Levinoff. The packer is closing its plant rather than agreeing to a modest floor price. We have no action from the government on this issue.

● (1210)

One giant packer has made a move which is a major threat for cull producers across Canada, and we have heard nothing from the government. We have asked for direct action, but we are not getting it. Excuse me, the government has taken decisive action in one area. It shut down the plant in North Bay which dealt with cull and other cows that came out of northwestern Quebec. It shut that plant down to Quebec farmers.

We are in the middle of the greatest agricultural crisis in Canadian history and the CFIA is holding to the letter of the law. How do we tell that to the farmers in Abitibi—Témiscamingue? I know my colleague asked the question earlier. He did not get an answer and I doubt that I will get one either. The government is taking no efforts to stand up to the giant packers, which are squeezing our producers. The only action that has been taken is to shut down small regional plants that try to intervene to help the backlog, interprovincially.

I have tried to figure out why we have had such a small movement on implementation of these programs. Farmers I talk to say that they do not know where the programs are. They have not seen any money. It seems as though we have been stalling and delaying. I am very pleased the Bloc has brought forward its motion because it raises the issue of why we have seen so little concrete results on the ground.

If I were to look at this cynically, I would say that it would be in the interests of the government to gamble that the border would reopen, that we could delay these programs a little longer until they did, that Canadians would think the matter was settled and that it would just write-off that \$5 billion loss to our farm families across the country.

We have heard a lot of talk in the House that there is a plan for dairy, but I have not seen it. We had a \$200 million export business in breeding that has gone. If things do not change soon, we will lose that forever. We talk about the kind of money needed to support dairy. On paper, a dairy farmer might be worth \$200,000, \$150,000 or \$400,000, but that money is continually flowing through. If he has to hold back inventory and if he does not get money for the cull

cows, that is money that will not go to make payments. If payments are not made, the bankers will start to move. We are seeing the bankers moving on different operations now.

When we talk about emergency measures, one of the most important emergency measures we will have to see, given the absolute failure of CAIS, is debt and tax relief for the farmers who have to get out of the industry because they cannot hold on any longer. We know that the soonest these producers will see any realizable money is September of next year. Considering the losses they have taken, that is not good enough.

Another farmer gave me a very straightforward analysis of this crisis and the larger crisis of rural Canada. He told me that in 1972 the price of bread was 39¢, and there was 4¢ of wheat in the bread. Today, the price is \$1.39 and he still only gets 4¢ for wheat on each loaf of bread. He said that his costs had gone up 400%. He does not have any other options, except he has a CAIS letter of rejection to take to the bank. That is four generations of equity gone in 16 months.

We can say that we have a long term and a medium term solution, but really we do not have any solution on the ground. It is not going to the producers. If the hon. minister wants to go to northern Ontario with me or wants to go anywhere else, we can knock on doors of farm families and see how CAIS is working for them. If I heard positive CAIS stories, believe me, I would stand up in the House and say it. I want to send a positive message because our farmers need to hear that. However, they have not heard anything positive, and I cannot come in here and lie.

I invite the minister to come with me. Wherever the hon. minister wants to go, I will go. I will knock on whatever door the hon. minister tells me to knock on to meet producers who have received CAIS payments. I have not met any yet.

● (1215)

I will close with a little story. I was up in the great town of Cochrane, Ontario, which is in my riding. It used to be one of the largest agricultural regions in northern Ontario. Most of that agriculture is gone, except for beef. I was at the fall fair. Farmers told me that in the summer they had their farmers' markets, and all the tourists come to visit. However, there are no farmers at those markets anymore. They now sell the little Phentex booties and some other knick-knacks. A woman tourist said that she had come to farmers' market, but there were no farmers. She asked where they were, and one woman said that people did not want farmers, so there were none.

We are here today to debate this. We have had more emergency debates on agriculture since 1999 than on any other single issue, and things continue to get worse. I do not want to hear other numbers from the minister. I want to know where the CAIS program dollars are going and who is receiving them.

**Mr. Tony Martin (Sault Ste. Marie, NDP):** Mr. Speaker, I was hoping the minister might be willing to get up and answer a couple of the questions that the member for Timmins—James Bay put on the table this morning. They are very serious questions which have been put in a very sincere fashion.

### Supply

There are people out there who know this debate is taking place. They are waiting for some answers. I asked some questions a couple of months ago, when we had the take note debate. I put some information and thoughts on the table from farmers with whom I had spoken. I do the same thing as the member for Timmins—James Bay. I phone my farmers, I talk to them and I have meetings with them. They send information with me to bring here and to ask questions about, which I did that night. They disagreed with information I received. They said that the minister was plain wrong when he described the new program and how it would work. He said that it would not be based on their case analyses and that the new money would not be factored into their case assessments. However, they are starting to find out that it is being factored into that.

The other day the member for Timmins—James Bay asked the minister a question. In his supplementary, he said that the minister had given him a super sized whopper of an answer. In light of what the member has shared this morning, could he explain what he meant by that comment?

**Mr. Charlie Angus:** Mr. Speaker, it is quite simple. We have been hearing amazing press communiqués about this fantastic package. Like the hon. member, when I phone home, I cannot find anybody who has benefited from this package.

I have been dealing with the minister's staff on cases and we have had no response. There is no response because the CAIS program will continue on as a program for which it was originally set out. I finally pushed one of the CAIS officials who said to me that it was not designed as disaster relief. If it was not designed as disaster relief, then why is it being applied to the biggest single disaster in Canadian agricultural history?

Every farmer who we know who has suffered a major loss from BSE, who has seen a major downturn in inventory, is being told they do not qualify for CAIS, yet they have put money into it. If these great moneys have gone out, I have not seen where they have gone nor has the hon. member. Therefore, all I can assume is what we have heard in the House since September 10 is the big whopper.

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I had the opportunity to meet with a number of producers from northeastern Ontario when I was in New Liskeard. We talked about the September 10 announcement and the component parts to that. There was enthusiasm about the component parts of the program.

Let us be honest, producers are facing difficulties. They have challenges and they want to see those challenges resolved. I would like to explain something and then ask the member a question.

The CAIS program was designed to deal with impacts. It deals at the back end of things. It has an important role to play in the sense that it deals with unexpected income declines for a whole series of issues, such as, frost, drought, a border closing or something like BSE.

A combination of things are necessary when we are facing something like BSE. We need to have programs in place. We have had four of them to deal with the structural issues on the front end and the CAIS program deals with the impact on the back end.

The hon. member said that he was uncomfortable with the programs. He mentioned that he does not believe they are working. I do not agree with him, but that is not surprising. We can debate that point. Does he have some concrete suggestions or some concrete program parameters that he believes would be more effective? I would appreciate hearing about that from the member.

• (1220)

**Mr. Charlie Angus:** Mr. Speaker, I was not at the meeting when the minister was in a neighbouring riding, but all my farmers were in New Liskeard. Of course there was enthusiasm. Farmers wanted to believe this would work. I wanted to be as enthusiastic with them when I went back. I told them that a lot of things were on the table.

The problem with the CAIS program is that if farmers hold back their inventory, that completely changes their reference margins and so they are penalized. The vast majority of the most affected farmers could not sell. There is a major discrepancy in how the CAIS program values what is considered the inventory and costs, and how producers actually face costs.

At this point, the CAIS program cannot respond to the beef crisis. We are in desperate straits. If this were a year ago, we could redesign a whole program. At this point, we need to be looking at giving farmers the debt relief they need. I support the idea of \$200 a head for a set aside. I support those motions. However, in terms of what farmers have suffered and in terms of their immediate losses, the CAIS program has not delivered.

How would I restructure it? We are going to have to look at farmers' overall debt and find a way to target what they should have made and respond. We need to have people answering the phones when farmers get their letters of rejection. There is nobody in Ontario to deal with this, not as far as I can tell. If there were staff somewhere out there to deal with these emergency cases and emergency rejections, maybe the program would begin to work. Right now, the only things going out to communities are rejection letters.

[Translation]

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Mr. Speaker, I have a question for the member. Earlier, the minister's parliamentary secretary said, concerning the crisis, that members of other parties should find specific ways of solving this crisis. My colleague from Abitibi—Témiscamingue spoke earlier. He is very familiar with the region of the NDP member who just made a speech about the slaughterhouse in North Bay. We learned, through my colleague from Abitibi—Témiscamingue, that it is the Canadian Food Inspection Agency that is interfering with the use of this slaughterhouse by northern Ontario and northern Quebec.

I would like to ask my colleague to tell us a little about this situation. To answer the minister's parliamentary secretary, this is an example where we found specific solutions, but the federal government, through one of its agencies, is throwing sand in the works when we are going through a real crisis. I would like to know why he thinks the federal government is acting in this way and what should be done to prevent this from happening again.

•(1225)

[English]

**Mr. Charlie Angus:** Mr. Speaker, that is a fundamental question. I was surprised that when my colleague from Abitibi—Témiscamingue asked the question, the minister never answered it.

In our region, northeastern Ontario, the Timiskaming side and the Témiscamingue side in Quebec are almost an integrated region in terms of agriculture. We have one plant that could deal with the backlog. It was supported by provincial inspectors in Quebec. There was no problem in Ontario. Yet, the federal government intervened and shut that plant down from dealing with Quebec producers.

That is the only concrete action I have seen the government take. Why did it shut that plant down? I do not know. It boggles my mind. This was meat that was going to be sold in a regional market. In addition, we have the situation with Colbex-Levinoff. We have the UPA standing up and saying that we need a basic cull price. That is a position that farmers across Canada would support because many of our farmers are dependent on Colbex-Levinoff. Colbex-Levinoff has shut its plant down and we are hearing nothing about this.

I do not even know what to say. I am sorry. I wish I could answer the hon. member in a more eloquent way, but it is such a bizarre situation. We have on the one hand, the shutting down of a plant to Quebec producers in a region where we are basically one, and on the other hand, we are allowing the giant packers to squeeze whatever money they can out of our cull producers who are getting sometimes as low as 9¢ a pound, maybe 16¢ a pound. When the UPA asks for 42¢ a pound as the basic floor price, that is considered outrageous. Our federal government is not standing up or even commenting about this. For once, I am absolutely at a loss for words.

[Translation]

**Mr. Roger Gaudet (Montcalm, BQ):** Mr. Speaker I will be sharing my time with the member for Saint-Hyacinthe—Bagot.

As long as the Government of Quebec does not take its place at the international negotiating tables and does not have control over agricultural policy, there will be a very high risk of Ottawa's putting Quebec's agriculture out of business by giving priority to grain producers of the west at the expense of Quebec.

One mad cow found in Alberta in 2003 resulted in an embargo by the Americans. Despite the American president's rhetoric, this week, the borders remain closed. The federal government was unable to convince the United States to reopen them.

Eighteen months after the closure of American frontiers, the federal government has still not been able to convince Washington to reopen them to live cattle. The Prime Minister who promised improved relations with the United States, has still not delivered one year after coming into power. Our cattlemen will remain in a precarious situation for many months to come.

The crisis caused in Quebec by this situation is a real tragedy for a whole generation of cattlemen, and many among them see the future with pessimism. Radio-Canada's *Le Point* had a report on suicides among cattle producers in Quebec. The support announced on September 10 was readily used to help cattlemen in Alberta, where the provincial government invested large amounts of money.

### Supply

However, Quebec's cattle producers are still waiting for support from the Liberal government.

Farmers and their representatives are watching us in this House and in various legislative assemblies, in particular the National Assembly. Christian Lacasse, first vice-president of the UPA, said that the solution to this crisis is a governmental responsibility. He declared earlier this week, and I quote: "Our society cannot tolerate those profiteers, like this individual, who is profiting from the situation at the expense of agricultural workers, who are almost starving".

The mad cow crisis has affected Quebec. It should never have, because Quebec's cattlemen have long subjected themselves to rules more stringent than those of Canada, in order to keep herds healthy and have products of the highest quality. If Quebec controlled its own borders and health policy as a sovereign state, it would not be affected by the American embargo today.

What is more, since the majority of farmers affected are dairy producers who sell cull for meat, the federal program is inappropriate.

Dairy farmers are culling 25% of their herds annually, and only receiving compensation on 16% from the federal program, which is seriously inadequate. As we have said, the current situation is particularly frustrating for Quebec producers, who have had stricter rules for themselves than in the rest of Canada for a long time.

Last week, the minister introduced Bill C-27 to regulate and prohibit certain activities related to food inspection. This act seems to be at last moving Canada toward the adoption of practices along the same lines as those in place in Quebec for a long time, such strict practices that we were able to avoid the mad cow crisis. Yet the minister, who claims to have presented some long term solutions does nothing to protect our producers in the event of another discovery of a case of mad cow.

Quebec's cattle tagging system has long been superior to Canadian practices. Tagging cattle for tracing purposes was implemented in Canada and in Quebec at the same time. Quebec producers had until June 2002 to tag their cattle. The main differences between Canada and Quebec are as follows. In Quebec, every event is noted: birth, death, attendance at an agricultural fair, sale to a breeder and so on. In Canada, only birth and death information are gathered, nothing in between.

If Canada had been divided into health areas, Quebec's animal hygiene practices would have enabled it to escape the U.S. ban on Canadian beef. We truly believe that. Moreover, Maple Leaf Foods President and CEO Michael McCain has recently spoken out in favour of dividing Canada into areas for animal health purposes.

The mad cow problem should have been regionalized and not spread across Canada for no reason. When the problem appeared in France, for example, Italy did not panic. The Italians, however, are much closer geographically to the French than Albertans are to Quebecers.

### Supply

Why make Quebec pay for a situation that, at first glance, does not concern it? When a single case of BSE was diagnosed in Canada, all the provinces were affected by the ban placed by our foreign partners. The American ban on all ruminants hit particularly hard, because the States is our principal purchaser.

• (1230)

You might say the lifting of the ban by Hong Kong this week is a sign that the federal government is finally doing something.

However, how many cattle farmers have been suffering for the more than a year and a half now? How many more will give up before our principal partner, our neighbour to the south, finally opens its borders to animals over 30 months of age—in other words to cull, which affects Quebec primarily?

Despite the minister's bill to prevent such a problem from happening again, the Bloc Québécois believes that Ottawa must soon talk to Quebec about decentralizing the entire food inspection system and dividing Canada into several health regions. This would spare Quebec farmers a similar crisis in the future. It would also allow Quebec to promote the excellence of its practices.

The Minister of Agriculture and Agri-Food was supposed to address various UPA authorities gathered in Quebec City in a few minutes. However, rather than meet with the UPA members, he is here in Ottawa. A true captain never abandons his ship, but he has just abandoned all the farmers in Quebec, Ontario and the other provinces.

The minister recently took a 16-hour flight to Japan, but he cannot even go to Quebec City to announce solutions he intends to apply to this major crisis, which affects a large number of Quebec farmers and their families. It takes 55 minutes to get from Ottawa to Quebec City.

Perhaps he could have explained to them why Ottawa was so generous with farmers in Ontario and Alberta and gave nothing but crumbs to farmers in Quebec. I do not want to hear about the \$366 million again. The government should go to Quebec and ask the farmers whether they have the \$366 million in their pockets. For the farmers in Quebec, that kind of money is nothing.

The minister said several times that he provided \$366 million in aid to Quebec farmers. According to the Fédération des producteurs de bovins, only \$90 million has been received from Ottawa since the beginning of the crisis. If we add the federal compensation and the \$60 million received from Quebec City, the farmers still assumed losses of \$241 million after compensation.

That speech by the minister would have been the best possible opportunity to make an announcement that some of the demands of Quebec and Quebec farmers would be met. These farmers, who are in the midst of an unprecedented crisis, are only asking for a fair price. What Quebec producers are asking for is to live, not just survive.

Observers at the 80th annual congress of the Union des producteurs agricoles, which has been going on since Tuesday in Quebec City, tell us that this annual meeting is taking place in a climate of negotiations—negotiations taking place outside the congress.

Our representatives are there, including our agriculture and agri-food critic, the hon. member for Châteauguay—Saint-Constant. We have heard that there is a lot of negotiating going on at the congress. The Quebec minister of Agriculture, Fisheries and Food and her federal counterpart have had many meetings with the various stakeholders, trying to find solutions to the problems afflicting our farmers and breeders.

This is a serious enough crisis that the Premier of Quebec has intervened for the first time in the mad cow issue and its negative impact on the incomes of 25,000 Quebec producers.

Speaking to journalists on Tuesday concerning his relations with Ottawa on this issue, the Premier of Quebec said, and I quote:

We will not wait forever, of course. When the time comes, the government will draw its own conclusions and we will not exclude any avenues that would help us achieve a sustainable solution.

He also added:

—the government would prefer a negotiated solution, with an agreement that is binding on the federal government, but we will act alone if necessary.

All indications are that by the end of the day we will have some news from the various levels of government regarding the solutions Ottawa is going to propose to assist Quebec producers.

Still, we are not looking for flashy solutions. The producers want real solutions to the real problems of this real crisis. It will take months to return to a fairly normal situation after everyone agrees what the solutions should be.

Let us remember that Alberta, together with the federal government, has injected large amounts of money to solve the problems of its beef cattle producers. Can the voters of Quebec expect the same largesse from Ottawa? We will soon find out.

• (1235)

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, today is a sad day in the history of the federal Parliament. We knew that the successive federal agriculture ministers in recent years were all irresponsible. We also knew that they were incompetent. Now we know that they are also cowardly.

This is momentous day at the UPA convention. Having been the UPA's chief economist for seven years, I would say this is a first; never before has a federal agriculture minister backed away from his responsibilities. This minister is failing to take responsibilities which are his to take. If the mad cow crisis is continuing and nothing has been done in 18 months, it is the responsibility of the Minister of Agriculture and Agri-Food.

We are faced with a destabilized agricultural sector. This is the worst income crisis farm producers in Quebec, and even across Canada, have had to go through in 25 years. The negotiations with the Americans to reopen borders to cattle and cull have gone nowhere. Farm producers have not been supported appropriately by the federal government. Hundreds of millions of dollars were announced left and right, but the producers who testified this week said they received barely \$90 million. Without Quebec City's assistance, they would have received compensation for approximately 20% of their losses, as compared to the current 50%. The crisis would be even worse than it is.



The federal government must get involved. It is not by shirking its responsibilities, as the Minister of Agriculture and Agri-Food is doing, that it will resolve the situation. In all the years I have been involved in agriculture, I have never seen anything like it. Looking back at what was done in the past 10 years, we can see that this government is the one responsible for the current crisis. Not just the Americans. This government is also responsible, because it did not take its responsibilities or took steps in the past which are wrong by today's standards.

I will give an example. The current Minister of Finance was responsible for the Canadian Dairy Commission a few years ago. He cut the dairy subsidy that was paid to Quebec and Canadian farmers. At the time, they were given \$6.03 a hectolitre of milk, which provided Quebec dairy producers with \$120 million a year. This subsidy was cut. Today, \$120 million would not have solved all the problems stemming from cull that the dairy producers are facing, but at least it would have helped. The Minister of Finance had said he would raise prices accordingly to compensate for the losses, but he never did. This means that the farmers are already missing \$120 million because of this government.

Today it is the same thing. We are asking for a Canada-wide floor price for cull. Do not forget that although the producers are receiving roughly 20% of what they were getting a year and a half ago, before the mad cow crisis, it is still possible to set a floor price. Furthermore, Ms. Gauthier, the minister of the department of agriculture, fisheries and food, has said so. She has asked the federal minister—who has done nothing with this request—to set a floor price.

Today, the packers have doubled their profits. Consumers were not aware that producers were getting paid less. Consumers are paying the same prices if not more than they did 18 months ago for beef from the supermarket. The packers are the ones pocketing the profits, particularly a cull cattle plant in the Drummondville region. It has doubled its profits and continues to siphon off what producers should be receiving as fair and equitable prices.

In the meantime, the Minister of Agriculture is shirking his responsibilities and not adequately responding to the demand to set a floor price. Dairy producers are going under.

Worse still, yesterday, ten Bloc Quebecois members went to Quebec City to support Quebec producers at the UPA convention. We talked with them. I know that some of them were happy a few years ago. They loved their jobs. They put their hearts and souls, as we know, into their jobs, working 120 hours a week to run their farms. Today, they are suffering and in distress. It is not surprising that, in the agricultural industry, the suicide rate is two times higher than that of the general public.

While producers are in distress, the minister is using the false pretext of a motion introduced by the Bloc Quebecois to say that he has to stay in the House all day, that he has no choice and that it is the Bloc's fault if he is unable to attend the UPA convention. People should not be treated like idiots. When there is a debate on an opposition motion, the minister can make a speech, but then it is his parliamentary secretary who takes over. This morning, the minister could have—I even suggested it to him—taken a plane and been in

### *Supply*

Quebec City in less than an hour to meet with the producers, if he had something to offer them. But what did he offer them? Nothing.

The mad cow crisis has dragged on for 18 months, the producers are all going under, and the minister is shirking his responsibilities and acting like a coward.

● (1240)

There is still time for him to go there if he has something to announce. The reason he is hiding out here is that he has not one penny to offer them. Nor is he offering an agreement to establish a cross-Canada floor price.

The mad cow crisis was set off by one mad cow in Alberta. I remember what the minister's predecessor said, when asked if animal health should be regionalized so that if there was one cow in Alberta it would not affect the Quebec market. He told us, "We are all Canadians. There is a mad cow in Alberta and everyone has to pay for it." What pathetic reasoning.

It was that pathetic reasoning which led to the current crisis. The federal government did not live up to its responsibilities. Today the minister is sitting there, with a look of blissful contentment, while in Quebec City, the producers are protesting loudly and expressing their anger with the Minister of Agriculture and Agri-Food. I have never seen anything like it; I can tell you. I have been following the situation in the agricultural sector since 1982—I even started here in Ottawa at Agriculture Canada—and I have never seen a situation like this.

Agricultural producers are being attacked on all sides, not only by the Americans but by their own government. And the minister sits there looking contented. It does not make sense.

There is still time for him to go and meet with the producers and give them some good news. I do not think he will. And why? Because the Minister of Agriculture and Agri-Food has no power in the cabinet. He has not tried to help the producers in any way. He is thinking; he has plans. To use my leader's word from this morning, he is "chicken".

He is afraid to go and tell the farmers of Quebec that he has nothing to give them and that all he does is make plans. He is afraid to go and tell them that he has paid out \$360 million, when they have only received \$90 million. They are all declaring bankruptcy—at least, half of them are.

When I left the UPA in 1991, there were 14,000 dairy producers in Quebec. This year, the figure is around 8,000. How many will be left next year? This has been dragging on for 18 months. We have been presented with policies that are not even applicable to the Quebec agricultural sector, to the reality of dairy production. They have set the percentage of cull that can be compensated at 16%, when the actual figure is 25%. That is the percentage of a herd that is replaced every year. So why set the figure at 16%? Because Ottawa knows best.

### *Supply*

The dairy subsidy is cut because of the need to be in line with international agreements. How dumb we can be sometimes. While farm subsidies were being halved here, the Americans were doubling theirs and the Europeans raising theirs by 75%, and here we were acting like good little boys and girls, slashing our subsidies in order to comply with WTO international agreements.

There is not one blessed country in the world, with the exception of Canada, that is respecting those agreements. In the meantime, do hon. members know where our Quebec and Canadian producers' competition is coming from? From those who are getting the US and European subsidies. Then we have our American competitors blocking the borders any time they have an excuse to do so.

This makes no sense. I appeal again to the minister. If he has an ounce of pride and courage left, I appeal to him to announce to the agricultural producers of Quebec and Canada that he is going to help them, going to cover the losses they have sustained over the past 18 months, all the equity they have had to absorb, the savings built up over years of work that have now been lost.

Whole farm families are being uprooted. This is unacceptable and it is also unacceptable to see the minister so comfortably ensconced in his seat in the House of Commons while the farmers are struggling to keep their heads above water. This is irresponsible. He is incompetent, and a coward to boot.

• (1245)

**Mr. Gilles-A. Perron (Rivière-des-Mille-Îles, BQ):** Mr. Speaker, I would like to commend my colleague from Saint-Hyacinthe—Bagot for his speech and especially for his knowledge of agriculture.

As you all know, my colleague started his career in agriculture as an economist. Therefore, I am curious to know why producers in other provinces do not want to agree to the floor price for meat from the type of cows that were affected by the mad cow disease.

**Mr. Yvan Loubier:** Mr. Speaker, I thank my colleague for his question.

First, we would have to see if the provinces do not want to implement a floor price. We have so much difficulty getting information and the truth from this cowardly and incompetent minister.

Second, the problem is even more serious in Quebec, which has 50% of the Canadian dairy herd. In the case of cattle, the Liberals did quite a good job, since Western beef cattle producers are much better compensated than Quebec cull cow producers. When it comes to Quebec producers, the minister sits comfortably in his chair, even though they are in distress. However, when the time comes to help Ontario with the automobile industry, for example, he helps them immediately by giving them \$500 million. It is the same for Western beef cattle producers.

In western Canada, there is also a grain problem. The price of grain has increased in the past year. The past four years have been difficult because of American subsidies. This is why, as I said earlier, that the Canadian agricultural policy is a total mess.

We cannot be more catholic than the pope. We cannot reduce our subsidies and expect our partners to do the same. It is not what happened. These days, the quality and quantity of products are not as

important as the level of unfair subsidies in the United States and Europe. Meanwhile, we—and I will not say what we are, because it would be unparliamentary—cut subsidies. And then we tell our producers, “Try to be more competitive and develop your products.” Slaughter capacity is an issue, but it is just one problem among many others.

In fact, the main problem is that the government has let farmers down. After letting them down and cutting subsidies, it now tells them, “Fight this unfair competition from U.S. and European producers. Even if they get twice as much in subsidies, try to pull through.” That is the real problem. The cull cattle situation is even more serious in Quebec, because we have 50% of the Canadian dairy herd. We are the main producers of milk in Canada.

It is as though, when it comes to Quebec, it is not so easy to negotiate a floor price. It is not so easy to have a tailored program. It is easy to have one in western Canada, but not in Quebec. The government does not realize that it is out of touch. It is like when it proceeded with the Petro-Canada share offering; it only forgot the largest financial institution in Quebec, namely Desjardins, which would have been a very democratic vehicle for Quebecers to buy shares in Petro-Canada. Quebec is always left out, anyway.

Once again, as I said, as far as I can remember, this is the first time that a federal agriculture minister has shirked his responsibilities in such a fashion, and the minister should be ashamed. Even in times of turbulence, the federal ministers would come and meet people in Quebec.

When I worked at Agriculture Canada, in 1982, I remember that Mr. Whelan was a courageous man. There was the whole debate about Crows Nest, which was hurting Quebec. Mr. Whelan was no coward, he was a responsible man. The current minister, however, is doing a very poor job. My wish is that he be replaced, because it makes no sense to let farm producers struggle this way, under the pretext that he has to stay put. We have been sitting in this Parliament for 11 years already. We know that, on opposition days, the parliamentary secretaries are the ones running the show. The minister is sitting back and saying, “I have to stay put”. Nonsense. Nobody believes him.

In fact, yesterday evening, ten of us from the Bloc Québécois discussed with farm producers. We were the only representatives from a federal party at the UPA convention. We talked with the producers, who know very well that all this, here, is a joke, a monumental joke, because the minister lacks courage and has nothing to announce to farm producers in Quebec. That is why he is sitting back. It is less tiring and scary, for a chicken.

*Supply*

•(1250)

**Hon. Claude Drouin (Parliamentary Secretary to the Prime Minister (Rural Communities), Lib.):** Mr. Speaker, I am glad to rise concerning the most important challenge our producers are faced with. I thank the mover of the motion, who submitted this issue to the House. However, I cannot agree with the first part of this motion, because the money was there, but it was a new stabilization program. Provinces and territories as well as the people who deliver the program have had to adjust and that delayed the payments and affected the aid that was directed to the farming industry.

There is no question that the situation has been disastrous for the beef and ruminant animals producers in Canada. The figures recently received from Statistics Canada on revenue show that, in 2003, the net farm income dropped to its lowest. This situation is mainly attributable to a reduction in sales that followed the discovery of a single case of BSE.

This problem affects all Canadians, whether they live in a rural area, whether farming has always been part of their living or whether they live in an urban setting. All these people live in a country that produces food ranked among the best in the world.

However, BSE affects our producers first and foremost.

The government has not stood idly by. It has not left the producers to bear the entire burden of the situation that has existed since the case of BSE was discovered. The government has listened, responded and acted.

In response to this unprecedented challenge to this key sector of our economy, the federal government is working with the provinces and territories to help the producers cope with the pressures in the short term, while laying the foundations of a viable, profitable sector in the years to come.

I want to emphasize that the government has reacted vigorously and has kept its commitment to support the producers in these difficult times.

Last year, a record \$4.8 billion was paid out through government programs. During the first nine months of this year, farmers have received more than \$3.1 billion from the government.

In response to the BSE crisis, governments have invested at least \$2.5 billion to help cattle and ruminant producers get through these difficult times.

In March, the Prime Minister announced \$995 million in federal aid for 2004, mainly through the Transitional Industry Support Program. To date the producers have received some \$821 million under this program.

On September 10, the Minister of Agriculture and Agri-Food announced an additional \$488 million to facilitate the increase in the domestic slaughter capacity. He had recognized the importance of acting in the medium and long terms to diversify slaughtering, help the producers cope with cash flow and liquidity problems, and expand access to beef export markets.

The minister also announced special cash advances for ruminant producers in 2004 through the Canadian Agricultural Income Stabilization program.

With these new special advances, breeding cow and ruminant producers can obtain funds from the program quickly and easily. Under the program, eligible beef and ruminant producers receive up to \$100 a head.

The government is determined to put this money in the hands of producers as soon as possible and I am pleased to announce that it has already started.

So far more than 10,300 producers have applied for a special advance. Applications are being processed. In total, more than \$45.5 million in special advances have been granted to more than 7,000 producers.

I would also point out that the federal government has invested in business risk management, which includes CAIS and crop insurance. To help Canada's producers, including cattle farmers, to manage risk and deal with a drop in income, the federal government has allocated \$5.5 billion over five years to business risk management.

It is important to mention that we no longer have an annual cap on the money set aside for business risk management. In fact, funding is subject to demand and varies according to the needs of producers.

For the 2003 program year, close to \$355 million in interim or final payments were disbursed under CAIS. For the 2004 program year, over \$105 million has already been paid out to producers.

CAIS is working well for cattle producers. According to our analysis, close to three quarters of cattle farmers who took part in CAIS in 2003 received payments.

I would like to remind the House of the steps the Government of Canada has taken to restore our reputation as exporters of top quality beef products.

We are making great strides at the international level, especially in Asia. Very few people realize that Japan, Korea and Taiwan were the third, fourth and fifth main export markets for our beef and beef products before the discovery of one case of BSE in Canada in May 2003.

We are very pleased that Hong Kong agreed the day before yesterday to immediately reopen its border to Canadian beef.

•(1255)

This welcome news for Canadian beef producers was announced yesterday. Hong Kong will resume the importation of boneless meat from Canadian cattle under 30 months of age. Hong Kong inspectors are happy with the steps the Canadian government has taken to make sure beef products are safe.

This news comes in the aftermath of a recent visit by the Canadian agriculture and agri-food minister to Hong Kong where he energetically represented Canadian interests. Since the start of this crisis, he has been tireless in his advocacy of Canadian interests and the search for solutions. He deserves our congratulations.

### Supply

At his invitation, a delegation of technical experts from Hong Kong will visit Canada to observe the security measures we have taken. We are making inroads in Japan as well. The Canada-Japan working group on BSE had its second meeting. Tokyo officials at this meeting confirmed their commitment to go on with technical discussions and the sharing of information in order to resume trade in beef and beef products with Canada.

More important, Japan again confirmed that, when a final decision is made on the resumption of the beef trade with the United States, the same conditions will apply to Canada. Technical consultations between Japan and Canada are ongoing. Canada offered to host the third meeting of the BSE working group.

The work done with Taiwan also reflect the efforts of the government to resume the Canadian beef trade, and increase its volume. We have made another big step in anticipation of the reopening of the border with the big Asian market.

Taiwan has confirmed its intention to allow, with certain conditions, access to its market for Canadian boneless beef products. It has undertaken to send a technical team to observe the measures taken by Canada to ensure food safety and animal health.

We have worked diligently with our Asian trade partners, but we have also made progress with other countries. Our experience with Mexico has turned out to be quite positive. That country has shown itself quite open to the idea of reopening its market to a wide range of ruminant products. As a matter of fact, Mexico has expressed its interest in accepting Canadian breeding cattle. We are very happy about that.

This being said, though, we are concerned by the fact that the United States is considering lowering the BSE risk rating for Mexico, should it decide to authorize Canadian live beef imports. In fact, Canada and Mexico have voiced their disagreement with the policies of the U.S. government, which prohibit the movement of certain bovine products on its territory. In effect, those policies prevent Mexico from authorizing breeding cattle imports from Canada.

Although the United States has not changed position, there was some progress at a recent meeting between our respective representatives. We are still working very hard to have the U.S. border reopened to Canadian beef and beef products. Last month a major step was taken towards the normalization of our trade with the United States.

On November 19, the U.S. Department of Agriculture forwarded a proposed rule on BSE to the Office of Management and Budget for final approval. It is the last step in the U.S. review of regulations. The review may take up to 90 days, but the process can be expedited. Once the review is completed, the rule is published in the U.S. federal register and it can come into effect after a 60-day period. The president of the United States told us that he would try to speed up the process.

We are making progress both in the United States and elsewhere in the world. The government has shown commitment and dynamism. We have made numerous representations in a number of markets. We sent eight missions to Asia. Our efforts are paying off for the Canadian beef industry. On top of the progress I just

mentioned, Antigua and Barbuda, Barbados, the Cayman Islands, Honduras, Israel, the Philippines, Trinidad and Tobago as well as Saudi Arabia have all partly opened their market to Canadian beef.

Macao's market is fully open. Other countries such as Chile, Russia, Ukraine and the United Arab Emirates have reopened their markets to beef embryos or semen, or both.

We will keep on doing everything we can across the world to help the Canadian beef industry regain its major share of the market, as it should.

Also, we will keep on working very hard with our provincial and territorial partners as well as farmers to find solutions to this crisis.

● (1300)

**Mr. Roger Gaudet (Montcalm, BQ):** Mr. Speaker, I would like to ask my colleague a question. I would like to know if he agrees with the idea of a floor price for cull cattle. If so, how should it be established? If not, what alternative does he have to propose to our farmers?

**Hon. Claude Drouin:** Mr. Speaker, we have said right from the beginning that we supported a floor price. However, the Government of Canada must first get the consent of the other provinces, which does not seem to have right now.

However, according to the information I have, and the member will tell me if it is correct, the Quebec government could do it for the province of Quebec and regulate the operation of slaughterhouses. Intensive negotiations are currently going on between the Minister of Agriculture, Mrs. Gauthier, the Colbex plant and the UPA to try and find a solution. We really hope that one will be found and we support them in their efforts.

We are keeping the doors open, but we are determined to help our agricultural industry get through this crisis as quickly as possible.

● (1305)

**Mr. Sébastien Gagnon (Jonquière—Alma, BQ):** Mr. Speaker, I would like to ask another question of my colleague. In Saguenay—Lac-Saint-Jean, we have had our share of problems, especially with regard to softwood lumber. There have been massive job migrations towards the major centres, especially in sectors that once were the pride of our region. Now, it is the aluminum industry's turn. Today, farmers are badly hit by the mad cow crisis. It is one thing after the other. Right now, we are looking at an 18-month crisis.

We recently saw a producer from the upper Saguenay—Lac-Saint-Jean area sell a 2,000 pound cow for seven cents.

What we need and what the producers are requesting immediately is an increase in the assistance plan. Indeed, even if the borders were to re-open in six months, there are serious problems right now. Many farmers are going under. Some are even being pushed to suicide.

Can the hon. member opposite convince the government to immediately finance an increase in the existing assistance plan?

**Hon. Claude Drouin:** Mr. Speaker, I would like to say to my colleague that I am a new member of the Standing Committee on Agriculture and Agri-Food and that, unfortunately, I do not have much of a green thumb. However, this is an area which is of great interest to me. My riding in particular, and all of Quebec and Canada, need the contribution of such an economic sector as agriculture and agri-food.

Having talked to several producers and UPA members, I know that what is needed is not necessarily aid in cash. The previous colleague had alluded to that in the form of a floor price. The Quebec government works very hard to find a solution. It is negotiating.

What has to be hoped for with all our hearts is that, together, we succeed in solving part of this problem so that when our borders are re-opened, our farmers are in a good financial situation and they are able face global competition.

**Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ):** Mr. Speaker, I will be splitting my time with my colleague of Jonquière—Alma. I also take this opportunity to thank my colleagues who are allowing me to take part in this debate.

I was raised on a farm and I am very proud of it. However, I must admit that I left so long ago that, today, I have to acknowledge that I am no longer on top of things, just like the Minister of Agriculture and Agri-Food, by the way. Nonetheless, the difference, as far I am concerned, is that I have an interest in it and that I listen to the competent people, which, for me, means the farmers.

That being said, the government has no choice. We need to put in place right now a traceability system, whether it be beef animals, livestock, dairy cows and even hogs. Technology now makes it possible.

Quebec does not waste its time trying to take over Ottawa's jurisdictions. It is working very hard to find solutions to problems. It consults and, until most recently, it was listening to the people involved who, better than it, know the possible solutions to their problems. Ottawa would still be well advised today to copy Quebec in many respects.

Even more so, health practices will have to be regionalized. Today, a single case of BSE is diagnosed in Alberta, and the whole country is penalized, when Quebec is 5,000 kilometres away from Alberta. Quebec is not alone in being penalized, even though it is being more so than the other provinces when it comes to cull cows and cattle.

Few countries have abandoned their agricultural sector as much as Canada has, especially since the day the current Prime Minister became responsible for the Department of Finance in 1993. Today, as the Prime Minister, he does not seem to have been able to put the right minister in the right place. Producers have been asking for his help for the last 18 months proposing solutions, and this minister does not find any other means than to think about the situation. He has been thinking for the past 18 months. He has been applying the wrong medicine to the malady for the past 18 months. In other words, he has a remedy for a problem that is not the problem of Quebec producers.

### *Supply*

He keeps saying that he invested \$366 million, when it is not even a quarter of that. The Bloc had to put the real figures under his eyes for him to finally admit this.

There has to be a national floor price, whether some producers or some financial people in the Liberal Party like it or not. The mad cow is not Quebec's problem and, yet, its producers are the most penalized. It is not normal—and we will never say this enough—for Canada to be considered a single health region.

Quebec's regulations have been more effective than Canada's. There is among other things the traceability system, which makes it possible to follow the animal from birth to death, and a ban on meal from ruminants, which was established four years before Ottawa's.

In this case, if Quebec had been sovereign, and I repeat the words of my colleagues, and was controlling its borders and its health policies, it would not have been hit by the American embargo for the last 18 months. Even the president of Maple Leaf Foods, Michael McCain, made the same comment, and I quote him:

*[English]*

Recent experiences with avian flu, BSE...and other animal diseases around the world show gaps in our food safety system.

Given our recent experiences with the economic devastation that has resulted from animal disease, it is high time that the Canadian government take a leadership role in moving forward with regional zoning, with full co-operation and support of industry.

*[Translation]*

The current situation is disastrous for Quebec producers who, for a long time, have had a series of restrictions for the very purpose of ensuring the health of their livestock and the quality of their products.

The Minister of Agriculture and Agri-Food, like his government, listens to nobody else but himself and acts on his own. If ridicule could kill, I wonder if we would be talking about him today. Do this minister and his government realize the despair they have inflicted on beef and dairy farmers?

In spite of all their fighting spirit, they are dying off and the government is just watching, although it could afford to help. As a matter of fact, many of them are dying, either physically or mentally. These people work very hard, between 100 and 120 hours a week, and make no money at it, or worse yet, are using up the little savings they had managed to set aside.

• (1310)

I would be curious to see one of those ministers who have completely lost touch with the people. I would be curious to see them go through the kind of anguish experienced by these farmers who spend long days in their tractor cabs thinking about all their losses, while their fellow citizens do not understand what they are going through and their government does not care. I would like to see these ministers all decked up forced to invest everything they have in a farm and see it all disappear.

### Supply

All they had to do was help the various farming sectors manage their own affairs or guarantee a floor price. This government has spent billions of dollars on oil wells and continues to give them very favourable treatment through tax breaks that will put billions more dollars into the pockets of the Prime Minister's cronies this very year. This government is totally insensitive to the agony of the farming sector, which is a renewable resource and environmentally friendly.

Countries cannot do without farming. We only have to look south of the border at our neighbours, who are heavily subsidized. They are major employers. If they can do it there, I do not understand why we cannot do the same here. We cannot allow ourselves to depend on other countries for our food. And yet, this is what this government's policies will lead to.

I watched Bernard Derome's documentary again on the struggles of our farmers. I do not know if the minister watches French television programs, but it certainly was not about the life of the rich and famous, like that of the head of this government. Those who do not realize this must be blinded by all the money thrown at them by big holdings. Their work is better paid than the work of farmers, but is it as gratifying?

Farmers are major stakeholders in the United States because their government has made them major stakeholders through various hidden subsidies that any other smart government could have granted to its own producers.

I was listening this morning to the speech the Minister of Agriculture made in Red Deer, Alberta, on Monday evening I think it was. He said, among other things, that it was important to build strong rural communities based on different realities. I find that a bit ironic, since he has only recognized one reality so far, that of western Canada.

When he talks about understanding, maybe he should know how to listen, if he wants to understand. But he refuses to do so. He also talks about targeted actions by the government. But who is going to show him the target? He is voluntarily deaf and blind. He does not want to hear, nor see, nor learn anything. He even goes as far as to treat ironically a member of the opposition's urging him to pay attention to the pressing needs of the cattle and cull cow producers. Who does he think the member is speaking for?

And yet, producers have been repeating the same thing for months. They even showed their good faith with their project to acquire an abattoir. But given that it is not possible, the government could have met them halfway by helping them to build one and, above all, to break the monopoly in slaughtering. This is not beneficial to the producers, nor to the consumers. It is contrary to the common good. A floor price must be set, be it only temporary, to allow this very important and essential sector of the Canadian economy to recover. It might not suit some people in other regions, but does it suit the producers from Quebec to be caught in the chaos caused by this cow from Alberta?

The Quebec minister of agriculture has asked for this government's help in order to set a floor abattoir price. The government was given an opportunity to cooperate, but it refused.

This government must definitely recognize Quebec's unique nature. In fact, to show how much this is necessary, one can look at

Alberta, where cattle producers are compensated for each animal being slaughtered. But in Quebec, where we find mostly dairy producers, when they sell the cows for meat, as the animals do not produce enough milk anymore, the government gives a compensation only for 16 % of the herd. Let me conclude by saying that this is unacceptable.

• (1315)

**Mr. Sébastien Gagnon (Jonquière—Alma, BQ):** Mr. Speaker, I have a lot of esteem for my colleague from the Bloc Québécois, who just spoke. As in the Saguenay—Lac-Saint-Jean region, there are serious problems in the more rural regions in Quebec.

I would like him to explain to the minister and to the House the importance of improving an assistance plan and implementing new measures for producers, because Quebec regions are now headed toward a critical level of employability. Indeed, youth are leaving for urban areas. We badly need the government to listen to us so that it finally takes its responsibilities and agrees to help Quebec producers.

I would like my colleague to comment on this.

**Mr. Yvon Lévesque:** Mr. Speaker, before, parents would leave their farm to their children and work for them or would hire their children to carry on.

Today, as soon as the children leave school, they think about doing something else because they have experienced their parents' misery and they do not see the possibility of making a decent living.

Some people have millions of dollars in milk quotas and they could not even sell their farm for the value of a single quota. This is deplorable. Moreover, if a producer considers all the money that he invested and finds himself alone, sitting in a tractor cabin for 10 or 12 hours, thinking about all his problems, he may commit suicide.

The minister should watch the Bernard Derome program, in French, of course. Certainly someone around him could translate it for him, perhaps his colleague next to him, who speaks French quite well.

[English]

**Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.):** Mr. Speaker, I did not catch all of the member's remarks but he did talk about some of the programming.

We have said a number of times that we recognize the difficulties on the farm, which is why the minister made the announcement on September 10 repositioning the livestock industry to manipulate the market so that farmers could get the price out of the marketplace, as well as continuing to work on opening the U.S. border. We have been doing our part.

It was interesting to listen to the Bloc Québécois members try to condemn government programs when they have failed to tell their own producers that the reason the dairy industry has survived in Quebec as well as it has is because of the Canadian milk supply management system that Canada implemented and has strongly maintained at the WTO.

Will the member opposite finally get up and tell his producers in Quebec that it is thanks to the strong efforts of the Government of Canada that we have a supply management system in place for the five industries, dairy, poultry and so on, which is why farmers get reasonable returns from the marketplace for the products they produce. It is that system which gives farmers marketing power in the system itself, and that is thanks to Canada.

• (1320)

[*Translation*]

**Mr. Yvon Lévesque:** Mr. Speaker, I would like to remind the member opposite that nothing is less certain than milk quotas. Today, producers do not know what to expect from one day to another.

If the government could not negotiate, it could at least protect the country's producers. The government should have supported them financially in order to get them through the crisis, since it cannot negotiate with the Americans. It has never managed to do so, whether it is about softwood lumber or about agriculture.

[*English*]

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, if I heard the hon. member correctly, he is suggesting that the dairy farmers in Quebec do not like the supply managed system, that they do not want to be under supply management and that it is not serving their needs. That is the exact opposite of how members on this side feel. I am shocked to hear the hon. member suggest that supply management is not a positive thing for dairy producers in Quebec.

[*Translation*]

**Mr. Yvon Lévesque:** Mr. Speaker, as I listen to the members opposite, I am not surprised that we have made such little progress to date. They have never understood anything and today, they do not understand any better than before.

This is not at all what I said. I said that producers are worried about the uncertainty surrounding the continuity of milk quotas. I do not know who is translating, but either the member makes sure he does not hear well, as he has always done, or there has been a mistranslation.

**Mr. Sébastien Gagnon (Jonquière—Alma, BQ):** Mr. Speaker, it is with pride that I speak in this House, but also with some anger, an anger that is equal only to the government's actions.

When I am talking about pride, it is because I represent a region, Saguenay—Lac-Saint-Jean, which has a high concentration of producers. I can tell you that I share and understand their disarray. Indeed, I had the chance to work on a farm for six years, the Aly Blackburn farm, in Métabetchouan. The owners are Claire and Yvon Blackburn. They are very nice people. They work very hard, day in and day out, as all milk producers in Quebec do.

I had the chance to really appreciate, to really understand the efforts they are making to put bread, butter and fresh quality products on our tables. Yesterday, following the parliamentary sitting, I took the opportunity, with my colleagues, to go and support them in Quebec City, in their negotiations with the minister and the Government of Quebec. It was a short return trip, but this had a lot of meaning and they appreciated it. One thing they did not appreciate was the absence of the minister, who, using all sorts of excuses,

### *Supply*

declined the invitation. When I am talking about anger, this is what I am referring to.

Right now, their fight is the fight of a whole generation. They are fighting to save not only their farms and their jobs, but also the jobs of their children, of a whole generation, mine and my children's.

They are fighting now for the very survival of farming. The problems farmers are facing are driving them to bankruptcy, which means nothing less than the end of farming. The minister across the way does not seem to be sensitive to that. The problems are very real though.

The Government of Quebec is currently negotiating. It is not easy for that government, but it showed up yesterday. I met the minister who was there at the meeting with farmers and deigned to speak with them. She is currently involved in very intense negotiations. At least you have to welcome that because, somewhere, there is a minister in Quebec courageous enough to go to them, talk with them, and negotiate with them.

I would like to remind the minister how important farming is in Quebec. Some 44,000 farmers work day after day to provide us with fresh products. They contribute to the Quebec economy to the tune of \$5 billion. It is therefore a very important industry.

Moreover, in Saguenay—Lac-Saint-Jean, farming is one of the six major exporters. It is key to our economy.

By not being there today, the minister is simply showing a total lack of respect for the 44,000 farmers who work day after day for our sake. His absence says a lot about the Liberal government's insensitivity.

On Monday, I went to a demonstration. I am not sure I should call it that. Politicians were invited to a field. Farmers dug a hole and are threatening to kill no less than 600 head of cattle in it, 600 cows. I cannot condone such an act but I do understand that they are desperate, close to bankruptcy and need help to overcome their problems. You can feel their despair when they talk and tell their story.

I went there to hear their message and convey it back to the House. This is what I am doing today, what I did last week, what I have been doing for the last 18 months while this government does not care, is incapable of hearing us and providing some concrete solutions.

I am taking this threat seriously. In 1974, they did something similar. They used cattle to make the government react. I am telling the minister right now that he will have to share responsibility should the situation end up with a carnage, as producers are threatening to do if no solution is found to this conflict.

The minister has the power to take concrete action, to make improvements and to implement solutions, but he does not do so. I do not understand why. The Liberals form a minority government and they could make some gains by providing concrete help to producers, but they do not. The minister stays put in Ottawa, under the pretext that he must absolutely listen to us all day long.

### Supply

My colleagues offered to give him a ride to the airport. It is a one hour flight each way, plus one hour for discussions. The whole thing would have taken three hours. The minister could easily have showed up in Quebec City, out of respect for these people.

I also remind the minister, who seems to be ignoring the whole issue, that a producer from my region was paid 7¢ for a 2,000 pound cow.

• (1325)

When people buy meat, whether it is ground beef or whatever, they are all paying what they were paying one, two or three years ago. In fact, they are paying more, because of inflation. But these producers are getting 7¢ for a 2,000 pound cow. Members opposite cannot claim that there is no problem right now. Come on.

Animal health practices should have been regionalized a long time ago. Had this been done, the mad cow issue would be limited to Alberta, where it originated. The other provinces and regions would have been able to continue to export their products as usual. Moreover, we could have generated money, we could have continued to make profits to help Alberta, which has had its share of crises. Instead, the ban was imposed on cattle across the country, with the result that the whole Canadian industry is suffering.

Producers have made another very interesting request, which I submit to the minister once again, which is to set a floor price. Quebec's Minister of Agriculture has asked for this minister's cooperation to convince her provincial counterparts to work with them on setting a floor price. What was done? Her request was left unanswered. In Quebec, we at least have a minister who is trying hard and willing to work on this issue. I do hope that, by the end of the day, some solutions will have been provided. That is what I wish for everyone, for all our producers and farmers, who are waiting for the government to take action and specific measures.

We also need to improve the assistance program. I am told that millions of dollars were invested. True, some programs were set up, but they are ineffective. They are so ineffective that—I remind the minister—a farmer was paid 7¢ for a cull cow. Worse yet, some producers did not even get 7¢, but had to pay to send their cows to the slaughterhouse. We have a problem here. The government can cover its ears all it wants and refuse to hear about it, but we have a problem and something must be done. It has a duty to act.

I urge the government to stop shirking its responsibilities. I urge the minister once again to take a plane—the mode of transportation does not matter—and go to meet the farmers. I would like him to show some respect for the 40,000 producers who work hard day in and day out. They need us. I urge Parliament to support this proposal so that we can all work together to find a solution and finally resolve this situation.

• (1330)

[English]

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I will make this point again about the absolutely ridiculous position of the Bloc. It comes into this House on the day its choosing, it is an opposition day, and puts a motion critical of the government in terms of its agricultural policy. It then rails against the

fact that the Minister of Agriculture and Agri-Food is in the House to answer its questions. It is utterly and totally ridiculous.

I have travelled from one end of this country to the other to meet with producers and with farm leaders. I have met with them on an ongoing basis and will continue to meet with them. However, today I am here in this House at the behest of the Bloc who put this motion forward.

The hon. member says that there has been nothing done. I would like to ask him to define for me which of these nothings he is referring to. Is it the \$90 million that is going to Quebec producers in respect of the CAIS program for 2003? Or perhaps it is the \$102 million that will be going to Quebec producers in respect of 2004? Perhaps it is the \$93 million that went to Quebec producers under the TIS program? Maybe it is the \$18 million under the cull program? Or maybe it is the \$55 million under the crop insurance program that the hon. member is referring to?

Which of these investments, which of these monies flowing to Quebec, and which of this assistance to producers in Quebec, in his mind, represent nothing?

[Translation]

**Mr. Sébastien Gagnon:** Mr. Speaker, this makes me smile a little since the minister, once again, is trying to get away with not meeting with producers. I would remind him that, yesterday evening, after the House adjourned, I and ten Bloc Quebecois colleagues went to support the producers.

Unfortunately, we learned of the minister's response only over the course of the evening. It is a shame because I would have simply invited the minister to accompany us. We would have made room for him on the plane so he could meet with them.

There have been programs and plans, but ineffective plans. There is a problem. We cannot turn a deaf ear to producers unable to send their cattle to the slaughterhouses. We need a floor price. When will the minister work with his provincial counterparts to set a Canada-wide floor price? When will he improve his assistance package, as producers are demanding?

He is telling us that things are so good, there are no problems.

[English]

**Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.):** Mr. Speaker, the member opposite extended an invitation for the minister to go to the UPA convention. There is no question about that. It would be really nice if the member would at least go home and tell the facts. The member should go home and admit to the UPA that the reason the minister could not be there is because the members opposite picked today to have the debate on this important issue. It is fundamental to have the minister here so that questions can be answered.



He just spelled out the amounts that have gone to Quebec on this issue a moment ago. I would invite the member to go home and give those facts to his producers because obviously it sounds like producers in Quebec do not know enough about the program. Maybe it is because the member opposite is not telling the people in Quebec what the Government of Canada and the Minister of Agriculture and Agri-Food is doing for producers in Quebec.

[Translation]

**Mr. Sébastien Gagnon:** Mr. Speaker, I understand the secretary of state's question. However, I would propose something even more simple. The minister and secretary of state should come with me, this afternoon or at least whenever their schedules permit, to go explain things to producers currently at the convention who are waiting for this government to introduce an assistance package or at least some concrete measures. He should come with us.

• (1335)

[English]

**Mr. James Bezan (Selkirk—Interlake, CPC):** Mr. Speaker, I will be splitting my time with the member for Fundy Royal. As many people in the House know, I am a cattle producer and have been living through this tragedy along with my family, friends and neighbours. My constituency is heavily dependant upon the livestock industry.

I wish to congratulate the Bloc for bringing forward the motion. I wish that it addressed the entire gamut of ruminant livestock that has been affected so seriously by this crisis. We have sheep, goats, bison, elk and the cattle industry that have all been wrapped up in the problem. They all have issues that need to be talked about. I think we do need to talk about the entire ruminant industry.

There is no doubt that we have problems. Just three weeks ago I sold three good, mature cows that, before the crisis came along, probably would have brought me a clear cheque of about \$1,800. My cheque was for \$114 three weeks ago. This thing is definitely having a negative impact and it is not just impacting at the farm gate. This is going through every community.

Without having available cash in the hands of farmers, they are not in a position to go out to buy the goods and services in their local communities. That is affecting the little cafes, the barbershops and the farm supply stores. All those industries need to ensure that this crisis gets resolved and that cash gets flowing into the hands of farmers.

We are here to talk about the BSE recovery program and essentially it is in two parts. We have the 2003 recovery and we are into 2004 now. In 2003 there was cash that flowed a lot easier into the hands of producers, not great gobs of money as often it is made out to be. I know that in my situation, it averaged out to about \$45 a cow. My loss last year was in excess of \$400 per animal. We are not talking about a lot of money to keep the farms going, but then again, we are into a new year. We are into 2004 and a different way of delivering money. The ministry of agriculture is delivering these funds primarily through the CAIS program. We all know that there are some fundamental flaws with it, as the minister himself has admitted, that we need to look at other ways of delivering the money.

### Supply

I received a letter yesterday from one of my producers. He has a 100 cow operation and at best he can expect \$12,000 from the CAIS program this year. That will not pay the bills. It is not going to make him meet his tax requirements, pay his operating loans, mortgages, never mind paying the fuel and fertilizer for the farm, and putting groceries on the table.

I have also been talking to some of the ruminant producers and they have not even seen a dime in 2004 yet. We are still in a situation where the bison industry is negotiating some form of compensation for 2004. The sheep industry does not even know where it stands. I was talking with some members of the Manitoba Sheep Association and they are not sure what type of compensation they will see for 2004, if any.

There is also the whole question of regional disparity. I have talked to the minister and the parliamentary secretary about this in the past. We have a situation where the problems are quite different across the country. As we have already heard from the Bloc, Quebec has its problems. I know that in Manitoba we have a lack of slaughter capacity and this has really hurt, especially on the mature cattle and even on the fed animals, the youthful animals. There is a lack of competition. We have become price takers rather than price makers. We have to depend upon the will of packers across other areas of Canada to bid on our animals and of course they have an abundance of animals closer to them.

I want to read from an article that came out of the *Winnipeg Free Press* just yesterday. The Manitoba minister of agriculture said:

I am very frustrated with the federal government. Every option we put forward is rejected by the federal government. It's as if they don't want a slaughter-capacity increase in this province.

He was referring to Manitoba. He went on to say:

Numerous proposals for increasing slaughter capacity in Manitoba have been turned down by Ottawa.

The province of Manitoba has committed \$11.6 million toward the \$16 million Rancher's Choice project and cash strapped producers have kicked in over \$1 million on top of that. Yet, the federal government's programs do not seem to be addressing that particular need, as well as other projects that are trying to get off the ground across the country. We also need to have a level playing field in the way programs are set up across the country. One of the big debates right now is in the feeder cattle set aside program.

• (1340)

Alberta has been extremely generous with its producers by providing some extra incentives in the feeder set aside program, as well as a different date that the animals will become available for market versus the rest of Canada. If the rules are not the same across the country that will create a big problem. If the cattle that are in the set aside program in Alberta are released before they are released in Saskatchewan, Manitoba or B.C., they will be the first ones in the marketplace to capture premiums and will disadvantage the other provinces. We need to ensure that the rules are tightened up and all these things are taken into consideration.

### Supply

One of the other things I want to talk about is the whole trade issue. There is no doubt that Canada has been fortunate that in this BSE crisis the border still is not shut as has happened in other countries, particularly in Europe. The goodwill of the American government to open the border up to muscle cuts from youthful animals has been very generous. It has helped keep the industry from complete disparity.

The one thing I took out of the press conference by President Bush this week is that he is working toward opening the border, but I have not heard the media pick up on his one comment "for animals under 30 months of age".

The reality is that mature animals are not in the current rule that is being proposed to the OMB. We have a situation where we still have to deal with the mature animal crisis. We have to have a made in Canada solution. I urge the government to move ahead and continue to support the initiatives that are coming forward.

There is no doubt that the President of the United States and his administration are interested in having an integrated market. They want to see the issue of the movement of young animals back and forth across the border resolved. This would benefit their industry greatly for sure and will hopefully provide some economic growth in Canada as well as the border opens up.

However we cannot bank on that. We have to stay on the offensive and be ready in case something derails this process. It is tied up right now in the bureaucracy. It could again become political. We also know that there could be other health concerns that come up, such as another diseased animal on either side of the border which could derail the whole rule process.

We need to be vigilant and we need to stay committed to a made in Canada solution. That means that we have to continue to work toward increasing slaughter capacity, increasing export market opportunities and increasing the opportunities for wealth in the livestock industry.

As an agriculture producer, this is something that is extremely dear to my heart. This is an issue that I want to see quickly resolved. My children, my neighbours, my family and people across this country want to have a long term investment in the industry. They believe that agriculture is still the place to raise a family, a place to make a comfortable living and to be one's own boss. I want to see us come to a quick conclusion to this issue so all of our children and future generations will have a bright and prosperous future.

[Translation]

**Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ):** Mr. Speaker, I am a city boy. I was practically born on the sidewalk. Many urbanites across Canada are very sensitive to the plight of agriculture, because we are generally proud of our farm community. In Quebec, we are proud of the quality of our dairy products and the diversity that has developed. In addition, while we are still very fond of Alberta beef, we find it very unfair that a single case of mad cow disease discovered two years ago in Alberta had such a dramatic impact on rural life.

There are some things, however, that we do not understand and that the hon. member could perhaps explain to us.

Could he tell me and other urbanites like me how a floor price works? Would it actually work if only one province had a floor price? Does the federal government need the consent of all the provinces to set a floor price? Would such a floor price represent significant costs to the government? Will it really save the rural community, whom, once again, we greatly appreciate even when we were born and raised in a Canadian city?

• (1345)

[English]

**Mr. James Bezan:** Mr. Speaker, in the current BSE situation, as it is with all animal health diseases, there is no doubt that we are one country when we are viewed by the OIE, Office International des Epizooties, which is the rule making body that Canada belongs to along with other nations in the world, as to how we look at disease in livestock.

Discussions have been held in the past about regionalization. It becomes an issue of where we draw the line on certain things and how we start tracking animal movement within the country. Canada does have a free flow of livestock throughout the country, as they do in the United States. I know for a fact that a lot of the cattle in my province of Manitoba was bought up by Quebec feedlots, taken home, raised, fattened and slaughtered in Quebec packing plants.

I do not want to discourage that type of commerce and that type of flow between all the regions, but there is no doubt that there is a discussion about regionalization.

Foot and mouth disease is a good case in point. In South America there are regions of countries that are considered to be free of foot and mouth disease versus other areas of the same countries.

On the issue of pricing, the provinces do have the ability to set prices if they want. I do not believe that as a government we want to necessarily look at a set floor price. I know there have been discussions around basis pricing and not necessarily even to have that taken from the government's coffers. If basis pricing in Canada were tied to the prices in the United States versus historical averages converted into Canadian dollars it might possibly be an option to consider. I understand discussions have taken place on that.

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the hon. member across the way is a very knowledgeable individual about this particular industry.

I want to ask him a question because he is from Manitoba. I share with him the necessity and the desire to create increased capacity in Manitoba. I also understand the frustration of some in Manitoba but I think it is absolutely something we have to work toward. My question for the member would be in terms of the context for that to take place.

Our view is that whatever proposal is put forward it needs to be supported by a good business plan, it needs to be something that will be sustainable even after the border is open and it needs to be something in which the government participates, with the private sector and, because of the situation in Manitoba, the producers making a significant contribution.

Does the hon. member feel that our approach should be taken under those types of conditions?

*Supply*

**Mr. James Bezan:** Mr. Speaker, in the situation of the Ranchers Choice Beef Co-op, it has put together a good business plan and a great marketing plan. Its whole focus has been on the mature animals, which, as I mentioned in my presentation, is an area where we doubt that there will be much movement in opening the border for mature animals.

Therefore the opportunity there is great. The supply of animals is there and there is a lot of market opportunity. However there is no doubt that the business plan has been sound. The provincial government would not have backed it had it not felt that this was something to jump into. There has also been interest from commercial lenders as well. I encourage the government to use the loan loss program to help those commercial lenders get involved with the project.

● (1350)

**Mr. Rob Moore (Fundy Royal, CPC):** Mr. Speaker, it is a privilege to speak today in the House to an issue that is of great importance to my constituents in Fundy Royal, New Brunswick, as well as to many other Atlantic Canadians and Canadians from coast to coast. I also am pleased to speak to this motion because it shows solidarity with and support for farmers across Canada who are going through a difficult time.

I would like to take this opportunity to commend the work of our agriculture critic with the Conservative Party and other members of the opposition who have done great work on behalf of the agricultural industry in this regard.

Our agriculture critic sought input from members across the country, which is important because this is an issue that affects Canadians from coast to coast. I was pleased when I was asked for my input from a New Brunswick perspective on how this crisis was affecting farmers in New Brunswick.

I want to speak specifically to that impact on New Brunswick farmers as the BSE crisis has developed. I will give a couple of facts. New Brunswick has approximately 1,000 beef farmers who were contributing \$27 million to the provincial economy prior to the crisis. This has dropped to \$19 million since the finding of BSE in 2003.

Over the last several months I have had the opportunity to meet with producers in and around my riding and around the province to hear how the BSE crisis has affected them. What I heard was that if no action is taken on this, there is a good possibility that they will not recover from this crisis. Many of the farmers with whom I spoke were facing the very real prospect of bankruptcy, including the loss of their farms.

The federal aid programs, although well intended, are, unfortunately, not reaching the people who need it most, our farmers. When we are debating and talking about various programs, it is important that these programs reach the farmers at the farm gate in order to be effective.

Our farmers are some of the hardest working people in Canada and when a crisis like this hits, they deserve our help. As I mentioned, the feedback that I have been receiving from some of the farmers in my riding is that the programs so far have been of little assistance.

When we deal with an issue that has a national impact and we talk about facts and figures, I think it is important from time to time to deal with some of the real life situations and the humanity of how a crisis like this can impact on individual Canadians. I want to give a couple of examples.

One of the farmers with whom I spoke said that this fall was 10 times worse than the previous year. He is selling feeder cattle for \$300. Last year he sold heifers at \$82 and this year they were selling at only \$50. Last year steers were \$92 and this year he was only getting \$60. He told me that he had lost money last year at those higher prices and that he was due to lose much more this year.

I spoke with another young farming couple who run a dairy and beef farm with about 100 head of beef. They used to sell their cull cows for \$600 and now they are only receiving \$66. We have to remember that this is when, for producers in New Brunswick, it costs \$70 to send a cull cow to Quebec for slaughter.

I spoke with another farmer who last year only received in aid an amount equal to what he normally would have received by selling two heifers. Clearly for him the aid package that he has received so far has not done enough.

I have also spoken to many producers who have had to take on not only a second but possibly a third job just to cover their cost of living and to support their families. It has created a tremendous personal burden on these individuals.

The other thing I have heard overwhelmingly is how confusing it is to apply for funding and even confusing to determine whether or not a person is eligible. I have been told by many farmers that they have had to talk to departmental officials or even have their own accountant or lawyer look at these forms in order to see that they are properly processed.

● (1355)

There has to be a better way of doing this so that we make these programs more accessible and farmers are not required to spend \$100 or more an hour to have a lawyer or accountant look at the forms. Clearly, as we are debating today, farmers do require assistance, but what I find they do not need more of are more delays, red tape and hoops to jump through. They need help and, as I mentioned, they need it at the farm gate. That is where it is going to be most effective.

I also want to speak today about the impact that BSE has had on dairy farmers. There is a lot of talk about beef producers when we talk about the BSE crisis, but I do want to speak a bit about the impact that BSE has had on dairy farmers.

Dairy is a very important part of my riding of Fundy—Royal where, I am told, about 70% of the dairy production for New Brunswick comes from that riding. Some of the solutions we have seen come forward from the government clearly do not do enough to help dairy.

*S. O. 31*

Specifically on the CAIS program, most of the dairy farmers I spoke to do not meet the requirements as set out. They are ineligible for funding. This has been somewhat typical of some of the programs we have seen. There is an announcement on aid, but as for the actual delivery, when we actually look at how this is going to work and how it is going to be delivered to farmers, it falls far short. I use as an example the fact farmers need a deposit to participate in the CAIS program. Many of the farmers in my riding are unable to borrow money for the deposit.

In Atlantic Canada our farmers are also in a particularly tough spot because there is not the infrastructure in place for them on the farms for other farming endeavours. That creates some difficulty when their primary source of income is completely cut out from under them.

I am encouraged that we are working to increase processing capacity in Atlantic Canada and that stakeholders have been working hard to find solutions, but as we know, debate and hard work can get us so far and then at some point we have to implement these things. I want to emphasize that when we do implement policies, the number one priority as I see it is that the money we are allocating gets to the people most in need and that is at the farm gate.

Of course we all know that this crisis will not be resolved until the border is fully open. We did have a recent visit from the President of the United States. We have seen in the past where having a negative relationship with our largest trading partner has affected our ability to resolve trade disputes and border issues. I believe it is time for politicians from all sides of the House to put some of the pettiness and bickering aside and to work together for solutions on behalf of our farmers and producers across the country.

I am very pleased that this motion was brought forward. I am pleased to have had the opportunity to speak to it. I hope that farmers across Canada who have the opportunity to find out what we spoke about today are encouraged that members of Parliament are taking their concerns seriously.

**The Deputy Speaker:** The hon. member will have time for questions and comments after question period.

---

## STATEMENTS BY MEMBERS

• (1400)

[*English*]

### RIDING OF BRANT

**Mr. Lloyd St. Amand (Brant, Lib.):** Mr. Speaker, I rise to pay tribute to two outstanding individuals from my riding of Brant.

Lorne and Elsie Hankinson recently won \$5 million in a lottery. Having lived in the Brant community for some 54 years, the couple has decided to give back. The Hankinsons have created, in the true spirit of giving, a \$1.5 million trust fund to help Brant's health care system, education and other community causes and organizations dear to them.

I ask all hon. members to join me in congratulating Lorne and Elsie Hankinson and to commend them for their true act of generosity.

## VOLUNTEERISM

**Mr. Leon Benoit (Vegreville—Wainwright, CPC):** Mr. Speaker, this Sunday marks the 25th anniversary of International Volunteer Day. In 1979 the United Nations designated December 5 as a day to honour and thank those who contribute so much to our lives. I cannot possibly mention all the examples of daily generosity that quite frankly we often take for granted.

In my own riding of Vegreville—Wainwright, there is an unending list of the ways that volunteers keep communities strong: delivering meals to people who would otherwise go without and helping at schools, with sports teams, at cultural events, special celebrations and exhibits, and yes, with elections. And of course volunteer firefighters regularly give up time with their own families in order to keep their neighbours safe.

Volunteers are truly the heart and soul of our society. Without them, many communities would simply disappear and our lives would be bleak indeed.

I extend thanks to all volunteers for their willingness to serve, their generosity and their tireless devotion to their communities. May God bless them all.

\* \* \*

## GERHARD HESS

**Hon. Andrew Telegdi (Kitchener—Waterloo, Lib.):** Mr. Speaker, I rise to pay tribute to the life of Dr. Gerhard Hess of Kitchener, Ontario, who passed away on November 19. Dr. Hess was an outstanding person whose caring and compassion will be fondly remembered by those who knew him and the community that surrounded him.

Dr. Hess was born in 1926 and came to Canada at the age of 12. He was a veterinarian who served with the KW Humane Society.

I would also like to mention that Dr. Hess was one of the founders of the Black Ribbon Day committee, which dedicated its time to fighting for human rights behind the Iron Curtain.

As we all know, 14 years ago the Iron Curtain came down, but with what is happening in Ukraine, we are reminded that we must always be vigilant to make sure that human rights are protected.

\* \* \*

[*Translation*]

## HOUSING

**Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ):** Mr. Speaker, on November 22, I met with officials from the organization Loge m'entraide, in my constituency.

They made the following request: federal investment in social housing should be 1% of total expenditures, or \$2 billion annually. This request is in line with our position, and I am conveying it to the government.

Some families are spending up to 80% of their income on rent. In the city of Saguenay, it is the case for 2,500 households, or close to 11% of tenants. Considering the surplus generated by the CMHC, this is enough to be upset, because it is a social injustice.

According to Loge m'entraide, the Saguenay—Lac-Saint-Jean region needs \$20 million, including \$7 million in my riding, to build social housing units.

The federal government must increase its transfers for housing—

**Mr. Chuck Strahl:** The hon. member for Oak Ridges—Markham.

\* \* \*

[English]

#### ST. AUGUSTINE'S CHOIR

**Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.):** Mr. Speaker, I wish to bring attention to the visit of the St. Augustine's choir to Parliament Hill today.

The choir is made up of a wonderful group of high school students who attend St. Augustine's and have dedicated considerable time to crafting their vocal talents.

The choir performed earlier today in the rotunda. For those fortunate enough to hear them, they are familiar with the choir's talents. For those who did not hear them, I shall vouch for their angelic voices and gifted instrumental abilities.

I ask for a warm parliamentary welcome for these young students and their teachers who are here today.

\* \* \*

• (1405)

#### AGRICULTURE

**Mr. David Chatters (Battle River, CPC):** Mr. Speaker, the government has failed to provide the promised support for beef producers. Despite all kinds of announcements, the desperately needed support has not arrived at the farm gate.

I would also like to remind the minister that beef cattle are not the only ruminants banned by the U.S. and that beef cattle ranchers are not the only sector decimated by the border closure. Bison and elk producers were initially led to believe by the minister that they would be included in the support program. However, in the Liberal tradition, the minister is now abandoning these sectors.

When is the minister going to do the right thing and get support out to the producers of all ruminants?

\* \* \*

#### MUNICIPALITIES

**Mr. Alan Tonks (York South—Weston, Lib.):** Mr. Speaker, recently members received a copy of "Our Place in the World", the role of municipal government in Canada's international policies and programs.

I would like to congratulate the Federation of Canadian Municipalities for this document. It lays out clearly the potential for municipal governments in this country to play an important role

*S. O. 31*

in achieving our collective international objectives in areas of development assistance, trade and representing Canada abroad.

The ideas in this document are built on the successes of FCM's international program, which started in 1987 when FCM and CIDA joined together to work in the developing world.

Since then, thousands of municipal officials from Canada and overseas have worked together to improve the quality of life and sustainability of communities around the world.

This document presents the argument that municipalities are able and willing to do more, more to strengthen our development assistance, more to enhance relationships with our diplomatic and trading partners and, in short, more to strengthen Canada's place in the world.

I encourage all members to read this document and think about the valuable contribution—

**The Speaker:** The hon. member for Trois-Rivières.

\* \* \*

[Translation]

#### INTERNATIONAL VOLUNTEER DAY

**Ms. Paule Brunelle (Trois-Rivières, BQ):** Mr. Speaker, December 5 is International Volunteer Day. I am taking this opportunity to acknowledge the exceptional work of a person in the riding of Trois-Rivières, Laurent Pontbriand.

On what began as just another ordinary day, Mr. Pontbriand was the victim of a very serious traffic accident, for which he was not responsible. While in hospital, he received a blood transfusion and contracted the hep C virus.

Mr. Pontbriand refused to let this bring him down and decided to help people who, like him, have to live with the consequences of that disease.

He toured schools and prisons to talk about prevention, and he also provided information to victims. In 1998, he created the Laurent-Pontbriand foundation to provide support, information, supportive care, and a hotline service.

To all those who know him, he is a model of courage and remarkable humility.

\* \* \*

[English]

#### DAVID VIENNEAU

**Mr. Russ Powers (Ancaster—Dundas—Flamborough—Westdale, Lib.):** Mr. Speaker, I rise today to advise the House that Parliament has lost a friend, a personal acquaintance from my hometown of Dundas. David Vienneau, a distinguished journalist, has passed away.

On your behalf, Mr. Speaker, and on behalf of members of the House, I offer my condolences to David's wife Nicki and his family.

*S. O. 31*

David will be missed by his many friends and colleagues and by all the people who have been associated with this, our national House, over the years. David was respected, admired and liked in both Houses and by all sides for his buoyant spirit, his relentless drive, his fairness and his humanity.

As a journalist covering national affairs for more than two decades with the *Toronto Star* and lately as bureau chief of Global Television, David knew everyone from prime ministers to the cleaning staff of the House of Commons. It was one of the elements that made David an outstanding journalist.

Journalism was only part of David's rich life. He loved sports and was a good athlete. He was an avid squash player and golfer, often having matches with members of the House.

Today we mark his passing. It is a sad day, but we are also grateful to have been in the company of this remarkable man.

\* \* \*

**GREAT LAKES WATERSHED**

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, in 1993, through the International Joint Commission, Canada committed itself to reducing chlorination byproducts from entering the Great Lakes watershed.

In May 1994, the United States Environmental Protection Agency issued a report on the dangers of using chlorine for drinking water treatment in small communities.

In October 1994, the federal government developed the chlorinated substances action plan to prune the chlorine tree.

Despite this evidence to the contrary and the fact that environmentally friendly alternatives exist, the federal government, in partnership with the Liberal Party of Ontario, is forcing the spending of millions of dollars on water treatment systems rural people cannot afford. It is doing so without regard for the environment or for people's health.

Clean, safe drinking water is the right of all Canadians. Let us forget the smokescreen of Kyoto. It is time for the government to get serious about people's health and the environment.

\* \* \*

● (1410)

**ORGAN DONATIONS**

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Mr. Speaker, I rise today to recognize Kristopher Knowles. Kristopher is a courageous and determined 14-year-old boy who is waiting for a liver transplant. Not content to sit on the sidelines, Kristopher initiated a walking tour of Canada. He has visited over 200 communities to speak with young people in order to raise awareness about the need for organ donors.

Today Kristopher spoke before the health committee and shared with us his passion for life. Kristopher is an inspiration for all of us. We wish him well in his quest. He is with us today. On behalf of all members of the Standing Committee on Health, I want to express my support for his efforts and encourage all hon. members to learn more about organ donation. We thank Kristopher.

**IMMIGRANTS**

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, on December 1 we honoured and recognized the International Day for the Elimination of Racism. To my shock and surprise, while reading one of the local newspapers from Nova Scotia, I could not help but be appalled by and very angry at a former Conservative candidate, a prominent member of the Conservative Party of Nova Scotia and Canada, who said the following words, "Immigrants will dilute our population".

As an immigrant myself, as well as 39 members of Parliament who come from other countries, I am ashamed and disgusted with the Conservative Party for having someone like that in its party.

I ask the leader of the official opposition and the deputy House leader from Nova Scotia to kick that guy out of the Conservative Party and send him back to the cave from where he came.

\* \* \*

**LEFTIES**

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, the leader of the NDP tells us that President Bush slapped him on the back and said "Every country needs a good lefty". That is true, because while our troops fight the war on terror and patrol Afghanistan, lefties fight a valiant war on trans fats and patrol Tim Hortons, and God only knows at what terrible human cost.

They fight a war on poverty by overtaxing, over-regulating and just overstaying their welcome. Their war on poverty looks suspiciously like a war on prosperity. Their governments are overweening. One might say that lefties are overweening, but that would offend them because weenies are full of meat, salt and maybe trans fats, and we all know they are at war on those things. Lefties are at war against violence and if we do not believe them, they will peacefully break our windows and peacefully protest our faces in.

We may not agree with President Bush on everything, but he is clearly correct when he says that every country needs a good lefty. With lefties now overwhelming the NDP and Liberal benches, we have a lefty surplus, which leaves Canada in a terrible deficit.

\* \* \*

[*Translation*]

**CHANTAL PETITCLERC**

**Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ):** Mr. Speaker, on December 3, at the volunteer recognition gala, Saint-Marc-des-Carières will honour Paralympic champion Chantal Petitclerc and the extraordinary example of perseverance she embodies for everyone in her hometown.

Over the past decade, the civil, political and the athletic community has recognized, on numerous occasions, the achievements of this unique athlete.

She has an incredible collection of eleven Paralympic medals and holds two world records. But it is the enthusiasm and determination of this young woman, stricken by tragedy at age thirteen, which everyone admires.

A spokesperson since 1995 for Défi sportif for athletes with a disability, she also collaborates with a number of organizations including England's national Mobility program and Relais Synergie for the Quebec lung association. Recently, she took part in the Portneuf Rotary Club fundraiser.

I thank Ms. Petitclerc for being who she is. She embodies the best qualities: honesty, determination and enthusiasm.

\* \* \*

[English]

#### CANADA-U.S. RELATIONS

**Mrs. Joy Smith (Kildonan—St. Paul, CPC):** Mr. Speaker, this week we had the great honour of a visit from the President of the United States. The United States has been our greatest ally in times of need and until recently we were viewed in the same light by our neighbours to the south.

The dinner held for President Bush on Tuesday night was a polite event, with many restrictions and careful orchestration to avoid any embarrassing situations. Unfortunately, beyond President Bush's acknowledgement that Alberta beef was on the menu, there was little else to chew on.

The government has chosen to indulge in petty and juvenile attacks on our greatest ally and trading partner, and ranchers in Manitoba, Quebec, Alberta, British Columbia and Saskatchewan and countless other Canadians are now paying the price.

\* \* \*

● (1415)

#### PIERRE BERTON

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, I rise today to pay tribute to a giant in Canadian cultural identity, Mr. Pierre Berton, who just passed away.

I do not think it is possible for people of my generation to even put into context the impact that Pierre Berton had on our consciousness in terms of creating an identity, of popularizing Canadian history and teaching a generation such as myself about who our real heroes are.

We have lost a giant. I know I am not doing nearly the justice that is deserved of the man who put such a great sense of who we are as a nation before us.

I would like to pay tribute to Mr. Berton and the great works he did. He spoke about average Canadians. He spoke about the farmers. He spoke about the miners. He spoke about average Canadians who built a great nation. I would like to pay tribute to him today.

#### Oral Questions

[Translation]

#### ROY OVERFORS

**Ms. Nicole Demers (Laval, BQ):** Mr. Speaker, today I want to recognize the passing of Roy Overfors, sergeant with the House of Commons Protective Services.

Mr. Overfors spent over 20 years of his life working here to ensure that we could go about our business freely. Unfortunately, there are thousands of people like him on the Hill who work in the shadows and who, too often, go unrecognized.

Mr. Overfors was a husband, father, son and friend. He performed his duties with professionalism and generosity. Every time I ran into him, he was smiling and friendly.

He was only 47 years old. When death strikes one so young, it is hard for our loved ones to accept. I wish his family and friends the strength and courage to find peace during this difficult time. We offer our sincerest condolences.

---

### ORAL QUESTION PERIOD

[English]

#### NATIONAL DEFENCE

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, if you and the House would bear with me for a moment, I would like to begin by acknowledging the passing of David Vienneau, who was a very good guy and a fair and professional reporter. I want to express on behalf of all of us, and I know the Prime Minister did earlier, our sadness at his passing and our condolences to his family.

Mr. Speaker, after weeks of being told that missile defence would not be on the agenda of this week's Canada-U.S. talks, it turned out that it was at the top of the agenda. It is obvious we can assume that by now the United States government has provided the Liberal government with a specific proposal on missile defence. When will the Prime Minister be informing us of the specifics of this proposal?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, first of all I want to add my words to those of the Leader of the Opposition. I spoke about David Vienneau earlier. This is a small town that we all live in here on the Hill. David Vienneau was one of those people who was able to transcend all sides. I certainly would like to add my voice to that of the Leader of the Opposition and I am sure all other members of the House.

We had a wide-ranging discussion with the President and with the members of his administration who were here. There were no surprises. The fact is that the United States government has not provided us with a specific proposal, but we certainly did discuss the issue.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, I do have to tell the Prime Minister that that is rather hard to believe. The government has been hinting at this for months, and the former defence minister announced that discussions were starting with the Americans on May 29, 2003. That is over 18 months ago. It is hard to believe there is absolutely nothing on the table after all of this time.

*Oral Questions*

I ask the Prime Minister, when is the Liberal caucus actually planning to bring these discussions to a conclusion and take a decision on this matter?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, I must say I do find it rather ironic that the Leader of the Opposition is raising this issue. The fact is that since he has originally stated his position, he has flip-flopped. First he is for it, then he is against it, then he is thinking about it, then he does not know what he thinks.

The fact is we have been quite consistent. We continue to study it and we will make a decision when it is in Canada's interest.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, I do not think anybody but the Prime Minister knows what he is talking about.

Canadians want to know about the government's position on what is obviously an important bilateral issue. What we want to know is the nature of our proposed involvement, the costs of any obligations we would incur, and the nature and value of any benefits.

When does the Prime Minister plan to tell Parliament and tell Canadians about these things and about where the government is at on this program?

• (1420)

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, discussions are ongoing. Discussions were held over the last couple of days. The answer to the question is when it is in the Canadian interest to do so, we will in fact make a decision.

\* \* \*

[Translation]

**SPONSORSHIP PROGRAM**

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, the government has gone back on its promise of transparency by touching up the documents at the Gomery commission. The lawyer for the commission, Bernard Roy himself, has revealed that this has happened to key documents.

Can the Prime Minister tell us who was authorized to censor the documents and on what kinds of subjects?

[English]

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, as members of the House are aware, the government has in fact been extraordinarily transparent and open with the Gomery commission, providing tens of millions of pages of documents, in fact cabinet documents back to 1994.

There is a discussion between lawyers at the Gomery commission about the issue of pertinence in terms of specific documents. Those discussions will occur from time to time and those will be resolved within the auspices of the Gomery commission. I would urge the hon. member and all members of the House to let Justice Gomery do his work.

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, that is exactly what we are talking about. We are talking about the documents. We are talking about the Prime Minister's commitment last February to lay everything on the table with respect to the sponsorship scandal of the government. We know the documents on the table have been edited and the chief counsel for the Gomery

commission says the Liberal government is going back on that commitment.

This is not a procedural question. This is about openness, transparency, promises. Justice Gomery says they want to get to the bottom of the sponsorship scandal. The minister has said it. The Prime Minister has said it.

Who edited these files? Why were they sanitized? Who did that?

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the fact that cabinet documents back to 1994 have been provided to the Gomery commission speaks volumes to the openness and transparency of the government and its complete commitment to cooperating with Justice Gomery.

I would urge the hon. member to listen to his House leader who said a couple of weeks ago that he wanted Justice Gomery to look at this. He said that he did not want politicians to be looking at this, that we had a commissioner out there who he and the public respected and that we should let him get to the bottom of the issues, and stop playing politics.

I would urge him to listen to the leadership of his House leader who demonstrated some pretty good judgment in this case.

[Translation]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, according to Bernard Roy, the government is deliberately hampering the Gomery commission by heavily censoring or totally withholding certain documents on the secret Canadian unity fund, the \$800 million fund that financed the sponsorship scandal.

Can the Prime Minister, who claimed to want to lay everything on the table, explain exactly why his own government has chosen to obstruct the work of the Gomery commission?

[English]

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, once again, the document being referred to is a cabinet document. The commitment made was that specific documents and evidence that were relevant to the sponsorship issue would be provided to Justice Gomery. In the opinion of the government that has been done.

These discussions will occur from time to time between lawyers at the Gomery commission in terms of the issue of pertinence. We are completely committed to openness and transparency. That is exactly what we are doing. We are proud of the degree of cooperation we are providing to Justice Gomery in his work.

[Translation]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, on some of the documents provided so much was blacked out that it looked as if they were providing the commission with a crossword puzzle.

I would like to hear from the Prime Minister, who promised total transparency, just what oath of secrecy the Liberals are under that prevents them from saying what they did with the taxpayers' money to serve their own cause, supposedly, and particularly to help out their friends.



*Oral Questions*

That is what needs to be laid on the table. We are not asking them to bring down decision in place of Justice Gomery. We are asking them to live up to their promise made a few months ago, before their election disaster.

• (1425)

[*English*]

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, once again, providing over 10 million pages of documents to the Gomery commission, providing cabinet documents back to 1994 and providing that level of cooperation, openness and transparency is one reason why the Information Commissioner has lauded the government, and lauded and praised the Prime Minister for his openness, transparency and commitment to transparent government.

We are proud of what we are doing in the government to defend the interests of Canadians taxpayers, and to let Justice Gomery do his work.

[*Translation*]

**Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ):** Mr. Speaker, the minister may say that he provided thousands of pages of documentation to the Gomery commission, counsel Bernard Roy's opinion is very clear: the best part of the documents was left out. We know what he means, because each time we obtain documents through access to information, it is the same thing: all that is left on a page is the date and signature. With 10,000 pages like that, there is not much one can do.

I would like the government to tell me: what is so out of the ordinary about the Canadian unity fund that it is treated as if it were a state secret?

[*English*]

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, again, the commitment has been kept by the government to provide documents that are relevant to the sponsorship issue to Justice Gomery.

We have remained completely true to that commitment and will continue to do so. The fact that we have done that is one reason why we are being recognized for our openness and transparency in providing cabinet documents back to 1994.

The hon. member, as someone who has never been part of a federal cabinet and never will be, perhaps does not understand the importance of cabinet confidences.

[*Translation*]

**Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ):** Mr. Speaker, God forbid I ever be part of a government like this one. I pray and hope I never see that day.

It was brought to light that the CIO had a record of violations of TB rules and that contracts under \$150,000 could be awarded to anyone; there were no guidelines.

Here is my question to the Prime Minister. Is his government not hiding the information concerning the CIO precisely because it was some kind of nirvana for his bunch of cronies?

[*English*]

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, once again, opposition members called for an independent inquiry 178 times in the months leading up to this, and the government delivered.

The opposition cannot take yes for an answer. There is an independent Gomery commission. Justice Gomery is doing his work. We respect the independence of a judicial inquiry and we will continue to cooperate fully.

I would urge the hon. member opposite that if he wants to embrace federalism, perhaps he could consider being part of the government. Otherwise, he can stay where he is.

\* \* \*

**NATIONAL DEFENCE**

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, my question is for the right hon. Prime Minister. The Prime Minister is quoted in the media today saying that he talked about the weaponization of space with President Bush and that the President assured him weaponization of space was not implied in the missile defence system. I am tempted to ask whether he also sold him some swamp land in Florida at the same time, but I do not want to be provocative

In his discussions, given that he has said he is very much against the weaponization of space, did the right hon. Prime Minister try to prevail upon President Bush to have the United States adopt the same position and be actively opposed to the weaponization of space?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, I have said in the past, and I repeat here again, I have stated unequivocally that Canada is opposed to the weaponization of space. I stated that to the President of the United States.

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, I asked the Prime Minister whether he tried to prevail on the President of the United States to have the Americans adopt the same position. He did not answer that question.

I also want to say to the Prime Minister that it is not just about the weaponization of space. It is also about the prospect for a new arms race. This can happen with or without the weaponization of space.

Is the Prime Minister not concerned that by entering into missile defence, if that is the ultimate position of his government, that Canada will be legitimizing a new arms race, something which is hardly in the interest of Canada or consistent with the values of Canada?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, there is no doubt that an arms race is neither in Canada's interest nor in any other country's interest, which is one of the reasons we have been at the forefront of the fight against nuclear proliferation. I also discussed that with the President, the absolute necessity of stopping nuclear proliferation and of stopping the spread of nuclear weapons. We will continue in that vein because that is a fundamental tenet of Canadian foreign policy. It has been from the beginning and will continue to be.

*Oral Questions*

●(1430)

**CITIZENSHIP AND IMMIGRATION**

**Ms. Helena Guergis (Simcoe—Grey, CPC):** Mr. Speaker, the government has been very confused on its stripper policy. The program does exist. The program does not exist. The program is under review. Then the minister said that the program does exist, but it is not about strippers at all.

The immigration minister has shown time and again to both sides of the House and to Canadians across the country that she is completely incapable of running her own office, let alone a government department. When is she going to step down?

**Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I guess the hon. member would have liked to have done a bit of research before asking the question.

There was a labour market opinion provided for such cases by my department and in consultation with the Minister of Citizenship and Immigration. We looked at whether we wanted to continue to provide labour market opinion, and the answer was clearly no. The program is finished.

**Ms. Helena Guergis (Simcoe—Grey, CPC):** Mr. Speaker, yesterday the government stripper program required vulnerable women to send nude photos to immigration officers overseas. Now the government has said that it has changed the program, and change it, it has.

Now these women have to submit their nude photos to HRSD officers in Canada. Why does the government continue to aid and abet the exploitation of women?

**Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I suppose the members subscribe to the opinion that if an accusation is thrown out, it will stick. There is no such program. There is no such requirement. Under a temporary workers program for Immigration Canada and HRSD, if there is a request for a labour market opinion or in fact for a visa that would require an indication of validity in Canada, my department will provide a validation on labour market opinion.

I have just given an indication that is not the case. Under a temporary workers permit program, if someone wants to—

**The Speaker:** The hon. member for York—Simcoe.

**Mr. Peter Van Loan (York—Simcoe, CPC):** Mr. Speaker, the Liberal volunteer stripper affair is beginning to entangle the entire government in a web of damage control.

The immigration minister said that it was a good program. Then the parliamentary secretary said that there was no stripper policy. The Prime Minister told us that it was under review. The Deputy Prime Minister told us that it was cancelled. Today we discover that the human resources minister was happy he cancelled the program. However, apparently under government policy, strip club owners can still make a business case for skilled strippers.

Do not tease the House with half the picture. Is the government still in the business of importing strippers, yes or no?

**Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, being a lawyer, the hon. member would probably already know the answer to that question would be

self-defeating. There has never been such a program, and he knows it. I have indicated that any illusions at all to the existence of a—

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

**The Speaker:** Order, please. Hon. members will have ample opportunity to express their views on the minister's answer on another occasion, but not if we cannot hear it. I cannot hear it and I think all hon. members are entitled to hear the minister's reply.

**Hon. Joseph Volpe:** I guess the hon. members opposite, Mr. Speaker, want to know whether we still will provide labour market opinion. I gave an indication that the answer was no. I do not know how many ways they would understand that language. That is pretty definitive. No, there is no such program.

**Mr. Peter Van Loan (York—Simcoe, CPC):** Mr. Speaker, what is the compelling hold that the Minister of Citizenship and Immigration has over the Prime Minister? What makes him willing to fully expose his government in a clumsy effort at damage control?

First, it was the immigration minister and her parliamentary secretary. Then it was the PM who got in the act. Then he conscripted the Deputy Prime Minister to help out. Now the human resources minister is getting involved with the damage control.

How many more ministers will have to put their bodies on the line to save that minister? How big will the cabinet's special committee on stripper damage control have to get before the ministers will be allowed to get back and focus on their real priorities, instead of trying to save this minister?

●(1435)

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, I certainly support the minister. The minister has done an enormous amount for immigration. She has fundamentally delved into the structure of the department. She is working with refugees and with settlements.

That is the reason why all of us support her, because she is doing a first-class job for Canadians.

\* \* \*

[Translation]

**AGRICULTURE AND AGRI-FOOD**

**Mr. Roger Gaudet (Montcalm, BQ):** Mr. Speaker, the Minister of Agriculture has recognized that there is a problem with cull cows, but the real problem is that his program is not working. In Quebec, producers have received only \$90 million out of the \$366 million supposedly available to them.

Could the Minister of Agriculture confirm that he intends to cover, for each cull slaughtered, the difference between the production cost and a potential floor price?

*Oral Questions**[English]*

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, we have been providing producers in Quebec, through our business risk management programs when they are fully available, some \$366 million. In addition to that, they have been eligible for some specific programming in terms of BSE, including the TIS program, the cull animal program and the repositioning program.

As the hon. member points out, there are issues with respect to cull cows. We have been negotiating with the Province of Quebec. We have been in discussions with UPA. We are working with them toward a solution.

*[Translation]*

**Mr. Roger Gaudet (Montcalm, BQ):** Mr. Speaker, how does the minister expect us to take him seriously, when he would not go to Quebec City to take part in extremely important negotiations, dealing with the slaughterhouse among other issues, and does not even bother to address the producers gathered at a convention to make an announcement? The minister's behaviour is pitiful.

*[English]*

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, here is a great example of the Bloc trying to suck and blow at the same time. The Bloc members put a motion to the House condemning the government's agricultural policy. Then they criticize the Minister of Agriculture for being in the House to address that motion. That is absolutely ludicrous, and every Canadian realizes that.

\* \* \*

*[Translation]***NATIONAL DEFENCE**

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, yesterday President Bush was quite insistent that Canada participate in the missile defence shield. Yet, the Prime Minister's entourage repeatedly assured us beforehand that this would not be on the agenda.

Why was it President Bush through his insistence who revealed to us that there had been discussion on this issue, which should not have been on the table?

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** Mr. Speaker, it was the Bloc Québécois that wanted to give the impression that there was some sort of vow of silence, that something was going on behind the scenes, and that our government was trying to avoid talking about this issue.

Since the government did not follow the agenda the Bloc would have preferred for President Bush's official visit, they are now acting offended. We will take that into consideration next time.

Nonetheless, we will continue to work with the United States government to best defend the interests of Canadians as we perceive them.

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, the thing that bothers us about what the minister has just said is that it was President Bush who let this slip. The situation is paradoxical, when you think about it. We expected statements on softwood

lumber and mad cow, but, twice in 24 hours, the President of the United States asked for Canada's participation in the missile defence shield. This has the public worried.

Will the Prime Minister tell us what stage discussions with the U.S. president have reached?

● (1440)

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** First, Mr. Speaker, allow me to be very clear. President Bush did not make any specific request to Canada concerning a missile defence shield. He did indicate he hoped Canada would participate at some point, but he did not make any specific request one way or the other.

If he chose to bring it up in his speech, well, he is the one who writes his speeches. Nonetheless, I can assure you that our government is not under any pressure to act either now or later. We will make the decision that best serves Canada's interests.

\* \* \*

**CITIZENSHIP AND IMMIGRATION**

**Mr. Rahim Jaffer (Edmonton—Strathcona, CPC):** Mr. Speaker, the Minister of Citizenship and Immigration is rendering her garments in public, but hiding behind the veil on the question of granting permits on a riding by riding basis, except of course, in her riding, which lit a fire under the Liberal caucus, according to the discreet member for Mississauga.

How many discretionary permits did she sign in her riding in June 2004?

*[English]*

**Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, let me be very, very clear. My department does not keep statistics on a riding by riding basis and never has. We treat, and I treat, as I have indicated earlier, all applicants on merit and humanitarian grounds, no other reason.

And all of you over there are clearly well aware of that because you have received lots of those.

**The Speaker:** The hon. minister will not want to set a bad example. She must address her remarks to the Chair rather than all the hon. members.

The hon. member for Edmonton—Strathcona.

**Mr. Rahim Jaffer (Edmonton—Strathcona, CPC):** Mr. Speaker, the immigration minister told the House on November 19 that she has an itemized binder of ministerial permit requests made by the opposition, but when asked for this itemized breakdown of permits by riding, she tabled an answer yesterday which claimed that the department did not keep those statistics.

The only conclusion possible is that she deliberately is trying to conceal the number of permits granted in Liberal-held ridings. How many permits has she personally signed off on requested by Liberal ministers?

*Oral Questions*

**Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I indicated the exact same thing a few minutes ago. Everything is done on merit and humanitarian and compassionate grounds. The hon. member might want to turn around and ask his own members just how many of those permits they have received on that side of the House, because I can tell members that they received a whole lot of humanitarian and compassionate decisions.

**Mrs. Nina Grewal (Fleetwood—Port Kells, CPC):** Mr. Speaker, the immigration minister's decision to grant a temporary residence permit to a campaign worker reeks of political interference. She granted a permit after stating none would be issued during the election campaign, breaking her own rule.

The minister's press secretary states the minister has personally approved 800 temporary residence permits. She denies compassionate cases like people seeking life-saving transplants while approving others for political gain. Will the minister provide the House with a riding by riding breakdown of these permits or at the very least provide a breakdown by postal code?

**Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, let me tell you that, as many of the members opposite know, I have a very busy immigration department. We are moving forward in this country to meet the needs of people who want to move to this country and I am looking after newcomers.

On this side of the House, we fight on behalf of immigrants and we fight on behalf of newcomers who get themselves caught up with lousy immigration consultants. We are here to help those people, not to turn around and penalize them like they would across the hall.

\* \* \*

**MIDDLE EAST**

**Mr. Derek Lee (Scarborough—Rouge River, Lib.):** Mr. Speaker, recent voting at the United Nations and statements by Ambassador Allan Rock may have left an impression that Canada has changed its longstanding policy toward the Middle East. Some say it may show a pro-Israeli shift. Could the Minister of Foreign Affairs indicate to the House the significance of these votes?

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** Mr. Speaker, our longstanding policy toward the Middle East has not changed. It continues to be fair-minded and based on principles. Again, we review each resolution with a view to ensuring that our voting position is consistent with our policy. Our approach with these 22 resolutions is to assess them on their merits. This year we have decided to change our vote on three of them.

Tomorrow we will vote in support of a resolution that, among other things, is calling on Israel to join the nuclear non-proliferation treaty, because we believe that this would be a good step toward—

• (1445)

**The Speaker:** Order, please. The hon. member for Fleetwood—Port Kells. I am sorry. I missed her supplementary question. I apologize.

\* \* \*

**CITIZENSHIP AND IMMIGRATION**

**Mrs. Nina Grewal (Fleetwood—Port Kells, CPC):** Mr. Speaker, the minister informed the House yesterday that she has no idea how

many temporary resident permits are issued riding by riding, yet she claimed on November 19 to have a binder full of such information. How convenient for the minister that she can turn the table on opposition members, claiming to know how many requests have been made for such permits but maintaining ignorance of the broader picture.

Does the minister have records for all ridings or just for ridings held by opposition members? Will she table her binder in the House?

**Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, as I indicated before, I do not maintain them on a riding by riding basis. They are looked at on one clear—

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

**The Speaker:** I remind hon. members that we are wasting time in question period. I cannot hear the minister and she sits close to me. I cannot imagine what it is like for members at the far end of the chamber.

We do have to be able to hear the minister's answer. The question was asked. If members do not want to hear the answer, I suggest we not ask the question. The hon. minister is now trying to answer, so we will have to hear it.

**Hon. Judy Sgro:** Mr. Speaker, let me say it very clearly to all of you folks. You continue to do nothing, and I will address you, Mr. Speaker, nothing other than to politicize immigration.

It is the same old reform-alliance party that has always been there. Let me remind them about what the headlines were in Nova Scotia, for their star candidate in Nova Scotia said publicly that immigration would dilute our population. Thank goodness the people of Nova Scotia were smart not to elect him.

\* \* \*

**SOFTWOOD LUMBER**

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, we heard over and over this week what good friends the American President and the Prime Minister are. Some friendship: Americans will take every ounce of oil and every watt of energy we can give them but turn up their noses at our softwood and our cattle.

Workers and communities have waited for four long years for action on the softwood lumber dispute. Can the minister tell us why, after waiting so very long, Canadian softwood producers are still subject to illegal tariffs?

**Hon. Jim Peterson (Minister of International Trade, Lib.):** Mr. Speaker, the hon. member is absolutely right. This has dragged on for a very long time. What is being pursued by the Americans in this is a very dilatory type of tactic in terms of using the provisions of NAFTA and the WTO. We have stood up to them at every measure, we have beat them and we shall continue to do that.

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, that answer reminds me of the tail-wagging watchdog welcoming the bad guys in and showing them where the safe is.

*Oral Questions*

Yesterday another NAFTA panel determined that the U.S. duties on Canadian softwood are ridiculously high and should be reduced effectively to zero. Will the minister demand today that the U.S. immediately stop collecting these illegal tariffs and return the \$3.6 billion already paid in duties by Canadian firms?

**Hon. Jim Peterson (Minister of International Trade, Lib.):** Mr. Speaker, not only have we done that today and on previous days, but we have been doing it for a very long time. We expect the United States to fully comply with its international trade obligations. This is why we will continue to fight the extraordinary challenge it has launched in the NAFTA system. At the same time as we continue to fight all of these disputes at NAFTA and the WTO, we remain open to a negotiated settlement of this issue. We will continue to follow that two track approach.

\* \* \*

**CITIZENSHIP AND IMMIGRATION**

**Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC):** Mr. Speaker, while the minister of immigration fast-tracks work permits for exotic dancers, she ignores legitimate compassionate cases.

A Korean student, the victim of a vicious assault while jogging, is living with the possibility of her caregivers being sent back to South Korea. They have been waiting almost two years for an answer and the minister is dragging her feet in giving them landed immigrant status.

When will the minister get her priorities straight? If she cannot, when will she resign?

• (1450)

**Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, this issue was first brought to my attention yesterday by my parliamentary secretary. I have looked into that issue. I can assure the House that as of five minutes to three, there will be permits issued for all three members of that family. I am very glad to have had the opportunity under humanitarian and compassionate grounds to exercise that will.

**Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC):** Mr. Speaker, after two years, that is good news.

The priorities of the immigration minister are seriously flawed. She continues to defend the importation of strippers, yet she deported a young South Korean awaiting a student visa because she earned a whopping \$39. It seems that organizing, choreographing and even paying for rehearsal space out of one's own pocket to showcase Canadian dance talent is deemed unacceptable to the minister. My question is this. Would this student have been deported if her dancers only wore pasties?

**Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I have to congratulate the Prime Minister and our government for the great job they are doing. The official opposition clearly has no issues with our government. We are doing such a great job of running this country all the opposition is concerned about is wasting government time and wasting House time.

I was in Calgary and Regina on Monday. Several people stopped me and said, "Would you please tell the official opposition to get on

with the issues that matter to us out west, to farmers, and all of the other issues, and get off this?"

**Mrs. Lynne Yelich (Blackstrap, CPC):** Mr. Speaker, the immigration minister continues to deny wrongdoing or even bad judgment in skipping her campaign helper to the front of the immigration line. This does not sit well with my constituents. Saskatchewan is trying to attract immigrants, yet we witnessed several self-sufficient Romanian families ripped from their lives in Saskatoon and deported.

The minister has been quoted as saying "nobody is exempt from the law". Why does this law apply to community-minded families in Saskatoon but not to the minister's favoured helpers?

**Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I had a wonderful meeting on Monday in Regina, Saskatchewan. I visited the Regina Open Door Society. I met with children and infants who were there, many of them refugees. We were there to make an announcement on enhanced language training. The money we are putting into that program is exactly what we want, to turn around and help people get settled in our country, to get the technical help they need, and to move on to help build this great country that they came to. I look forward to continuing to work with them.

**Mrs. Lynne Yelich (Blackstrap, CPC):** Mr. Speaker, these people did not need language training. They were established families in Saskatchewan for over five years, so you did not have to. There seems to be a double standard—

**The Speaker:** Order, please. This is the second time I have had to get up in question period and urge hon. members to address their remarks to the Chair. I urged the minister not to set a bad example and now the member for Blackstrap is doing the same thing.

**An hon. member:** She started it.

**The Speaker:** It is not a matter of who started it, I want it to end. The hon. member for Blackstrap has the floor, and she will please address the Chair.

**Mrs. Lynne Yelich:** There seems to be a double standard in place at the immigration department, Mr. Speaker.

Why are the minister's campaign helpers not subject to the same process as other immigrant hopefuls? Why does this minister not accept responsibility for this mess and resign?

**Hon. Judy Sgro (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, let us set the record straight.

Members opposite continue to talk about the poor woman as a stripper as if she does not qualify because a stripper is not entitled to be protected by this country.

Let me set it straight here. This woman—

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

**The Speaker:** Order. I cannot hear the minister's answer because of the noise. Order. The minister has the floor. She was asked a question and she is giving her answer and we will hear it. The minister has the floor.

*Oral Questions*

**Hon. Judy Sgro:** Mr. Speaker, there continues to be all of these allegations that are completely unfounded and incorrect.

Let me set the record really straight here. This was a woman who was legally in Canada. She was legally married to a Canadian citizen.

All that went wrong was that her immigration consultant, which we now regulate under CSIC, did not do his proper job and did not send in her application. She came out of status and I assisted her.

\* \* \*

• (1455)

[*Translation*]

**SOFTWOOD LUMBER**

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, in a new dilatory measure, the American government has lodged an extraordinary challenge that will delay resolution of the interminable softwood lumber conflict yet again. Yesterday, the NAFTA panel confirmed that the countervailing duties imposed by the United States were unjustified.

Because the American President himself admits that the dispute settlement mechanism is too slow, why was the Prime Minister unable to get the United States to withdraw its challenge—a challenge that is a political decision?

[*English*]

**Hon. Jim Peterson (Minister of International Trade, Lib.):** Mr. Speaker, the way that NAFTA is set up there are provisions for remands and there are provisions for extraordinary challenges.

The Prime Minister has quite rightly pointed out that there are a lot of delays in what is taking place. He has asked for ways to expedite the process so that there is finality and certainty to NAFTA decisions.

It was undertaken that these measures would be looked into.

[*Translation*]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, as the minister has just demonstrated, and in line with all other indications, the United States is delaying the end of this crisis in hopes that Canadian and Quebec producers will throw in the towel before the dispute ends. As the minister said, the American government is engaged in dilatory measures before NAFTA and the WTO.

Since the Prime Minister never succeeds in getting anything from President Bush, when, at least, will he shoulder his responsibilities and quickly announce the establishment of a real assistance plan for the industry, so that when this conflict is finally ended, there will still be a softwood lumber industry in Quebec and in Canada?

**Hon. Jim Peterson (Minister of International Trade, Lib.):** Mr. Speaker, we have already allocated \$356 million to the workers and communities affected by the softwood lumber crisis and we shall continue to support them. At the same time, we shall continue our two part strategy, that is, negotiations and tribunals.

[*English*]

**CANADA-U.S. RELATIONS**

**Ms. Belinda Stronach (Newmarket—Aurora, CPC):** Mr. Speaker, my question is for the Prime Minister.

We are glad that the U.S. President finally came to Canada, but diplomacy by photo op will not get the job done, nor can our talented diplomats alone.

By my recollection, the Minister of Foreign Affairs has only been on one bilateral visit to the United States, last summer. The Minister of International Trade has not even been to Washington, nor has the Minister of Agriculture to deal specifically with the BSE crisis.

Will the Prime Minister finally make up for 10 lost years and order a strategic plan to make the relationship with the United States a political priority?

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** Mr. Speaker, the government has been fully engaged on every trade file with the United States.

The Minister of International Trade and the Prime Minister never lose an opportunity to raise it, whether in Santiago or wherever we meet with them in the world.

The member said that the foreign affairs minister has only been to Washington once in four months. I have met Secretary of State Powell numerous times, in Santiago at the APEC, in Sharm El-Sheikh at the G-8 meeting, with the Arab League we met in New York.

This is the way diplomacy functions nowadays. The government is fully engaged and raises these files every—

**Ms. Belinda Stronach (Newmarket—Aurora, CPC):** Mr. Speaker, the Prime Minister suggested surprise when President Bush pursued missile defence. Either the Prime Minister was playing a little coy or he was ill-prepared for this visit.

After waiting four years, the government was not ready to deliver the goods on issues that matter to Canadians. There was nothing on softwood, nothing on BSE and we remain as vulnerable as ever on our border.

Will the Prime Minister now make this a priority and send his ministers to build those relationships in Congress to get the border open?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, we have done a great deal more than that. Not only have the ministers been there, but as a result of an initiative of this government we have opened up a secretariat for parliamentarians to deal with Congress, the Senate and the House of Representatives, because that is in fact where a lot of the problems lie in terms of softwood and BSE.

We have done very well with the administration. We must recognize that under the American system of government we have to deal with Congress and the Senate. That is why we have taken the steps that we have.

*Oral Questions*

[Translation]

**TRANSPORTATION**

**Hon. Denis Coderre (Bourassa, Lib.):** Mr. Speaker, my question is for the Minister of Transport.

On October 5, 2001, the Canadian Trucking Alliance and Teamsters Canada signed an agreement on the hours of service to be performed by truck drivers. Since then, the maximum is 14 hours, including 13 hours on the road. However, officials now want to review this policy and are proposing to increase the maximum up to 18 hours of service, which is totally irresponsible.

Will the minister protect the quality of life of truckers and our own safety on highways by upholding the 2001 agreement and putting a stop to this nonsense?

• (1500)

**Hon. Jean Lapierre (Minister of Transport, Lib.):** Mr. Speaker, I welcome the hon. member's question. We are fully engaged in a consultation process, thanks, in particular, to the cooperation of the Teamsters and to the spirit of the 2001 agreement. I am convinced that, over the next few weeks, we will reach an agreement that will ensure the safety of truck drivers and other highway users. This is precisely our priority. I hope that we can limit, as is our intention, the number of hours of driving to 13, over a 14-hour period of service. This would ensure that everyone is safe. I hope that the spirit of the 2001 agreement will be renewed in the coming days.

\* \* \*

[English]

**FIREARMS PROGRAM**

**Mr. Leon Benoit (Vegreville—Wainwright, CPC):** Mr. Speaker, the government keeps talking about the benefits of its bungled gun registry, which it now says will not be complete until 2008 at a cost by its own figures of \$1.4 billion, 2,000% more than the Liberals said it would cost. They are so confident of the benefits that they keep the cost benefit analysis locked away as a cabinet secret.

When will the government just do the right thing and cancel the program, which a leading technology magazine has said is armed robbery?

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, first of all, in response to the hon. member's allegation that the gun program is not complete, in fact what we do, as members would expect us to do, is review the efficiency and effectiveness of the program. We are introducing new regulations. We will continue to review this program, and as new regulations are needed, they will be introduced and implemented. I should think that is what Canadians would expect us to do.

\* \* \*

[Translation]

**AGRICULTURE AND AGRI-FOOD**

**Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC):** Mr. Speaker, the Minister of Agriculture and Agri-Food is panicking over the mad cow crisis, so much so that he is refusing to

meet with Quebec farmers of the UPA, although everyone would be quite satisfied to meet with his assistant.

Will he be forced to admit that he got nowhere with President Bush, or is he unable to give us a date for the reopening of our borders? We need a date.

[English]

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, in respect of opening Canadian borders, we have made some very good progress.

In respect of the United States, we were pleased a week and a half ago when the rule was put into the White House office of management and budget. A particular timeframe, 90 days and counting, has begun.

In respect of other borders, I am very pleased to see that Hong Kong opened its borders to Canadian beef from animals under 30 months. I am very pleased to see the agreement that we had in China in respect of genetic material from the dairy industry. I am very pleased to see the progress we are making with Taiwan in the meetings that are happening this week.

We are making progress in opening the borders.

\* \* \*

[Translation]

**MIRABEL AIRPORT**

**Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ):** Mr. Speaker, last Tuesday the House voted 157 to 118 in favour of returning 11,000 acres to the expropriated people of Mirabel.

To respect the decision made by this House rather than to continue his stubborn stance, if the Minister of Transport is sincere, why does he not meet with the ADM authorities, the farmers and the expropriated people, in order to find a lasting solution that will satisfy all parties?

**Hon. Jean Lapierre (Minister of Transport, Lib.):** Mr. Speaker, I know that the hon. member is aware of the existence of a contract between ADM and the Government of Canada. That contract was signed by the Conservative government in 1992 and runs for 60 years. We are going to respect that document signed by the Government of Canada.

We must also point out that we too believe in the future of Mirabel. We do not want to dismantle Mirabel. We believe it will be the site of considerable development, not only with projects like Bombardier's, but others that have been proposed. As a result, we do not wish to reduce the size of Mirabel, but rather to develop it and thus create thousands of jobs.

\* \* \*

[English]

**THE ENVIRONMENT**

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** Mr. Speaker, the people of Sydney, Nova Scotia continue to live beside the country's largest environmental cleanup challenge.

### Supply

Some \$400 million has been allocated to the cleanup effort. However, the cloud that hangs over the project is exactly what type of environmental review will be deployed, be it a comprehensive assessment or a full panel review.

Concerns raised by the residents centre around the potential delays in the cleanup process, should the decision be to go forward with a full panel review.

I ask the Minister of Public Works to share with this House where does the environmental assessment stand? When can the good people of Sydney expect to see this project completed?

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the federal government is absolutely eager to move ahead on the cleaning up of the Sydney tar ponds. We are waiting to receive the project description from the Province of Nova Scotia. Once we have received that we can determine what environmental assessment track is appropriate for the project. We will work to ensure that that assessment takes place in a timely manner and that the work is completed in a timely manner.

In the meantime, we are moving ahead with the removal of the cooling pond, the realignment of Coke Ovens Brook, and the relocation of the Whitney pier waterline.

The Government of Canada is proud to play the leadership role in cleaning up the Sydney tar ponds.

\* \* \*

• (1505)

### BUSINESS OF THE HOUSE

**Mr. John Reynolds (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC):** Mr. Speaker, I would like to ask the government House leader if he could advise the House what the business is for the remainder of this week and next week.

Could he also tell us, as all the opposition parties have asked, if the members compensation program would be brought in at the same time as the judges compensation program, and would that be happening in the near future?

**Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, we will continue this afternoon with the opposition motion.

Tomorrow we will commence with the third reading debate of Bill C-5, the learning bonds legislation. When that is completed, we will return to the second reading debate of Bill C-22, the social development bill. We will then return to the second reading debate of Bill C-9, the Quebec development bill; followed by second reading of Bill C-25, respecting RADARSAT; reference to committee before second reading of Bill C-27, the food inspection bill; and second reading of Bill C-26, the border services bill.

On Monday and Tuesday we will start with report stage and third reading of Bill C-14, the Tlicho bill, before going back to unfinished business.

Pursuant to Standing Order 53(1) a take note debate on credit cards will take place on Tuesday evening, December 7.

The business on Wednesday will be second reading of a bill to be introduced tomorrow respecting parliamentary compensation.

Next Thursday shall be an allotted day.

Finally, the government made a commitment to Canadians to treat compensation of parliamentarians separately and apart from that of judges. It is quite logical to take that step in an independent bill that deals only with the compensation of parliamentarians and to deal with the question of judges in a subsequent bill.

The hon. member seems to suggest that parliamentarians and judges should be treated exactly the same. We think that Canadians recognize that their respective duties, tenure and roles are quite different and that in fact they should be dealt with differently and separately. That is why we will be introducing the bill on MP compensation and dealing with it next week.

**Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, I rise on a point of order. I believe that if you seek it, you will find unanimous consent to return to the tabling of documents.

**The Speaker:** Is there unanimous consent to revert to the tabling of documents?

**Some hon. members:** Agreed.

---

## ROUTINE PROCEEDINGS

[English]

### CANADA'S PERFORMANCE 2004

**Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, as part of an effort to provide parliamentarians and Canadians with a comprehensive perspective of the government's performance, I have the honour to table, in both official languages, a report entitled "Canada's Performance 2004", the annual report to Parliament by the President of the Treasury Board.

---

## GOVERNMENT ORDERS

[English]

### SUPPLY

#### OPPOSITION MOTION—AGRICULTURE

The House resumed consideration of the motion.

**Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.):** Mr. Speaker, I appreciated the remarks made by the member for Fundy Royal and his research. At the end of the day, I agree with the member that there is a farmer, a farm family and a community at the bottom line on this BSE crisis. There is indeed financial hardship out there and we recognize that. We have come forward with many programs to deal with it. Ultimately, the solution is to get the U.S. border open to live cattle from Canada. Earlier the minister mentioned some of the progress we were making in that area.



*Supply*

We are dealing with a motion from the Bloc Québécois. Its members gave a lot of rhetoric but no substance earlier today. They said in the motion that they want the government to implement specific measures as soon as possible. Of course, we do not get any specifics from the Bloc Québécois members. We only get rhetoric.

Does the member for Fundy Royal or his party have any specifics to lay on the table in terms of what they are recommending the government should do in terms of dealing with the cull cow issue as it relates to BSE?

• (1510)

**Mr. Rob Moore (Fundy Royal, CPC):** Mr. Speaker, as has been stated here today, the number one measure that has to be taken is to open the border. That is the only way that we are going to have a long term solution to the crisis that is affecting Canadian farmers.

In talking with farmers throughout my riding, if we are to have a program, it must be accessible. I mentioned the CAIS program where farmers had to go to their accountant or their lawyer to fill out the forms. I do not think that is right. I do not think that farmers who are in a dire financial position and obviously very busy trying to keep things afloat, trying to provide for their family, and trying to provide fuel for their equipment and feed for their animals, should then pay \$100 or \$50 an hour for an accountant to help them fill out a form to access aid under this program.

That is a specific measure. We must streamline these measures. We must make programs such as this accessible. Obviously, all of these are stopgap measures until the border is opened. It has been my opinion that we have not done enough to get that border open and open up that market that our producers rely on.

**Mr. Lee Richardson (Calgary Centre, CPC):** Mr. Speaker, I wish to thank the member for Fundy Royal for a very compelling address on this important subject. The points raised by the hon. member are important. I come from an urban, downtown city riding, but one that has a real interest and empathy for our agriculture producers. Calgarians have a long and abiding respect for our ranchers, for their determination, perseverance, and for their strong tradition of going it alone.

Despite this proud history of prospering through tough times and the demonstrated self-reliance of our ranchers, the remarks of the hon. member for Fundy Royal caused me concern. The BSE crisis is causing great concern for our ranchers.

Where are we headed in these tough times? We have heard that these are the lowest revenues in many years. What is the solution? What can we do here?

**Mr. Rob Moore:** Mr. Speaker, to touch on some of those issues, it is eye opening to travel in the rural parts of my riding. The member mentioned Calgary. I have some suburban parts of my riding where one would not think that farming is such a big issue, but Canadians are smart enough to realize that we need to have a farming community and a community that supports farmers and supports the supply of our food. That is in danger right now.

The number one issue is to get that border open. The government and the leadership must do all it can to ensure that our farmers have a demand for their product. It is only by opening the border that we are going to achieve that.

• (1515)

[*Translation*]

**Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ):** Mr. Speaker, I will be sharing my time with the member for d'Argenteuil—Papineau—Mirabel.

I am pleased to be taking part in today's debate, which is of major significance for the survival of agriculture in Quebec and in a number of provinces, too. I am happy with the motion which has been tabled by the member for Montcalm and reads as follows:

In light of the inadequacy of current federal assistance, that this House call upon the government to implement specific measures as soon as possible to help the cattle and cull cattle producers who are suffering the impact of the mad cow crisis.

The current state of agriculture in Quebec is a scandal. This is due for the most part to the federal government and to the Minister of Agriculture and Agri-Food, not necessarily the current one, because things began before him.

I can address this in full knowledge of the facts, as I worked for a good forty years with agricultural organizations in Quebec. I worked for large businesses, which provided feed for cattle and for farms in general. I was sales manager for similar businesses. Later, I worked in the area of agricultural trade unions.

At least since 1965 and 1970, I was very involved. Being myself the son of a farmer, I know a little what I am talking about. When we see where agriculture was in the 1960s and the giant step that producers made in Quebec, they certainly did not deserve to have the federal government pull a fast one on them.

The work that had to be done to ensure that all Quebecers would be proud of agriculture in Quebec was incredible. I heard my colleague from Marc-Aurèle-Fortin say how, as a city dweller and a consumer, he is proud of Quebec, of producers and the food consumed in Quebec, because this is part of our success. When we talk about a Quebec plan, agriculture comes first.

I also had the opportunity to work with one of the then ministers of agriculture, who did a lot to further improve Quebec's agriculture and put it on the map. Quebec was the envy not only of the other provinces, but also of European countries and many other countries in the world.

I remember when Jean Garon was the minister of agriculture and I was chairing the agricultural caucus we made giant strides. We managed to control and maintain green space through the act to preserve agricultural land. Despite this act, the federal government managed to steal Mirabel, which was practically the nicest garden in Quebec. It settled there and expropriated nice land. Despite that, we managed to make agriculture extremely viable and enviable in all sectors in Quebec.

We had to deal with the mad cow disease 5,000 kilometres away from home, when, for the last four years, we had all the traceability measures to follow our animals from birth to the plate. We had everything to do it right and be protected, and we had to deal with the mad cow disease some 5,000 kilometres away from home, where there is no contact between Quebec and western Canada. Transportation is not in the East West corridor, but in the North South corridor instead.

### Supply

The government refused to get involved in the region. Since Quebec farmers are mostly dairy producers, they end up with a lot of cull cows. We produce 50% of Canada's milk. The cull cow issue strikes at the very heart of Quebec farming.

Given the federal government's lack of compassion, for the past three years, ever since the infamous mad cow was discovered, Quebec has been paying while it was previously way ahead of everybody else in terms of protection and quality of farms and herds. Under the supply management agency, we were ahead of everyone else and were making not only Quebecers but all Canadians very proud.

● (1520)

I was first elected here in 2000 and have always sat on the Standing Committee on Agriculture and Agri-Food. When stakeholders from across Canada came to testify before the committee, we talked about the management plans in force in Quebec, the herds in Quebec and the quality of our agriculture. I remember one person from Alberta in particular who told us that Quebec was ahead of his own province.

I put a question to the former minister of agriculture to find out why he wanted to implement his agricultural support program, standardize agriculture from sea to sea, when we did not need it, because we already had our own plans. He acknowledged that Quebec was a bit ahead of everyone else but gave the province three years for things to stabilize and start to slow down, which would bring Quebec to everybody else's level. I must say they were very successful with the mad cow disease. They threw a major roadblock in the path of Quebec producers. Former professionals, they now have to manage, without any help, a crisis not of their own doing.

The government says it has given a certain amount of money. Let us see the results in the fields and for those who have been deprived and are forced to sell a cow for 7¢. The hon. member for Montcalm has with him a cheque for 55¢; this is the sale price of a cow which had been worth \$1,000. Imagine the situation of farmer, who should normally be able to retire. His pension fund, which was invested in the stables and in the fields, has become worthless.

When asked to show a little more sensitivity, the government answers that things are going well and that it has given a lot of money. We should look at all the money that farmers have lost because of the government. This is what should be taken into consideration in terms of helping farmers out of their present situation.

They are in dire straits. The government will do anything. Even today, members will recall the lame excuse given by the minister for not meeting producers in Quebec. My own leader offered the minister the use of his plane this morning to go and meet producers in Quebec, so that they could try to make him aware of their problems.

Producers are a group we are very proud of, a group which has worked wonders and which, for the last 50 years, has been a model of development, competence and professionalism. Today, these producers are discouraged, so much so that some of them have committed suicide. Meanwhile, the minister refuses to move and he is afraid to meet producers. This is a sad situation. I can understand

why my colleague from Montcalm is asking the House to try to make the government sensitive to the situation.

There is enough money. We have to overcome a crisis which is affecting Quebec and other provinces. I talk mainly about Quebec because that is where an overwhelming majority of dairy producers are found. It is not by remaining seated and laughing at our speeches that the government will help Quebec's producers and others across the country who are facing this problem.

Finally, I would ask the minister to show some sensitivity to all the work which has been done. Today, if we have producers whom we are all very proud of, we should help them to stay alive and overcome this situation. We should try to help them as it is our responsibility to.

● (1525)

[English]

**Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I listened with great interest and some sympathy to what my colleague had to say. However I wish the Bloc members would not keep referring to the fact that the Minister of Agriculture is here. It is the duty of the Minister of Agriculture, in an opposition day debate on agriculture, to be here. The irresponsible one is the opposition leader who, after leading off the debate, then walked out.

Our minister in recent times has been in Quebec, as he has been in every region of the country, and has met with the farmers. However, today, for the sake of the farmers, he should be here to hear what all the parties have to say. I have a question for my colleague.

I want to say that the member's pride in Quebec agriculture is justified. In many ways it is a great example to the rest of the country. Every region has its strengths but to give an example compared with my farmers in Ontario, under the Conservative government, for every federal dollar that came into Ontario, the previous Conservative government only added 49¢. I congratulate my colleague on the fact that for every federal dollar, and a lot of federal dollars went in, the Quebec government gave \$2.22. I congratulate the member on that and on the way the different commodity groups are organized.

Billions of federal dollars have now been flowed for this crisis. How many billions does he want? What does he think the price of milk should be raised to, because I support raising it in order to deal with the cull cow crisis?

[Translation]

**Mr. Marcel Gagnon:** Mr. Speaker, I have been badly misunderstood. I do not condemn the minister for not being here but rather for being here at this time. I condemn him for not having taken three hours of his time today to go and meet the producers in Quebec City. It was his duty to go there today. And he could have been back here on time.

I was my party's agriculture critic under the former agriculture minister, and I remember going with him to meet producers in Montreal, and we were back on time for question period. This minister could have done that, but he was too afraid to go to Quebec City. He has disappointed the farmers, and they will certainly not forget.

How much is the farm industry worth? Is it possible to put a dollar value on an industry that is feeding the Canadian people? We should help this industry in a time of crisis. It is a good investment.

[*English*]

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, what I suspect producers will remember is a party that said there has been a crisis for 18 months, which is 480 or so days, and that many of those have been sitting days.

The Bloc could have brought in this motion on numerous occasions during that period of time. It had several opposition day motions over that year and a half but it chose today. It was not the government. It was nobody on this side. The Bloc chose to bring this motion into the House at this time knowing full well what else was going on. For the Bloc to suggest that it will bring forward a motion critical of the government's agricultural policy and not believe that the Minister of Agriculture will be in the House to debate that motion is ridiculous.

I have a very specific question for the hon. member. He spoke about wanting to regionalize the health and safety issues. At the same time, he and members of his party indicated that there was a problem with slaughter capacity in Quebec, in that there was not enough of it. If he creates a separate region and does not allow for any interprovincial movement of animals, does that not limit the possibilities of where these animals can be slaughtered and therefore limit the possibility to have more of a competitive environment for the slaughter of older animals?

• (1530)

[*Translation*]

**Mr. Marcel Gagnon:** Mr. Speaker, I thank the minister, but I can tell him immediately that, at this time, producers need \$241 million to be able to weather the crisis. In the best of cases, it will probably take six months before the borders reopen. It seems that we are in no hurry to have the borders reopen. Mr. Bush was quick to pick up our invitation. But we were not in such a hurry to ask him to solve the problem concerning the opening of the American border to our beef exports.

In the last few years, we have asked many questions about the crisis with mad cow disease, but you have yet to find a solution to this problem.

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, I am pleased to speak today on this BQ opposition motion to discuss the problems facing producers.

First, I want to mention the number of producers in the Argenteuil—Papineau—Mirabel riding who are affected by the mad cow crisis. Some 233 dairy producers and 254 beef cattle producers are affected. These dairy producers represent about two-thirds of all such producers in the Outaouais-Laurentides region, and are located in the Argenteuil—Papineau—Mirabel riding. Cull cows are clearly a serious problem for these dairy farmers. As for beef cattle producers, nearly one-fourth of beef cattle production in the entire Outaouais-Laurentides region comes from the Argenteuil—Papineau—Mirabel area.

It must be noted that many dairy producers are also beef cattle producers. The minister was unaware of this aspect of the whole

### *Supply*

problem. He recently admitted, within the past few days, that there was a problem in Quebec.

There is obvious pressure too from producers. We know that today and over the next few days in Quebec City, all Quebec producers are attending a convention. My colleague from Champlain mentioned this earlier, and this is the purpose of the motion introduced by my colleague from Montcalm. These producers would have liked to hear from the Minister of Agriculture and Agri-Food. Time was set aside on the agenda for him to speak.

It suits the minister to have a Bloc Québécois opposition day today, because it meant he did not have to go to Quebec City. That is the result. There is no other way to interpret it. It takes an hour to get there by plane. This morning, our leader offered the plane he had reserved to go to Quebec City. He did not want to take it. There would have been enough time for him to return to the House to make his own speech. Clearly, the minister did not want to face the producers, because there is unrest.

The fact is that families are losing substantial income. They could lose their farms, and some farmers are even contemplating suicide. Obviously, these are terribly difficult human situations, and the federal government is part of the problem. In the past 18 months, it has not been part of the solution, but rather part of the problem.

Let me explain why the government is part of the problem.

Since 1993, when the current Prime Minister became the Minister of Finance, assistance to producers was cut in half by the federal government. This means 50% less farm assistance under the Prime Minister, when he served as the Minister of Finance. Already, it was clear that it would not take much of a crisis at all to destabilize the whole agricultural system.

That is what happened. There was this lack of assistance and support for agriculture. Then came a crisis, a single cow in Alberta, and the whole dairy and beef production industry in Quebec was disrupted.

We can tell ourselves, first, that, as part of the problem, the federal government failed to convince the Americans to reopen their borders as soon as possible.

Solutions have been put forward. From the outset, the Bloc Québécois suggested in this House that the principle of regionalization should be applied. I have a hard time understanding how the minister can tell us today, "Look, this is hard. We cannot do it". It has been done. It was even done to us by the Americans. It was done in the chicken crisis. Instead of penalizing the entire U.S. industry when a case of avian disease was reported, adjoining states on the American side were penalized. As a result, four states were affected by the Canadian embargo, not all of the United States. That was done. The problem is that the government refuses to regionalize.

### *Supply*

We have to understand. Geographically, Quebec is 5,000 kilometres from Alberta. Quebec is further from Alberta than Mexico is; yet Mexico was not the least affected by this crisis which some viewed as a North-American crisis. At least, that is what we have been told by the Americans. But Mexico was not affected, while all of Canada, including Quebec, was. That is right. Quebec was affected in spite of the fact that it is geographically further than Mexico from Alberta.

This is where the difficulty lies in such a large country. The government wants to find Canada-wide solutions, but is not ready to admit that, when one territory is hit, the others should not necessarily be, because the trade relations are much more north-south than east-west oriented, especially in the beef industry.

• (1535)

Thus, if there was one case in Alberta, they should have been able to make the restrictions apply to the Alberta province and leave the rest of Canada to do business with the Americans. This would also have considerably lowered the costs for Canada, because, if there was a problem in one industry, in one province, we could have used all the money on the table to invest it in that province only. This is what regionalization would have permitted us to do.

The farmers in that province would have been compensated for all their losses until the problems were settled and business could resume with the United States, for Alberta in this case. The money to do it would have been available.

The problem we have today is that the whole country is penalized, and the government says that it spent billions and billions of dollars. We did not come up with these numbers. They come from the Union des producteurs agricoles, which says that of the \$366 million announced by the minister for Quebec, only \$90 million found its way into the farmers' coffers.

It is all very well to serve up fine speeches to us in the House, but we have some good examples of federal government waste. One need look no further than the gun registry, and how good it is at wasting money on administration.

What happened between the time there was \$366 million and when the farmers got \$90 million? That will no doubt require an Auditor General's investigation. Nonetheless, only \$90 million got to the industry in Quebec. Today, as we speak, that means \$241 million the industry lost.

If the federal government wanted to be fair, it would therefore announce an investment of \$241 million in Quebec to compensate for what has been lost so far, along with a program to fully compensate for losses until such time as the problem with the Americans can be solved and the borders reopened.

That will take six months at best. There are time limits, negotiations, appeal processes, and according to the debate my esteemed colleagues have held in this House, it will be six months, minimum. That does not mean that the Americans will accept what is proposed to them. So when the process is begun, it will take six months to get an answer, but this does not mean the answer will be yes. This is why the government needs to immediately put compensation in place for the producers, until such time as the U.S. market is fully reopened.

Obviously this is likely what has spooked the minister today, the fear of not being able to tell Quebec producers that they would be getting full compensation for losses sustained to date and to announce an assistance package until the U.S. borders are fully open again.

This leaves us, of course, with a minister taking refuge here in Ottawa so as not to have to go and face the farmers of Quebec, and try to solve their problems. That would be too hard to do.

It is difficult for the people watching us debating this issue. It is also difficult for the farmers who have dedicated their whole life to their farm. You know them, of course. Last year, the majority of milk and cattle producers suffered humongous losses. They are now going under. It is not easy. Agricultural revenues have never been lower in the past 25 years.

That is what the minister wants to talk to us about. He is proud to have contributed to the fact that farmers, men and women who gave all their time to the agricultural production of Quebec and Canada, lived through the worst year, had the lowest revenues last year, in 2003, of the past 25 years. Is this what the minister is so proud of? For my part, I am not proud of the minister and I am not proud of the Liberal government.

I hope they will understand once and for all that these surpluses belong to the public. The public needs them today. All we ask of the Liberals is that they introduce a true compensation program for the farmers of Canada.

• (1540)

[*English*]

**Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC):** Mr. Speaker, first, I want to congratulate the Bloc for initiating the debate today on this very serious crisis, and I will make a couple of comments.

I think all of us in this assembly can agree on a couple of points. First, the impact of the BSE crisis on all our producers across Canada has been devastating. Second, although perhaps some of the government members do not agree with this, most members would agree that the CAIS program is at best fundamentally flawed, and perhaps more accurately, fatally flawed.

The problem is money is required by producers, but money is not reaching the farm gate. I do not want to oversimplify things because I know on many levels this is a complex problem. The question of opening the border will take perhaps months and months to come. However, there is a separate element, which is delivering cash to the farm gate as quickly as possible.

*Supply*

I have found, as in most things in life, that answers to complex problems many times are very simple. The answer to the question of getting money to the farm gate is simple, and it boils down to two words: political will. I believe if the government had the political will to deal with this problem, to properly get money to the farmers, those who are desperately in need of cash, it would be done.

We have seen the choices the government has made when it comes down to that. We have seen the choice it made with the national gun registry, where it pumped \$2 billion into a program, which is the biggest waste of taxpayer dollars that we have seen in the last 30 or 40 years.

Does the hon. member agree with me that the solution can be simple if the government had the political will to get the money to the farmers when they need it? That time is now.

[*Translation*]

**Mr. Mario Laframboise:** Mr. Speaker, I thank the hon. member for his question.

He is right. Until the borders reopen, the real problem is the farmers' losses. We should help them with this, because they will incur losses until the borders reopen.

The government should show some political will. It is not as if it did not have any money. If, as happens in Quebec, it says it will spend \$366 million and only \$90 million ends up in producers' pockets, we have a big management and administration problem on our hands.

The hon. member is right. As I said in my remarks, this government cannot hold itself up as a model. It wasted billions of dollars administering the gun registry. It can also do it with the farm producers.

What we want is a direct assistance program for farmers, we want them to get a cheque to cover the losses they have incurred up to now and those they will incur until the American border reopens.

**Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ):** Mr. Speaker, this has been mentioned several times today, but I think it must be repeated until the minister understands well. If he had really wanted to meet producers in Quebec City, he could have gone there. He could have gone there last night, during the day yesterday, this morning; he could leave right now and get there before supper time to meet these producers. However, the minister is hiding in the House. This is too often a reflex of this government. When it is time to answer questions in the House, they are not here. Today, it was time to go and meet producers and, this time, he hid in the House.

Since the minister did not go to Quebec City, I doubt very much that he went to Argenteuil—Papineau—Mirabel. I would like my colleague to tell us a little about the situation in his riding. The minister must understand how the situation is serious for our producers.

• (1545)

**Mr. Mario Laframboise:** Mr. Speaker, whole families are being affected. In addition, the d'Argenteuil—Papineau—Mirabel riding is involved in large-scale farming in order to sell food products to farmers. This is a domino effect. When farms struggle, so do the sale of large-scale farming products and all that. More than just dairy and

cattle farms are affected; the whole industry is affected. That is what makes it difficult.

My colleague is absolutely right when he mentions that he minister is hiding today. He can say that he gave \$366 million to farmers, but we know, because farmers told us, that they received only \$90 million. I can understand why he does not want to go and meet with farmers in Quebec City and tell them he gave them \$366 million. The simple fact is he will not stay long with them. It is as simple as that. But reality is quite different from the speeches he makes in the House. Therein lies the minister's problem: he would rather use that soothing rhetoric to put us to sleep, whereas there is no way he will put farmers to sleep with the truth and the reality he does not talk about with them.

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, I am pleased to speak in this debate because this is a very important subject. I thank the hon. member for Montcalm who brought this issue before the House, even though his timing was very bad.

Why do I have the nerve to say his timing was bad? I think it is obvious. First, to the great surprise and perhaps disappointment of the hon. members opposite, we find ourselves today in the presence of a minister who listens attentively to everything that is going on in this House, and in his field of responsibility. He speaks up in the debate. He is participating fully. He listens to what all the hon. members have to say.

When I was government House leader, I would have loved to see two dozen ministers acting that way every day, listening to the debates about what was going on in their departments. This minister not only is doing so today, but he does this every time his issues are before the House. Therefore, we ought to congratulate the hon. Minister of Agriculture and Agri-Food, because he takes part in all the debates and because he listens carefully to the MPs' complaints. He has been almost all over Canada to listen to the farmers.

Just a few moments ago I talked to the minister, who said he would come to meet the farmers in the riding of Glengarry—Prescott—Russell, which I have the honour to represent. He also travelled recently to the riding of Nipissing and to Peterborough and pretty much everywhere. The minister does his homework.

Some members opposite, acting out of unacceptable partisanship, have dared to say that the minister was hiding from national television, from the House of Commons in Ottawa, while Parliament is sitting. Mr. Speaker, have you ever heard such nonsense? It is the sacred duty of the minister to do his job. He does not have to apologize for anything.

Those who chose to ask for this debate today have known for a long time—it was public knowledge—that the minister was supposed to speak to the UPA today. So they said, "We will have the debate on the same day. Then we can say that the minister was not present for the debate because he was in Quebec City." And when the minister came back to Ottawa, they said, "He is not in Quebec City because he is in Ottawa."

### *Supply*

Today, some people were caught in their own trap. They wanted to trap the minister but it did not work. The minister did his duty. Of course, he will go to the various regions of the country, as he always does. He is known for constantly doing that and that is what he will do again.

I now want to talk about aid to the beef and cull cattle producers. My colleagues from Quebec are well aware of how this supply management system works. Relative to fluid milk, approximately 48% of the production is from Quebec, that is close to twice its population, therefore, most probably twice its consumption. This means that if a region is in dire straits with cull stock, the problem will be especially acute in regions where milk production is greater. That goes without saying.

In my riding, cattle production is much lower than milk production, and therefore, at the end of the cycle come the cull cows.

I am a member of the rural caucus of our party and also a member of what is called the "milk caucus". There is a meeting with the Dairy Farmers of Canada almost every second week. They come to share with us on all sorts of issues. They told us that they would like to see an amendment to the cost-of-production formula. I am convinced that the Department of Agriculture and the federal-provincial committee and other stakeholders are working on those issues.

• (1550)

It goes without saying. All those things are happening.

Now people are saying that the government is not helping enough. This is what they claim. There is hardly any slaughter capacity left in Canada for cull cows. There is just over two dozens slaughterhouses left. The marketing strategy of the industry, which is totally integrated in North America, was to have cull cows slaughtered in the U.S. It is no secret. Everybody knows that. With the border being closed and having lost our slaughter capacity over the decades because the market was better on the other side of the border, we do not have any left now. It is not like a tap you can turn on and start slaughtering again. And once the animals are slaughtered, where is the market for them?

Recently the minister announced a program to increase our slaughter capacity, and I congratulate him for that. In the past few days, I heard that to date there are two applications from the industry to increase our slaughter capacity, and they are going ahead.

Not too long ago, a new slaughterhouse started operating in my riding or nearby. With the boundary changes, it is now located in Stormont—Dundas—South Glengary. Recently the minister organized a briefing for members of all parties by officials from the Canadian Food Inspection Agency. They came to talk about the applications they had received and any other issue. I did not see too many members from across the way at that briefing. Anyhow, I asked a question regarding a slaughterhouse in my riding which has been closed for several years. A buyer has come forward but the Canadian Food Inspection Agency has not received an application yet.

It goes without saying that the minister and his staff cannot approve an application that has not been made. We all know that. The applications are coming in. They will be dealt with of course in

compliance with every safety standard and others. It is essential. This is how our slaughter capacity will increase.

In the meantime, people claim that Canada produces over double our beef consumption and that it closed overnight. As we all know, the Canadian public could not absorb this quantity of product overnight. In the beginning, several programs were adopted and this continues. There is only one solution to this problem and we all know it. The solution is for the border to be opened up again as it should be.

I remember that sad day in 2003. I think it was May 20, if I am not mistaken. I was at a conference in London, England when it happened. I was at a meeting when I was notified about what had just happened in Alberta. An animal had apparently been diagnosed with so-called mad cow disease.

We knew what had happened in Europe a few years earlier. In Europe, government authorities may not have taken the necessary precautions. Consumer confidence had disappeared. To date, European countries that have experienced the same problem have been unable to reopen their borders to any export whatsoever.

What happened in Canada?

• (1555)

As soon as the incident happened, herds were segregated and the necessary slaughter occurred. All precautionary measures were taken.

What happened to consumer confidence in Canada? It went up at the time. Canadian consumers did not abandon our producers in this country. Perhaps some people forget this because it suits them to. The governments took the necessary measures right from the start and consumer confidence was maintained. For a while there were indications that beef consumption had gone up. Eventually, of course, this levelled off. We cannot completely change our eating habits and maintain that change for a long time. Nonetheless, consumer confidence did not drop.

What happened next? International inspectors gave us a very favourable rating indicating that we had done everything possible and that there was no contamination in Canada. The minister will tell us the name of the agency, but essentially it was the world health agency for animals. It gave us this assurance. Once again, this reassured Canadian consumers.

Once more, we were able to start discussions. Little by little, for certain cuts, the borders were opened. Of course, it was not enough because the only satisfying solution is to reopen the Canada-U.S. border some 90 or 100 kilometres south of this Parliament. In the meantime, measures were put in place. We must recognize that the real solution is to reopen the border.

*Supply*

Now, we must not forget the initiatives taken by the government. When the minister announced the \$995 million program for Canadian farmers, I remember that everybody was happy and that they were all saying that the minister had done the right thing. Then, after people forgot about it, they claim that such an announcement was never made. It is not true. The minister took steps.

Some people say they did not get all the money. With respect to the money for the slaughterhouses, it is certainly not the farmers who will get it. The money for increasing the food inspection capacity, for example, will not be used for something else either. The same thing applies to the other plans that were implemented. Naturally, the program has not wound up. By definition, this is the case.

For the rest of the day, I would like members to tell us exactly what part of the program did not work out well. Was it because of red tape, unreasonable delays, demands producers should not have made under this program or anything else?

We could work with the minister to improve things if need be. We could have a less partisan debate. Instead of saying that the minister is hiding in the House of Commons—as was heard previously—we could take this opportunity here, with the minister in the Chamber, to try to enhance the program.

I also have constituents who are hurting. Many of them. I saw how frustrated they are. I saw it during the last election campaign. I saw it in their eyes.

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

**Hon. Don Boudria:** Yes, as we will see later on, it is all true. We see it every day. However, what we see mostly is friends and neighbours losing income. No one likes to hear that, for an animal that used to sell for \$1,000, producers are only paid around \$49.52 these days, once the transportation fees and everything else have been taken in. No one can be happy in a situation like this. We will only be pleased once the border is completely reopened.

• (1600)

I went to Taiwan a few months ago. This is a topic that I raised in the course of my visit in order to have this border reopened as well. Indeed, Taiwan is a country that used to import Canadian beef, and it is our market that had the highest growth rate. It was not our most important market, that being the United States of course, but it was a sector that was gaining in importance at the time of the closing of the border. It has not been reopened yet.

We have just heard interesting news, not long ago, about Hong Kong. I know that some parliamentarians will be going to Taiwan soon. I hope that the next delegation will raise this issue again and that Canadian interests will continue to be defended and new markets found. We all share this responsibility.

Today, the Prime Minister was reminding us in the House that he has personally asked our embassy in Washington to open an office to enable Canadian parliamentarians to have exchanges with their American counterparts. We must all use that forum to get across to members of the American Congress, in particular those representing urban ridings, that they are being had. This matter is not all that amusing for the United States either.

Like most of us, I have relatives in the United States, who pay ridiculously high prices for their beef. However, they do not really know why. They do not really know that their border with Canada has been closed. This measure may have been justified at the beginning, on a temporary basis, but not in the long run. Keeping the border closed benefits a small group in the United States, in particular the so-called R-CALF USA, and others. They have put up obstacles every time Canada has tried to have the border with the United States reopened.

• (1605)

[*English*]

This week we had the visit of the President of the United States of America. I for one was pleased to hear the President insist that he would do some of the things required to reopen the border. We know that executive order does not open the border tomorrow, but as we head toward that date, as we send a positive message and together we try to open other borders, the price, particularly for beef cattle, which has started to rise, we hope will continue to improve.

In the matter of cull cows, it is obviously quite different because cull cows are not crossing the border at all, whereas for cut meats, particularly of younger product, the border has at least started to open up. I want to work with my colleagues to make this better.

I want to say that I am glad the minister is here to listen to what all of us have to say. I hope we spend the rest of the day giving the minister advice on how to make his programs better, to weather this storm and to give a better life to Canadians living in rural areas.

**Mrs. Lynne Yelich (Blackstrap, CPC):** Mr. Speaker, I have a recommendation to give to the minister to make things right.

People from the Canadian Sheep Federation developed a national border closure recovery strategy for their sector. They presented it to the minister for his consideration. They want to know why the minister has ignored that request. The ruminant sectors have been affected unfairly and unduly penalized as a result of this crisis.

I have two letters from elk growers in Saskatchewan. They say that something must be done immediately to bring support to this industry. Farmers are in dire straits and need assistance in this crisis. The farmers do not know why they are being penalized.

Government agencies are not acting fast enough on getting our borders open to the U.S.A. and the Asian countries so that the farmers can once again return to normal trade with these countries. The elk industry has been blocked out by the U.S. because of BSE and elk have nothing to do with BSE.

Perhaps you could give that message to the minister because you said—

**The Deputy Speaker:** Order. I will allow the hon. member for Glengarry—Prescott—Russell to answer, but members must continue to address their comments through the Chair.

*Supply*

**Hon. Don Boudria:** Mr. Speaker, the hon. member referred to the elk industry. As she knows, I have met with representatives of that industry. We have held events jointly for this group when they came to Ottawa.

She is quite correct in saying that it is a little hard to understand some of the judgment of the United States government in closing the border to an animal where, as far as I know, there has never been a recorded case of that disease in history. It actually does not make sense at all. On the other hand, keeping the border closed for a time that is totally unnecessary is not reasonable for beef either. Therefore, both of these propositions are unreasonable.

The member will know as well that for some of our oriental market for elk, there is also the matter of another disease. That disease is alleged to have been the reason particularly for some difficulties that we have for shipping certain products, particularly to Korea at the present time.

I for one happen to believe that those particular concerns were largely unfounded as well. They affect the constituency that I represent. I believe the allegation had to do with chronic wasting disease. The hon. member knows about that. That allegation was unfounded as well.

I do share some of the concerns that the hon. member has raised with the fact that not only was the border closed initially for health reasons, but it even went beyond what was supposed to have been the original target. Then that particular target, if it was reasonable at all to begin with, for health reasons stayed way too long and is still there for those sectors that are not yet reopened.

•(1610)

[*Translation*]

**Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ):** Mr. Speaker, like all the members of this House, I have an enormous respect both for the integrity and the years of service of the member who just spoke. However, I have forgotten the name of his riding.

**An hon. member:** The member for Glengarry—Prescott—Russell.

**Mr. Guy Côté:** Yes, it is the member for Glengarry—Prescott—Russell as I was just reminded. I am sorry to see him today acting as a screen behind which the Minister of Agriculture and Agri-Food can hide. I am even more sorry to hear him confess the government's powerlessness in the face of this crisis.

The member was saying a while ago that he is part of the milk caucus and that there is a meeting every second week. Therefore, for the last 18 months, there have been approximately 40 meetings. The member was asking us to give an example of what does not work in the government program to help farmers.

I will give him an example. Among those he has cited as receiving government aid, he mentioned slaughterhouses. Has nobody told the member that, right now, the slaughterhouses in Quebec do not need help from the federal government and that the ones in need of help are the producers?

**Hon. Don Boudria:** Mr. Speaker, if the hon. member claims that there is enough slaughter capacity to process all the excess beef we have in Canada, I do not know what he is getting his information. I

do not share that view. I can tell you that there is a lack of capacity in this regard. In some areas, the slaughter levels are clearly not what they could be. There are some very particular meats being processed. Again, in some areas it is impossible at this time to accommodate the market. Therefore, I do not share the hon. member's analysis.

The member also talked about the milk caucus that has been in place since the beginning of the mad cow crisis. I am sorry to say that he has his dates mixed up. Furthermore, it would have been impossible for me to take part in this caucus since I was a minister at the time.

Lastly, about that screen business, I think I have been here long enough that I do not need to act as anyone's screen. I justify myself before my constituents, the men and women who asked me to represent them in the House of Commons, by doing what I believe is right for my country.

I have human imperfections, just like others in this House. But that does not make me a screen for anybody. Indeed, I am not known for that.

[*English*]

**Mr. Tony Martin (Sault Ste. Marie, NDP):** Mr. Speaker, I appreciate the member for Glengarry—Prescott—Russell having admitted that there are some challenges in the program and some difficulties to be resolved. He asked us to share with him what we saw that was wrong with the program. He has offered to help the minister in trying to resolve that and that is good. It gets us closer to a resolution.

This morning my colleague from Timmins—James Bay outlined what he described as a disaster with the CAIS program. In Ontario, 21,806 producers have signed up for the program, 12,201 have been processed and 4,130 producers are receiving payments. We are heading into winter, a very difficult season for farmers. The banks are indicating that they are not going to be patient much longer. I would ask the member for Glengarry—Prescott—Russell to tell us specifically what he is going to do help the minister help our farmers.

**Hon. Don Boudria:** Mr. Speaker, I must say that the CAIS program is one area where I do have a number of complaints in my riding as well. I have alerted the minister's office in that regard.

I do not think there is any doubt that the department has been deluged with applications. I for one, and I am sure all my colleagues, will want to support the minister in getting the personnel necessary to process the applications as soon as possible.

Similar to what the member has just raised, I have had cases where the banks have said that they do not want to wait any longer, even though they have copies of the CAIS applications.

Another thing we need to do is to send a strong message to the banks. They know that these programs exist. When a farmer has made an application under some of these programs, if it means some bridge financing, if it means waiting a little longer, they know, or should know, that funds will be coming because the application has been made. Therefore, I had better not hear in my constituency that the banks went in and locked the door because if I do, they are going to get some free advertising on the floor of the House.



Generally that is not necessary. The banking community understands these things, or at least they ought to. I just hope that they are not too trigger happy this time. I do not believe that we as parliamentarians are going to be very pleased if they demonstrate in any way that they are not understanding of the plight that my constituents, and indeed the constituents of all of us, are living through right now.

•(1615)

[*Translation*]

**Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ):** Mr. Speaker, I will be sharing my time with the member for Richmond—Arthabaska.

It is a pleasure for me to rise in the House today in support of the motion put forward by my colleague from Montcalm, especially since the Saguenay—Lac-Saint-Jean region is particularly affected by the mad cow crisis.

There are three ridings in my region which is a very important farming area. The American border has been closed to the Canadian beef for 18 months now. Meanwhile, our farmers have been suffering. They were simply abandoned by the federal government.

Last Monday, I had the opportunity to see that many farmers, dozens of desperate cattle producers from the Saguenay—Lac-Saint-Jean region, had started to dig a big trench to bury their cows. When it gets to the point where killing off the animals without getting any compensation is better than selling them, we have to wonder. The cattle producers are facing financial ruin. The whole agriculture sector is paying the price.

Allow me to come back to this farm rally that took place in my region on November 29. I attended a function in Saint-Bruno, in Saguenay—Lac-Saint-Jean, with one of my colleagues from the House, the member for Jonquière—Alma. Many farmers and leaders from the Union des producteurs agricoles and members from the dairy producers union made presentations. I would like to take this opportunity to pay tribute to the president of the farmers and dairy producers' association of my area, Michel Potvin, who is a distinguished and courageous citizen and an exemplary farmer.

Many farmers asked me to convey their message to this House and to the Minister of Agriculture and Agri-Food. They are asking the government to give more money to livestock and cull producers, to offer a compensation package for the cull producers and to set a floor price.

As regards a floor price, I will get back to this issue later on, because an agreement was just reached in Quebec City.

So, at that November 29 meeting, I was told about the scope of the despair of producers in my region. They have lost all motivation. Several of them told me that they must actually pay to get rid of their cull cows. They are at the end of their rope. There is no point in them working so hard.

A member of the National Assembly from my region even symbolically helped dig the hole in which hundreds of cows may be buried, since producers are getting hardly anything for them. Indeed, they are compensated for the renewal of the first 16% of their herd, but not for the rest of it.

### *Supply*

These producers asked me to convey their message to the House of Commons, and I am doing so very seriously.

I also want to tell the House about an agreement in principle that was just reached. At a press conference held during the UPA's convention, the Quebec minister of agriculture, Françoise Gauthier, announced that the parties have reached an agreement in principle on a floor price of 42¢, as of December 6, 2004. However, Ms. Gauthier warned that the agreement must be finalized before the government will lift the threat of resorting to special legislation.

•(1620)

According to Michel Dessureault of the federation of Quebec beef producers, producers will have 80% ownership. Moreover, it is provided that producers will be the owners as of December 20, 2004. According to Mr. Dessureault, should the transaction fail, the Quebec minister of agriculture, fisheries and food has promised to pass a special act imposing a price, a volume and the presence of an administrator. It appears that the Quebec government also promised to complete the financing package.

The Bloc Québécois is pleased with this outcome. This is encouraging. The Bloc Québécois also notes that this government and this minister did not provide leadership regarding this issue. Once again, Quebec producers and the Quebec government were left on their own, even after repeatedly asking the federal government and the Minister of Agriculture and Agri-Food for help.

The reopening of our borders is a federal responsibility and it remains a priority. As for financial compensation, it is still necessary. We will see in the coming days what producers are asking for. Let us not forget that Quebec producers absorbed the \$241 million losses, after compensation.

No matter how often the federal government and the Minister of Agriculture and Agri-Food repeat that they intervened many times with the American government, they cannot blame others if they have a faulty traceability system. One can point to Quebec's system, a model that was applied well before that of the federal government.

The government has put in place an assistance plan which does not adequately cover Quebec producers. According to data from the beef producers, the Fédération des producteurs de bovins, only \$90 million have been received from Ottawa since the crisis broke out. It goes without saying that these are meagre amounts, considering that the beef producers' lost incomes, for the period from May 2003 to December 2004, totals \$391 million.

If the Minister of Agriculture and Agri-Food had travelled to attend the convention of l'Union des producteurs agricoles du Québec, the province's agricultural producers union, he would have heard what I heard directly from the very producers in my region. It is totally unacceptable for the Minister of Agriculture and Agri-Food to evade his responsibilities in such a way and, as a pretext, claim that he absolutely must be in the House of Commons to justify his decision not to speak to Quebec's producers. Nothing forced that minister to be present in the House of Commons all day, all the more so because the motion tabled by the Bloc Québécois will not be voted on before December 7.

*Supply*

This is not a very common situation. I have personally seen people who are about to lose everything, not only their business, but also their family.

• (1625)

Often times, entire communities are affected by the crisis goes beyond economic boundaries and affects the social behaviour of people.

I want to offer my support to farmers in my region, in my riding and in Quebec.

[*English*]

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I very much appreciate the recognition; the hon. member is correct about the importance of understanding this issue. It is why I have travelled to British Columbia to meet with producers. It is why I have been in Alberta three times to meet with producers. I have been to Saskatchewan four times, in Manitoba, all over Ontario, and in the Maritimes. It was particularly important, after having been minister but a few short days, that at my initiation I met with UPA and the executive of that organization because I realized the importance of the situation in Quebec.

It is unfortunate that the Bloc chose, on the day that I was going to be speaking to a larger audience, to put this motion in the House at this time. There will be other opportunities and we will take those opportunities.

I have a specific question for the hon. member. He says there has been no assistance, nothing provided to Quebec producers. Could he define how \$89 million in the 2003 income stabilization program is nothing, or \$100 million for the 2004 program, the \$90 million of wedge funding that is going to the Province of Quebec, the \$32 million over the BSE recovery program, the \$18 million in the cull animal program, the \$65 million in the TIS program, the money that is available for the development of increased slaughter capacity, both the fed and the feeder set-aside programs, which can be delivered under the ASRA program in Quebec? How can he quantify them? Could he explain to me and to the House how they all represent no support to Quebec producers?

[*Translation*]

**Mr. Robert Bouchard:** Mr. Speaker, the minister may explain why he did not meet the Union des producteurs agricoles in Quebec City, I think he will not speak long enough in the House to convince us. The Quebec people themselves and Quebec producers will not be convinced. He is using an artifice, a smoke screen. He is using the excuse that he had to be here in the House.

He could easily have left for a few hours. We could have held our debate. His presence would have been very useful there. He says he is sensitive to the needs of the people. He could have made this a reality and listened to their needs.

What I am telling the minister is, before the crisis, when producers were selling a cull cow, they were getting \$700. Today, they are getting \$150. The federal assistance is \$320 only for the 16% portion. Each producer renews a herd by 25%. This means there is a gap that is not subsidized, that does not receive any assistance from the government. The loss of revenue to the producer is \$230 for each cull cow.

• (1630)

[*English*]

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I appreciate the member's comments. I think it is an important debate. I am pleased the minister is here to hear the debate because it is a very important issue.

In his speech, the member outlined that there were losses to the industry between May 2003 and December 2004 of \$391 million. I think that is what he said. It appears that the stabilization fund and the other assists to the Province of Quebec exceed that amount. I am wondering if the member is aware of those numbers and whether he feels that the stabilization fund and other assists to Quebecers have been responsive to the situation as we are waiting for its resolution.

[*Translation*]

**Mr. Robert Bouchard:** Mr. Speaker, what I will answer is what I heard on November 29 in Saint-Bruno, in my region, Saguenay—Lac-Saint-Jean.

Several producers told me that they had a large herd. They must renew it and, since the mad cow crisis happened, they are losing around \$15,000 a year and perhaps a little more. This is a significant amount when there are also many challenges and many increases in the costs that they must incur. This is the reality.

Of course, there is some assistance, but concerning cull cows, there is a real problem. It was submitted to me and I submit it in a more particular way. Several producers told me that they were losing many thousands of dollars each year. Obviously, this is significant for a farm.

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Mr. Speaker, I would like to thank the hon. member for Chicoutimi—Le Fjord. I thank him for agreeing to split his time with me. Like me, he comes from an area where there is a lot of agriculture, a lot of milk producers. We know that it is also in his area that a very unfortunate event occurred. Indeed, a cow was killed in front of television cameras. We do not agree with such a thing, but we understand it.

The situation is now very critical for farmers and milk producers in Quebec. The minister did not even deign to go meet them today in Quebec City, where the Union des producteurs agricoles du Québec is holding its convention.

This is a truly important motion. Maybe they should listen to it on the other side. I come from the communications sector, so I know that through repetition we can get our messages across. Maybe if I read the motion once more, the government will do something about it. The motion reads as follows:

In light of the inadequacy of current federal assistance, that this House call upon the government to implement specific measures as soon as possible to help the cattle and cull cattle producers who are suffering the impact of the mad cow crisis.

It is as simple as that. The situation has not been resolved. Fortunately, the UPA and the Quebec government announced today an agreement with the Colbex meat packing plant so that cattle producers can finally own up to 80% of a plant, according to the information we obtained. We know, however, that the federal government is not part of this agreement. It is dragging its feet once again. Fortunately, Quebec worked things out. This does not mean that there is no demand or need for assistance.

Normally, we rise in the House to say that we are pleased to speak about or debate a certain subject. Since my election, that has been my practice. However, today, I am not pleased, far from it, to rise to debate the mad cow crisis yet again. I did so on October 12, in a take-note debate that began on October 5. At the time, I did it to demand assistance for producers in our regions and in Quebec. Over one month later, we are forced to demand once again this very important financial assistance.

What Quebec producers are asking for is more money for producers of cattle and cull cattle, targeted measures to compensate cull cattle producers and the extension of existing programs at least until the U.S. border re-opens. Despite President Bush's visit, this matter is yet to be resolved. He spent more time talking about the missile defence shield than the softwood lumber problem or the mad cow crisis, unfortunately.

Eighteen months after a single case of mad cow was identified in Alberta, we continue to debate it here today. However, just a few days ago, the Minister of Agriculture and Agri-Food recognized that there was a problem with cull cattle. Subsequent to and despite such assistance packages, he repeated today, during his speech, that he recognized that the problem was ongoing. That is what he said during oral questions. So, why are we still here today discussing the problem, this crisis, and arguing?

While the minister is hiding behind false pretexts to avoid meeting the agricultural producers who are gathered today in Quebec City, the situation is about to explode. The producers, who are angry, and rightly so, are besieging the slaughterhouse of Saint-Cyrille-de-Wendover. Perhaps that blockade will cease, now that the agreement in principle has just been signed, fortunately. That slaughterhouse is not located in my riding, but it is very close; it is in the Centre-du-Québec region where I come from. Let me remind you that the region is a very large dairy production area, counting more than 1,500 farms, or 16% of the dairy production in Quebec.

Those producers are asking for a minimum price. Incidentally, the Union des producteurs agricoles and the minister of agriculture of Quebec have asked that the federal government invoke the Agricultural Products Marketing Act and impose a minimum price of 42¢ a pound. The minister has refused, forcing the dairy and beef producers to fend for themselves. Nevertheless, they have all agreed on a minimum price to be reinstated, since the federal government has refused to do so. We managed on our own, as we often have to in Quebec, unfortunately.

Their lot: a price of 17¢. This is what we have known, from 15 to 20¢ a pound, until very recently. On the other hand, prior to the embargo imposed by the United States, producers could charge up to 60¢ a pound.

### Supply

In the wake of the blockade, the slaughter of a cow, live on television—I mentioned it a moment ago—and of President Bush's fruitless visit, what is the federal government waiting for to institute real targeted aid measures?

• (1635)

Despite the minister's fine words, these programs will not take us to the day the border might reopen, that is six long months from now. Some of these support programs have already expired and the last of the federal programs will come to an end on February 28, 2005.

Where is the direct aid to make up for the drop in the price of cattle? Where is the interest free loan program? These are two measures Quebec producers have been waiting for. The president of the UPA Centre-du-Québec, Mr. Denis Bilodeau, whom I know very well, has said that they were ready to spend the whole winter in front of the Colbex plant if they had to. That was before the agreement in principle we spoke about was reached. That shows how desperate these people were. They were so frustrated they were ready to do anything to be heard. Quebec listened to them, that is all. We wonder if anyone on the other side is listening. I do not think so.

Does the minister realize that there is a crisis and will he take his responsibilities?

Yesterday, I read an article on the Internet site of the *L'Express/La Parole*, a Drummondville newspaper, where a producer from Saint-Rosaie—that is also in my riding—drew a pretty alarming picture of the situation, and I quote:

We no longer sell our cows, we give them away. The income from cull cows can usually make the difference between a good year and a bad one. We are more than fed up.

I do not know if *écoeurantite* is translatable. It means we are totally fed up, that we have had it, that we can't take it any more, that we have had it up to the eyeballs. It should be obvious how fed up we are.

I am asking the minister to listen to this cry from the heart from the 25,000 agricultural operations affected in Quebec and thousands of others elsewhere in Canada. Regardless of what some may say, the sovereignists are fully aware of what goes on elsewhere, and the mad cow crisis did of course first hit Alberta and then all the other provinces. That was because Canada was not capable of regionalizing health practices, as in fact it still should today.

In Quebec, the losses add up to \$241 million, even with the financial compensation that has been paid out so far. The minister is coming up with a figure of millions and millions, but what has to be kept in mind is that we in Quebec are still \$241 million in the hole.

So we do not want to keep hearing from the minister about his plans. Laurent Pellerin, the head of the UPA, has said the following:

Ottawa keeps on dishing up one inappropriate program after the other, and these do not reflect the specific nature of agriculture in Quebec—

This is part of a November 30 press release from the UPA.

What the producers are calling for, in addition to a base price for cull, is an assistance package to compensate for the price drops for all classes of cattle and other ruminants, to be kept in place until the borders reopen.

*Supply*

Today, stock is selling at ridiculous prices, as has been said, up to 87% less than before the crisis. We have all heard of the case of the cow that went for 7¢, not 7¢ a pound but 7¢ for the whole 2,000-pound cow. My colleague from Montcalm has also shown me a cheque for just over 50¢, 56¢ I think it was—

**Mr. Roger Gaudet:** It was 57¢.

**Mr. André Bellavance:** It was 57¢, so one cent more.

**An hon. member:** Per pound?

**Mr. André Bellavance:** No, it was a cheque for 57¢ for one calf. That is what someone in his riding got. A producer from Sainte-Clotilde-de-Horton in my riding told me this past weekend that he would rather keep his animals than give them away or, worse yet, have to pay to dispose of them. But you can imagine what it costs to maintain stock that ought to have already gone to the abattoir.

How a producer who loses \$500 a head each time he sells a cow is supposed to survive this crisis? The best he can get for a cull cow is \$250, and the meat of that cow sells for \$1,200 on the retail market. This has been going on for 18 months. Packers are the only ones making money with this crisis.

Debt and distress often breed despair. Some producers auction off their hard earned assets. Others even take their own life, as we saw recently on Radio-Canada's *Le Point*. This is not a soap. This is real life. For 18 months, the federal government has let down producers who have been working hard for many years, sometimes up to a hundred hours a week, to the point their situation is intolerable.

Let me conclude with this. The minister and the government have been repeating for 18 months that millions have been spent, and we should quit raising this issue. This is not the way it works. Liberals are asking us for concrete solutions. Here are some: a direct assistance program to compensate for the low prices and an interest free loans program. This is what we are asking for and insisting on. This is what is being asked for also by the UPA and the Quebec government, both of which have tried to do something since the beginning of this crisis, as my colleague from Chicoutimi—Le Fjord explained.

I ask the federal government to assume its responsibilities and do the same.

• (1640)

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, I appreciate the speeches made by my colleagues from Richmond—Arthabaska and from Chicoutimi—Le Fjord. I know those two regions, Saguenay—Lac-Saint-Jean and Estrie, very well.

Indeed, in those two regions, the dairy industry managed to survive and find stability through a supply management system.

My question for the hon. member for Richmond—Arthabaska is the following: would he be in favour of a supply management system for the cattle industry?

**Mr. André Bellavance:** Mr. Speaker, I thank my hon. colleague for his very relevant question.

Indeed, the supply management system is very important for Quebec farmers. However, there was terrible concern from the

federal government's side of things over the past few years. In Cancun, in 2003, we came very close to losing the supply management system during negotiations.

Thankfully, we made it. There was, however, a very strong agricultural lobby during the last election campaign. In my riding, they had to twist the Liberal candidate's arm to get her to sign the famous GO5 on the supply management for the five agricultural sectors.

This all boils down to the fact that there is still a tremendous amount of work to be done on the federal government's side. However, this system is very dear to our hearts and we will fight tooth and nail to maintain it in Quebec.

**Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.):** Mr. Speaker, I sat through this debate. I listened carefully to the Bloc Québécois' demands. However, I did not hear anything in the way of solutions. There were many critical remarks. In my opinion, those critics went very far, but I won't go there. We have already said that unfortunately the minister could not be at two places at the same time. However, he has already met with the community concerned.

I would like to ask a very direct question to the member who just spoke. He offered a solution that we already raised with the minister and regarding which he said in his speech that a number of measures had been introduced.

However, is there anything more than words that the member could offer as a practical solution—not criticism—regarding this important problem that this government and this minister in particular have really taken into consideration? I think all the members here in the House should agree that he has a good knowledge of this issue and that he has proven that a few measures have been introduced already. In fact, he also said in his speech—and we are going to repeat it for the benefit of Canadians listening to us—that there is still a lot of work to be done and that he is ready to do it, in cooperation with colleagues who are welcome to suggest solutions to this problem.

I am asking the member who just made what I consider a critical speech what concrete solution he can suggest.

• (1645)

**Mr. André Bellavance:** Mr. Speaker, we have no choice but to criticize, when the government is so insensitive. That is the problem. Obviously, it is not because we criticize that we cannot make constructive suggestions. That is what we are constantly trying to do. However, I have the impression that our suggestions have not been heard.

The member opposite asks me what could be done concretely. I have said it in my speech, but I can repeat again. We ask for more money for the livestock and cull producers, targeted actions to indemnify cull producers and the extension of existing programs, at least until the reopening of the American border.

I do not think the criticism was directed at the minister's or the government's efforts. They are doing their duties. This is what we are proposing and demanding. We did not invent that today. We have been talking about that for 18 months. Quebec farmers producers have been demanding that for 18 months. If the minister had done his homework, as the member suggested, we would not be here today, on December 2, one year and a half after the outbreak of BSE in Alberta, discussing this terrible issue which is causing major problems to our producers. The problem would have been solved and farmers would have received financial aid to help them survive until the Americans finally reopen their borders.

[English]

**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 Selkirk—Interlake, Agriculture; the hon. member for Battle River, Government Contracts.

**Mr. Tony Martin (Sault Ste. Marie, NDP):** Mr. Speaker, I appreciate the opportunity to participate again in this debate. It has been a little less than two months from the last time we discussed this in take note debate. The crisis still looms, particularly for small farmers across rural Canada, no less than in my backyard in Algoma.

I do not want to sound like an ingrate, so right off the top I would like to thank the minister for his efforts on behalf of some of my farmers. He met with a farmer who drove nine hours to listen to that take note debate. He took time out of his busy schedule. He had his senior policy adviser, Mr. Gary Holman, meet with the farmer. They worked out some details in his personal circumstance. Some promises were made, and were followed up to some degree. That is what I want to talk about today.

First, I want to put on the record that we are thankful to the minister for the time he gave us, for his efforts and for the degree of success we had with his assistant, Mr. Holman. However, there are still many challenges.

It was refreshing to hear the member for Glengarry—Prescott—Russell say that he also understood that these were very serious and major issues. I think nothing is more important to any of us here than the food we eat and those who produce it. If they are in stress and having difficulty finding the resources necessary to keep their operations running and successful, then all of us suffer. Our whole society becomes stressed and in trouble.

The member noted that he had heard from some of his own farmers, as have I. The member for Timmins—James Bay earlier said that he had talked to his farmers. He said that when he heard this debate would take place today, he took the time to phone his farmers to hear their views on this issue and how it affected them. What he shares with this place is current and it is real information from his farmers.

The member for Glengarry—Prescott—Russell shared some of the same information. He has heard from his farmers that there are problems and that they are having a difficult time. For example, banks are not being as patient as they perhaps should or could be in this instance. They are putting pressure on some of the small business people, those farmers who are trying to get themselves through the winter in the hopes that the border will open some time

### Supply

in the near future. Then they will be able to once again sell their livestock across the border. This is their livelihood. Over generations, they and their families have put their blood, sweat and tears into it, and they want to continue to do that.

I had suggested to the minister that he sit down and talk to some of these farmers. However, the minister has a call on his time to travel, to sit in cabinet and attend other meetings. He has to be out in the world to find out what other markets might be available to us. He may not have the same kind of time as an individual member might to sit down at the kitchen table and talk to farmers about the day to day challenges they face when they get up in the morning until they go to bed at night.

I suggest that he find some time. I think that is where we will find the answer to the challenge we face today, and not just for the immediate future but for the long term. When we deal with the immediate and when we talk to the people directly affected, we find the future unfolds in a better and more positive way. Farmers have a lot of the answers. We sit here, we read papers that are prepared for us by the experts and the policy analysts, but do not understand.

**Mr. Lee Richardson:** Speak for yourself.

**Mr. Tony Martin:** For the member who said “speak for yourself”, it is important for him to do the same thing. He should get out there and talk to some of his farmers. Then he can come in here and participate with us in a positive, constructive way and try to find an answer to this very real challenge that our constituents face.

• (1650)

My colleague from Timmins—James Bay was very eloquent today in sharing of some of the stories that he has heard. One of the stories that touched me the most was the story that he told about being at a farmer's market just recently where there were no farmers. He asked the question, “Where are the farmers?” A person said “Nobody cares about the farmers anymore so they're not coming. Nobody wants the farmers”.

That is just the furthest thing from the truth. If that is what farmers are feeling, or if that is what farmers are hearing or reading into the way we are dealing with them, or giving the leadership in the House in terms of how we help them in these very difficult circumstances, we have a problem. We have a real problem that we are not going to get to the bottom of until we say to those farmers, in the way that we meet with them and in the way that we listen to them and respond to the things that they say to us, that they are important. They are in fact the base upon which almost everything else that we do is built.

We know the Bloc members have concerns. They are members of the party that raised this today in the House. They have farmers who are having a difficult time and struggling through this dilemma that faces us as a nation. I am pleased that they brought this motion before the House today.

The Conservatives, including the one who threw that comment across the way a few minutes ago, sincerely and legitimately want some answers to this question as well. All of us need to take advantage of this moment that we have, as a minority government, to sit down together and stop using this real dilemma for real people as a political football and find some real answers for people.

### Supply

We have a minority government. We have not had one for over 25 years. It presents, in my experience so far and I have only been here a little while, some really neat and positive opportunities to actually sit down across the table with members and come up with answers. Everyone can feel they have some ownership of this issue and will ultimately help their constituents, in this instance their farmers, find some answers and get something done that will be helpful to them and move them on.

Our farmers, like the farmers in so many other parts of the world who struggle yes, but in some instances are doing better, must feel like there is a future for them, feel like they are appreciated, feel like the work that they do is valuable, and that they in fact have a right to expect that the farm that they work on will be there for them to hand over to their children and their children's children as we move forward.

We cannot simply walk away from this and allow those farms to shut down because we did not pay attention, we did not hear, and we did not care enough. The big corporate farms, that are moving into so many parts of our world today, are destroying a way of life that we all appreciate. We want family farms to continue to be valuable today, that we do not wake up one morning and find that the family farmer has gone.

One of the things that struck me about the debate that we had the other night was the notion of the family farm. Mr. Tindall, a farmer from Desbarats, brought his family with him because that is how he works his farm. He works it with his family. It is a family enterprise. It is a family operation. I would suggest that most of the small to medium sized farms in this country are run in the same way.

We owe it to them to give them our best effort and to take advantage of this moment as a minority government to find ways together to find some common solutions. The program announced in September is not working. The original program, however well intentioned, that was rolled out a couple of years ago when this challenge first hit us did not work either. It did not work for the farmer.

We have to start, and there is no pun intended, from the ground up, from the grassroots, our farmers. What do they need? Do we want them to be able to do their work? If we do, as I wrote in a letter to the minister a couple of weeks ago, the minister should continue down that path to review the CAIS program and include some ordinary small producers on that panel, so that he has the advantage of their experience.

As well, as I said in that letter, he should find a way to take the money away that is being flowed into the CAIS program for these rather unusual circumstances of the border closed and BSE, because it is affecting what those farmers need to get through one day to the next and one week to the next. He should look to see if there is some way he can do that.

He knows and I know that the big packers that got a substantial amount of money in the first program do not have to factor that into any subsequent or further relations or dealings with the government.

• (1655)

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I appreciate the hon. member's comments. I have

a comment and a couple of questions, and I will take the opportunity to answer part of his question.

In terms of the review of business risk management which he referred to in his letter, I fully agree with the member that it is important that producers and members of the industry be part of that review. That is why we are ensuring that at a minimum, 50% have to come from industry. That is appropriate because the review needs to be driven by those who are experiencing the issue.

The hon. member makes another important point by making the distinction between the income support program that deals with the impact. He has made it crystal clear that he believes there needs to be some changes and he does not believe that it is as effective as it should be. We agree with parts of it. We may disagree with other parts of it, but we will work together on that.

The other component part is the structural issue, which he says differs from CAIS. We need to address some specific issues to change the way the industry operates. I would be most appreciative if he could perhaps give some input on some of those things in terms of the development of slaughter capacity and how to deal with the oversupply?

• (1700)

**Mr. Tony Martin:** Mr. Speaker, we have allowed the processing industry to become situated in too few hands and to become almost monopolized by too few big operators to the detriment, as the Bloc leader said this morning, to more regional development.

He talks about money that is available for new producing operations in regional areas, for smaller producers. Perhaps co-ops, owned by farmers who have some stake in that, might be a way into the future that would be more helpful and sort of inoculate us against what we have seen over the last couple of years with the closing of the border.

That is something that he might look at, although I must say, in tandem with my colleague from Timmins—James Bay, that the way the government is getting the money into the hands of people who want to set up these new production facilities is not as helpful as it could be. Loan guarantees and those kinds of approaches are not helpful to farmers who are having a difficult time getting by from one day to the next. They are looking forward to perhaps being involved in a production operation of their own.

[Translation]

**Mr. Roger Gaudet (Montcalm, BQ):** Mr. Speaker, my question is for my hon. colleague from Sault Ste. Marie and concerns supply management. This may be an opportunity for the Minister of Agriculture and Agri-Food to find information to help resolve part of the dispute. We will remember that the supply management system is a Canada-wide initiative.

Take butter oil, for example. From 1997 to 2002, imports increased by 557%. Had it not been for these imports, our producers' incomes would have been more than \$500 million higher.

Second, the same is true for cheese sticks. These were a source of income that did not cost the government a cent.

Third, several producers told me about a 7¢ a litre increase for farmers, but not for the industry or the retailers. These are three solutions at no cost to the government. I cannot fathom how, in the 11 years it has been in office and with the number of civil servants working for it, the government did not think about that.

I would like to hear the hon. member for Sault Ste. Marie on this.  
[English]

**Mr. Tony Martin:** Mr. Speaker, I agree with the member. I believe in supply management and we should be extending it. There are two agendas at play here in the farming community. There is the agenda of the big corporate producer, the big corporate farm, and the distributors out there. Then there is the agenda of the small farmer. Any of the small farmers I talk to, when they are sitting down and being frank, say that they like the idea of some kind of supply management, some way of ensuring that from one year to the next there will at least be a base that they can count on.

We have a problem however. We have an industry primarily driven by big operations. They are now affecting the farmers and it is highlighted because of the BSE border closing. I do not think that is healthy.

[Translation]

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, I commend my colleague from Sault Ste. Marie for his excellent speech, as usual. I also would like to thank him for sharing his time with me.

I would also like to acknowledge the presence of the minister in this debate. I think it is important. I have no doubt about his sincerity. However, I think that the steps taken so far are clearly not enough in view of the present situation. This is why I commend the members of the Bloc Québécois for moving this motion, which is extremely important.

The fact is that the mad cow crisis is having a devastating impact on whole areas of our country. I firmly believe that a majority of members in this House will support this motion when it comes to a vote.

The motion raises a fundamental question which also deals with the principle on which a sound political policy is built.

Allow me to read the part of the motion which calls upon the government to:

—implement specific measures as soon as possible to help the cattle and cull cow producers who are suffering the impact of the mad cow crisis.

The House asks the government to deal with the urgency and scope of this crisis with political measures designed specifically to meet that urgency and scope. Instead of kowtowing to the Americans, the government should take specific and significant steps.

Members will recall how, in May 2003, a single case of mad cow disease turned the whole Canadian beef industry upside down.

• (1705)

[English]

The announcement of a single case of mad cow disease in May 2003, including the cow calf sector, sent cash receipts plunging to

### Supply

\$5.2 billion, or 33% below the \$8 billion in receipts for 2002. In a study on the repercussions of BSE on farm family incomes, Statistics Canada estimated that every \$100 million in cattle sector exports would have added \$80 million to Canada's GDP and created up to 3,000 jobs.

[Translation]

According to Statistics Canada, the result was a \$2.5 billion drop in our exports, which, for the Canadian economy, meant, roughly, a \$2 billion decrease in real domestic product, a \$5.7 billion drop in total production, a \$1 billion drop in salaries and, as we well know, a loss of some 75,000 jobs.

[English]

Those are the harsh and cruel facts.

It has been 18 months since the first and only mad cow was discovered in Canada. One has to ask what the government has done to match, in terms of solutions, the enormous problems posed by this crisis. I think it is fair to say that it has been largely to sit down and hope for the best, lobby a bunch of friends south of the border, throw in some band-aids to appease 100,000 farmers facing ruin and then hope for the gates to open.

In his recent book, *A Short History of Progress*, renowned historian and philosopher Ronald Wright remarks:

A telling feature of the real mad cow disaster is how long the British government did nothing except hope for the best.

This sort of hope is driving our cattle industry and our farmers literally crazy given the devastation in the communities.

With great fanfare, a temporary BSE recovery program was announced in June 2003. This program failed to help cattlemen and cattlemen who were confronted with plummeting prices and was based on the idea that the borders would soon reopen. We know they have not.

The program encouraged farmers to slaughter their cows, which is what they did, which drove prices even further down. As prices went down, bankruptcies and suicides went up. The profits of the processors went up as well.

We then saw a series of changes to those programs trying to address the issue as it went. All of that was based on the premise that the borders would reopen soon. Since 40% of our cattle production depended on the borders, this has become a real mess.

In fact, many observers, including the House of Commons Standing Committee on Agriculture and Agri-Food, believe that the packers, Tyson and Cargill in particular, indirectly received most of the government funding because of flaws in the program. The government program bought slaughter obligations with the funding, and the money went to the slaughter houses and the profits went to the packers.

### *Supply*

For the larger part of 2003, the government tinkered with the program to avoid confrontation and threw in more, what I consider to be band-aids, in preparation for the 2004 election.

The government hoped for the best and largely avoided action, avoided confrontation with the U.S. federal agriculture minister, avoided concrete action for Canadian farmers to the measure of a catastrophe that the industry is facing and, of course, I believe avoided pressing the issue with George Bush during his visit to Ottawa, though he was confronted with an Alberta beef steak dinner.

The strong negotiations that are required have not been undertaken.

The appalling piecemeal approach to the Liberal agriculture policy has become crystal clear as we have seen this inaction around the BSE crisis to the measure of the catastrophe. Even though science has redeemed us again and again and indicated that our beef is safe, the American border is not fully opened to our beef products.

The federal government also chose not to pursue the NAFTA route, though the United States uses chapter 7 of NAFTA to shut down its borders. The Liberals justified this hope and wait approach in lieu of a chapter 20 challenge mainly because of the expected length of any such process, which could easily take up to seven months.

We are now 18 to 19 months after May 2003 and the border remains closed. Little progress has been made in negotiations. As we are now well past the expected seven month process of a chapter 20 challenge, does the original logic of forgoing a lengthy NAFTA challenge in favour of a negotiated settlement still stand? Of course not.

The BSE crisis, with its resultant loss of 75,000 jobs in Canada, and the impasse over softwood have clearly demonstrated our susceptibility to international trade disputes with the poor negotiation record of the government.

If the complex NAFTA trade mechanisms are unable to remedy this problem for Canadians, what can be done? What sort of precedent does this set for other bilateral and multilateral trade agreements?

If it takes another year to see some results from this government, there may be little left of our beef industry to save.

• (1710)

[*Translation*]

My colleagues of the Liberal Party will say that, recently, a few real decisions were made and that a few support programs were put in place. I would say that the credit should go to farmers and to the Canadian beef industry, which made their voices heard after many efforts. In practice, we have not yet seen anything that would really allow the industry to secure its future. After 15, 17 or 18 months, does the industry entertain false hope? I believe the industry to be extremely important. Concrete actions are needed.

[*English*]

On September 10 the hon. Minister of Agriculture and Agri-Food announced a strategy to assist the livestock industry. The word "strategy" was finally being used. This strategy includes continuing

efforts to reopen the U.S. border. However, because there has been no linkage to energy exports, for example, that strategy has not succeeded.

The strategy includes taking steps to increase the slaughter of older cows, with \$66 million being injected, and measures to sustain the industry, as well as looking for expanding access to export markets for both livestock and beef products.

There may be some progress but the decisions made by the government have not matched the size and scope of the crisis in our communities across the country.

Some of the legislative elements related to this package, which have not and should be concluded, are still up in the air, including agreements with the provinces. There are clearly big gaps in the strategy that must be addressed.

[*Translation*]

The big problem that the program is not fixing at all is that there are presently 500,000 cull cows in our country. These are dairy cows that are three years old or more, that are not capable of producing milk anymore, and that must be killed.

Before the border was closed, we were exporting some 40,000 cull cows every year to the United States. Not anymore, which explains why the price of hamburger meat, for example, is so low. That is the real problem.

I totally support the motion and I hope that all the members of the House will support it also.

**Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ):** Madam Speaker, I would like to ask the hon. member a question. We know that, in the last 18 months, a cow suffering from mad cow disease has been found in Alberta. We know that Alberta is more than 5,000 km away from Quebec. We also know that the President of the Union des producteurs agricoles, Mr. Pellerin, was in favour of autonomous health regions in Canada. If that system had been in place, Quebec and a number of provinces would have been able to continue to export their beef to the United States.

I would like to hear the comments of the hon. member in this respect and his opinion about health regions, as suggested by the President of the Union des producteurs agricoles of Quebec.

• (1715)

**Mr. Peter Julian:** Madam Speaker, I thank the hon. member for his question. As I mentioned before, it is not a scientific issue of whether Canadian beef is safe or not. It is a political issue, a question of negotiations.

We saw that in Japan, in the same situation, the Americans were able to negotiate some access for their products to the Japanese market. I think it is a question of firm negotiations. We export products in the energy sector, for example, that make up a large part of the American energy market.



*Supply*

Thus, when we talk about softwood lumber or mad cow, we are also talking about negotiations. Such firm negotiations will ensure that our products have access to the U.S. I do not think it is an issue of public health or pure science, determining whether or not Canadian beef is good. We know it is good and that it should be allowed into the American market.

It is a question of the political will to go and negotiate firmly instead of giving away all our trump cards as we have been doing. That is what happens in the energy sector; we give up. It is said that Canada is the biggest energy exporter. We will give you our energy and then, please, will you do something to sort out these softwood lumber and beef export issues?

In both cases all we need is the political will to say that we are going to negotiate based on our own cards, the Canadian cards, and arrange to put an end to this crisis which, in my opinion, is a purely political one that could be resolved with firm negotiations.

[*English*]

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Madam Speaker, the hon. member made the comment that he wanted to be assured that President Bush had been approached directly with respect to the border and BSE. I can give him that assurance, having done that personally.

In addition, he talked about the program of September 10 as being a repositioning program and said that he felt that was an appropriate route to go, if I understood him. He had some criticisms with it, which I understand, and I agree with him. However he also said that there has been no progress in respect of that. Through the work we have done with CFIA, by next week we will have two new federally regulated slaughter plants.

In terms of our set aside programs, we have seen very good recovery, not as much as we would like to see yet, but good recovery on fed cattle prices. We are seeing recovery on the feeder cattle side.

In terms of the additional markets, we have achieved success with the work we have done in Hong Kong, on the agreement with China, and the work being done and progress being made in both the Japanese and Taiwanese marketplaces. We have a managing older animals component of that program that has not been fully taken up. A lot of suggestions have been made on how we can turn that program into something that works better in terms of cull animals, and I do not disagree with that.

In terms of the September 10 program and those specific component parts, does the member have any specific recommendations on how he would like to see it approached differently so that we can get even more progress than what we are getting right now?

• (1720)

**Mr. Peter Julian:** Madam Speaker, as I mentioned at the beginning of my presentation, I do not doubt the sincerity of the minister. However the government has not acted to the extent it must given the size and scope of the crisis.

I made reference in my speech to band-aids. Given what 100,000 farmers are living through and given the loss of jobs in the Canadian economy, the measures have not been to the extent they must be to match the size and scope of the crisis. We have a \$9 billion surplus.

We have a crisis in this industry. I believe the measures should be stronger.

Recognizing the time delays, I would be pleased to fill in the minister at another time.

[*Translation*]

**Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ):** Madam Speaker, I feel a little sad having to take the floor today to speak about an issue I hoped would be settled several months ago.

I want to tell the House once again that the minister is hiding behind double talk. His reason for not going to meet the Quebec producers in Quebec City does not stand up.

The Portneuf—Jacques-Cartier riding is not far from Quebec City. Unfortunately, the agriculture and agri-food minister probably is not familiar with my region.

I will help him learn more about it. A little earlier, I called a producer in my riding whom I met several times in the past few weeks and months. His situation is desperate. He is about to lose his farm. Why? Because the minister does not do a thing to help him. That is what is going on today.

The minister will not meet farmers. He is not doing anything to help them. He is giving them ridiculously low sums of money, often in the wrong place. He has no leadership to offer.

Unfortunately, leadership is not this government's strong suit. Examples of this abound. Let me quickly give a few.

Today, even if it was somewhat off topic, we talked about the softwood lumber dispute, which, as we speak, is still not resolved. Part of the problem can be explained by the government's lack of leadership, of which this is a good example.

Let us take another example. During the U.S. President's visit, while the Prime Minister had said that they would not talk about missile defence, Mr. Bush put it on the agenda. That is known as leadership. One can support the policies of the President of the United States of America or not, but at least he is capable of showing leadership, something sorely lacking on the other side of the House.

What exactly is leadership? Today, the Government of Quebec showed some. How? We learned today that an agreement has been reached. Quebec's Minister of Agriculture, Françoise Gauthier, announced that the parties had reached an agreement on a floor price of 42 cents that would become effective, as far as we know, on December 6.

However, Quebec's Minister of Agriculture made it clear that the agreement had to be final. Otherwise, the Government of Quebec would exercise leadership and bring in special legislation. That is an example of what an independent Quebec could do if it did not always have to contend with the federal government.

### Supply

What else will this agreement in principle achieve? Producers would own 80% of slaughter capacity and this agreement states that ownership would take effect on December 20. In any event, the Quebec minister was very clear: if this transaction should fail, she promised there would be a special act to establish price, volume and an administrator. Now that is leadership.

Unfortunately, it has come to this. We cannot say this enough today; the minister is not doing anything. At least this situation is starting to get resolved for Quebec producers. We are pleased about that.

Unfortunately, this comes without federal support. Once again, this government is abandoning Quebec. It is unbelievable. Every time there is an opportunity to help Quebec, this government hides, does not take action, beats around the bush, studies the matter, comes up with a plan, has a process in development, but at the end of the day, it does nothing.

As we have mentioned many times today, producers have suffered enormous losses in the past year and a half. Initiatives by the Government of Quebec have not fully resolved the situation. Financial compensation beyond what Quebec is currently providing is needed to support our producers.

• (1725)

I say this in case the rumours of the past few days are true, that the border will reopen within the next six months.

Once again, this is an opportunity for the government to show some leadership. Unfortunately, judging from past experience, we can wait for a signal from the federal government for a long time, and I am certain today that no signal is coming, especially since the minister did not go to Quebec City today. Once again, he will find some excuse not to act.

He has done nothing. The government has done nothing. After a year and a half of our producers being in crisis, the government still has not found a way to convince the United States to reopen its border. If the government had been a little more proactive, we would not still be talking about this situation today. Solutions have been presented here in this House. Regionalization of agriculture sectors is one solution.

If the government had wanted to, it could have implemented that solution long ago. Again, I know I am repeating myself, but this government must understand that it lacks leadership. A single case of mad cow disease in Canada was enough to paralyze all our exports, from Vancouver to Newfoundland, from all municipalities throughout Canada and Quebec. The fact that health regions have not yet been regionalized is inexplicable.

On May 21, 2003, the president of the UPA, Mr. Laurent Pellerin, made a harsh criticism of the government when he said, and I quote:

If we were separate provinces each with its own distinct inspection system and if we had a more regional approach to product marketing systems, only one province would have to deal with this problem.

It would certainly have been a difficult situation for that province and I hope that, at the very least, the federal government could have helped this province to deal with the situation. But, again, allow me

to be skeptical. The federal government has shown, in each case, how ineffective it is.

Yet, there are simple solutions. We hear about financial compensation. There is no use in trying to convince producers in Quebec that the federal government cannot help them. It had a \$9.1 billion surplus last year, and if my memory serves me well, we are talking about a \$8.9 billion surplus for this year. Based on past predictions by the finance minister, the amount of this year's surplus is likely to be significantly higher. I have no doubt about that.

Not only has the federal government lacked leadership on this issue, but I am also convinced that it has been an obstacle to its solution. We should not forget that the federal government has rejected requests by Minister Gauthier for a floor price. On June 15, 2004, the agriculture authority stated that it did not have the power to force Colbex-Levinoff slaughterhouse, among others, to buy cull cows from the Fédération des producteurs de bovins. At the same time, the authority acknowledged that the federation could impose a floor price on animals it was selling, but that cattle remained subject to the auction process, which means that prices could go lower than the floor price.

• (1730)

At the time, the UPA and Minister Gauthier had asked that the federal government use the Agricultural Products Marketing Act to set a floor price. That was a few months ago. Why did the federal government not act immediately? No, it did nothing. That is why, on November 29, Minister Gauthier stated that she did not have the federal government's consent to set a floor price for all of Canada.

Once again, the interests of the producers in Quebec were sacrificed, and that is unacceptable. This point was made many times today, and I make it again.

Yesterday, I met with producers from the UPA. I travelled to Quebec City to meet them. It did not take me 72 hours. I made it back here in plenty of time to attend and take part in the debate on our motion. Do not tell me that the minister could not have done the same. That is incredible, and terribly offensive.

Earlier, I spoke with a constituent of mine who is a farm producer. The minister should go to my riding and meet him, because this producer wants to talk, he has things to tell the minister and he is not in a very good mood. I suggested that he listen to the debate, and he is listening. Unfortunately, he could not afford the luxury of watching us on CPAC, because he had to work on his farm. I interrupted his work, but I said, "Look, this is important. The minister is in the House and he does not want to go and talk to producers in the regions. Here is an opportunity to listen to him". His answer was, "I know, Mr. Côté, that he did not come to see us".

[English]

**The Acting Speaker (Hon. Jean Augustine):** It being 5:32 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 demanded and deferred until Tuesday, December 7 at the expiry of the time provided for oral questions.

\* \* \*

### MESSAGE FROM THE SENATE

**The Acting Speaker (Hon. Jean Augustine):** I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed certain bills, to which the concurrence of this House is desired.

It being 5:33 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

---

## PRIVATE MEMBERS' BUSINESS

[*Translation*]

### AUDITOR GENERAL ACT

**Mr. Benoît Sauvageau (Repentigny, BQ)** moved that Bill C-277, An Act to amend the Auditor General Act (audit of accounts), be read the second time and referred to a committee.

He said: Madam Speaker, it is always with a lot of emotion that the members participate in this part of our parliamentary life, that is the Private Members' Business.

For the benefit of the viewers I explain that while bills are generally introduced by the governing party, every day, parliamentarians exercise the privilege of introducing a private member's motion or bill. However, during their mandate or a session, individual members seldom have the opportunity to do so.

At the Bloc Québécois, we have made it a duty to introduce bills to respond to the concerns, aspirations and wishes of Canadians, after having consulted and heard what they have to say.

That is why I am very pleased today to introduce bill C-277, an act to amend the Auditor General Act (audit of accounts), in order to allow the Auditor General to act as auditor or joint auditor, firstly, of crown corporations; secondly, of certain other bodies established by acts of Parliament to which the Government of Canada has paid at least \$100 million during any period of 12 consecutive months; and, thirdly, of certain corporate entities without share capital in respect of which the Government of Canada has, either directly or through a crown corporation, the right to appoint or nominate a member of the governing body, and to which the Government of Canada has paid at least \$100 million in money or in kind during any period of 12 consecutive months.

What do these legalistic and very opaque words mean? The bill is quite brief. It means that at present, as we speak, the Auditor General of whose power, credibility and relevance within the government we are all aware, whose role and mandate is to ensure that public funds are well managed, finds herself prevented from examining certain public funds, those in foundations and in five crown corporations.

To simplify and summarize: this bill gives the Auditor General the right, power and opportunity to investigate, examine and audit all public funds.

### *Private Members' Business*

I am sure that those on the government side will say that most foundations, crown corporations and departments manage their money well. If everyone manages their money well, then they ought to agree with the Auditor General reassuring us every year that this money is well managed. Therefore, there should be no problem with this.

Which crown corporations not under the supervision of the Auditor General would become so if the bill is passed? I will name them; there are only five. Some are more special than others, but you will see they are all quite interesting.

There is Canada Post. At this moment, the Auditor General cannot examine the budget of Canada Post. We are not saying that there is no external audit; we are saying that the person doing the audit is chosen by the board of directors. That is rather unusual where public funds are concerned.

Some say that the Auditor General could look at the budgets and the management of Canada Post. She will not do so every year, but she could. After what happened with André Ouellet recently, it would be legitimate for the Auditor General to take a look at management and resource optimization within Canada Post.

Therefore, we have Canada Post, the Bank of Canada and the Canadian Race Relations Foundation. We do not want her to interfere with policy and decision-making or with day-to-day operation of these bodies. All we want is for her to review the management.

I was told after the bill was introduced that two are more sensitive, and I am quite open in this regard. People who know me understand that I am open to dialogue, discussion and amendments. We would have to see. The two are the Public Service Superannuation Plan and the Canada Pension Plan.

If, after discussion in committee, it is demonstrated that they are indeed problematic—the goal being to allow the Auditor General to do her job, and not create problems for anyone—we will see what can be done.

As far as the foundations are concerned, we are talking about the ones with a budget of at least \$100 million. We are not talking about just any local shore protection foundation. We do not want the Auditor General to keep an eye on everything that happens, all the time. This would be unfeasible or almost unfeasible.

We have heard that foundations have received large amounts from the federal government, but are beyond the scope of review by a truly independent external auditor.

● (1735)

Again, we can be told that there are external auditing mechanisms in place; however, the external auditor is named by the board of directors. This does not ensure full accountability, transparency and responsibility towards the Parliament.

I will give a few examples of foundations. Again, let me state very clearly that I am not accusing these foundations' managers of being dishonest or bad. All I am saying is that if they are, then we should let the Auditor General take a look at their books.

*Private Members' Business*

The Canada Foundation for Innovation received \$3.6 billion for its funding. The Canada Millennium Scholarship Foundation received, when it was founded in 1998, \$2.5 billion. Canada Health Infoway, founded in 2001, received \$1.2 billion. The Genome Canada endowment foundation received some \$300 million.

When they were established, these foundations received around \$9 billion. Today, \$7.1 billion is still beyond the scope of the Auditor General's review.

If Parliament adopts my bill, it is simply to reassure the public, which got really burned, obviously, during the sponsorship scandal. Its aim is to reassure the public that it is not only a portion of public funds that are well managed and well administered and on which the Auditor General has oversight. In fact, all public funds are subject to scrutiny by the Auditor General.

What is the idea behind this bill? It is not a result of the sponsorship scandal and it is not for strictly political reasons. The idea takes shape in three specific documents.

First, this idea is based on the report of the Auditor General, who is not a political person but an independent officer of the House. In April 2002, she tabled a report. I want to read some excerpts. The press release accompanying the April 2002 report stated, and I quote the Auditor General:

Substantial amounts of public money have been transferred to foundations. I am concerned by the limits placed on Parliament's ability to scrutinize them.

Later, she stated:

The audit found:  
 significant gaps and weaknesses in the design of delegated arrangements;  
 limits on what the Auditor General can look at, which prevents her from giving Parliament proper assurance that the use of federal funds and authorities is appropriate;  
 the "parking" of billions of dollars of the public's money in foundations, years before it is to flow to the intended recipients;  
 little recourse for the government when things go wrong; and  
 limited opportunity for Parliament to scrutinize these delegated arrangements.

Later in her report, the Auditor General says:

We found that the essential requirements for accountability to Parliament—credible reporting of results, effective ministerial oversight, and adequate external audit—are not being met.

Later still, she says:

With a few exceptions, Parliament's auditor should be appointed as the external auditor of existing foundations and any created in the future, to provide assurance that they are exercising sound control of the significant public resources and authorities entrusted to them.

Those are the words of the Auditor General. Later in her April 2002 report, she says:

—the essential requirements for accountability to Parliament...are not being met.

The last two excerpts from the Auditor General's report that I want to cite read as follows:

The creation of more foundations and the transfer to them of very large amounts of public money raise increasing concerns about the lack of adequate means for parliamentary scrutiny.

She goes on to say:

The auditor general should be appointed as the external auditor for foundations, with a few exceptions.

So that was back in April 2002. In accordance with parliamentary procedure as we know it, the Standing Committee on Public Accounts examined the report in April 2002, and its report was tabled in turn in May 2003. What was contained in that May 2003 report by the standing committee after its examination of the auditor general's report? There was one key recommendation which read:

That, for those foundations either created through legislation, or receiving significant federal funding—

They were talking here of \$500 million, which after discussion was brought down to \$100 million.

—the federal government appoint the Auditor General of Canada as external auditor of these foundations.

● (1740)

In response to this recommendation, the government said:

However, requiring foundations to accept the public sector type standards and operations as well as establishing the Auditor General of Canada as their auditor as identified in recommendations eight through thirteen, could undermine the independence of foundations, reduce their operational flexibility—

If the money is being properly managed, I have trouble seeing how this would reduce their operational flexibility. The government response was a bit odd.

So what we have here is a report released in 2002 and a response in 2003. Then in 2004, the auditor general said the following in connection with the public accounts:

For a number of years I have included in my audit report on the government's financial statements a discussion of my concerns about foundations. Since 1997, the government has recorded as expenses in its financial statements \$9.1 billion in transfers to several foundations—

So what she was saying is that she needed to see whether this had all been done properly. So what we have here is a report released in 2002 and a response in 2003, plus a repetition in 2004 by the auditor general that this needed to be corrected.

Being overly preoccupied with other issues, this government has neglected, forgotten or rejected its responsibilities concerning the supervisory power of the Auditor General. This is why, today, it is totally appropriate to recall these recommendations to the government party and to parliamentarians.

Following discussions with my colleagues from the New Democratic Party and the Conservative Party, I know that there seems to be some support for this, and I am very pleased about that. I hope that on the Liberal side, they will show the same respect for the powers of the Auditor General and the same interest when it comes to allowing her to review the totality of public monies. I do not want to accuse anybody, I only want the books to be open.

The government talked about transparency during the election. Our citizens talk to us of cynicism toward the political world. Let us open the books more; let us ensure greater transparency; let us allow the Auditor General to take a look at what is going on in the entire government machinery; let us not hide \$9 billion from the Auditor General through foundations. If we do so, we will probably increase somewhat the citizens' confidence in politics and we will ensure that all that money is well managed.

Concerning the Millennium Scholarships, let me remind you that we are in favour of their abolition. At the end of the day, we feel that departments should manage these programs but, in the very least, while these foundations are in existence, they should open their books to a truly independent audit. This audit should not be done par existing boards. Thus, confidence will be restored.

• (1745)

[English]

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, the member has an interesting perspective. I think the objective is right, but I am not sure if the approach is correct.

In his speech the hon. member mentioned that he has concerns because the board of directors would appoint the auditors; that is directly impugning the profession of chartered accountants. They are all subject to the same professional rules of conduct and ethics. They are subject to the same practices. They are all licensed. In fact, the Auditor General herself came through the same system and will probably go back to that.

I would think that maybe the objective of the member could be achieved as simply as saying that the appointment of auditors to any crown corporations or foundations should be subject to the concurrence of the Auditor General as to which firm it is. It could be quite simple.

However, I do not think it is necessary, simply from the standpoint that the accounting profession is well recognized as a professional, licensed body of well-trained professionals who are not in the pockets of any directors. They are subject to inspections of practices, training guidelines, et cetera. I raise this from the standpoint that I am concerned about impugning the accounting profession, saying that the Auditor General is somehow better than they are, and whether she even has the time.

• (1750)

[Translation]

**Mr. Benoît Sauvageau:** Madam Speaker, I thank the member for his question. It gives me an opportunity to clarify something.

I do not want to attack the accountants in any way, shape or form. I would not want this bill to be considered as a partisan or political bill either. However, it has not been prepared in this form by the Bloc Québécois. The Auditor General kept bringing it back for amendments.

For my colleague's benefit, I am not an accountant myself, but I would like to tell him that there is accounting being done within the foundations.

According to what the Auditor General says, the external auditors only make sure that the amounts are accurate, while the Auditor General—if I understood well—conduct a value-for-money audit, which is another form of accounting type audit, not only to make sure that the \$100 million that were in the first column are still in the second one, but also to find out how the money was managed.

The external auditors, like Samson Belair/Deloitte & Touches etc., simply do not have that kind of mandate when they are asked to make an audit. It is not that they are incompetent or dishonest. It is

### *Private Members' Business*

only that they do not have this mandate. That type of responsibility lies with the Auditor general.

I have a lot of respect for Samson Bélair/Deloitte & Touche and for other accounting firms. However, we must recognize that they do not submit their reports to Parliament. They submit them to the foundation. What role do parliamentarians play in the follow up on how that money was spent? None.

During the last election campaign, the Prime Minister said he wanted to increase the power of parliamentarians. I would find it very strange to voluntarily relinquish the power to increase our supervisory rights on the foundations' budgets. It is simply because external accounting firms do not have that mandate. It is not because they are not fulfilling their duties in a correct, honest or voluntary fashion, it is because their responsibilities are different. It is the role of the Auditor General to conduct this value-for-money audit, as she suggested in 2002, and as the hon. member's party agreed to in a report of the public accounts committee, which includes Liberal members and which recommended to open the books of all the foundations for the Auditor General.

[English]

**Mr. David Christopherson (Hamilton Centre, NDP):** Madam Speaker, I want to commend and compliment my colleague and friend from Repentigny. I sit with the member on the auditing committee of the House and I know of his passion for this issue.

I find it surprising that the Liberal member talked about the fact that we might impugn the motives of the chartered accountancy firms. I think they are all grown up and understand the checks and balances required in a democracy. Not only that, if we took that particular theory and applied it here we would have never had the sponsorship scandal in front of us, because who would dare impugn the motives of a minister of the Crown? This is all about checks and balances.

I was particularly intrigued by subclause 2(3), which talks about the fact that the Auditor General can determine himself or herself whether anything further needs to be done, perhaps an initial review. I would ask the member if he has had any occasion to come across a circumstance where the Auditor General would not be sent in because it is not in the best interests of Canadians.

[Translation]

**Mr. Benoît Sauvageau:** Madam Speaker, indeed, the Auditor General protects the best interests of Canadians. However, if we read clause 2(3), we can see that she may also act as joint auditor, which means that if the work has been done, she can simply approve it.

However, my feeling—and I hope I am totally wrong—is that when a bill is presented by the Bloc Québécois, the governing party does not look at it, does not read it. They immediately think, “If this bill is presented by the crypto-separatists, it must be bad”.

I hope I am wrong on this. I am convinced that the hon. member is intellectually above thinking that because a bill comes from the Bloc Québécois it is automatically bad.

*Private Members' Business*

• (1755)

[English]

**Hon. Diane Marleau (Parliamentary Secretary to the President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.):** Madam Speaker, I rise today to speak to Bill C-277, the private member's bill put forward by the member for Repentigny.

Bill C-277 proposes amendments to the Auditor General Act that would enable the Auditor General of Canada to act as auditor or joint auditor for all federal crown corporations and a variety of independent, not for profit organizations.

I will focus my comments on the proposal to expand the Auditor General's mandate to include not for profit organizations. However, before speaking on this, I would like to comment on the proposals relative to crown corporations.

In principle, I am very supportive of the Auditor General's oversight of all federal government entities such as crown corporations. After all, these organizations are owned and controlled by the federal government and are part of the federal government. It seems reasonable to me that Parliament's auditor should be eligible to act as their auditor or joint auditor.

[Translation]

Although the government agrees in principle with fostering more transparency to ensure that public funds are used as intended, we still do not believe that an amendment to the Auditor General Act is the best way to achieve this objective.

The government is examining amendments to the Financial Administration Act as it relates to Crown corporations. It is very likely that these tools will be more effective to ensure transparency and achieve the objectives of this bill concerning Crown corporations.

[English]

Now, with respect to the proposal for the Auditor General of Canada to act as auditor or joint auditor for private, not for profit entities, I would like to express my concern that such an expansion of the Auditor General's mandate could be seen as an intrusion on the independence of these organizations.

These organizations are independent of government. Unlike crown corporations, they are neither owned nor controlled by the government. They have their own members and boards of directors.

As members know, not for profit corporations and the voluntary sector are essential to Canadian life and the economy. Their independence is fundamental. I believe a key element of this independence is their ability to choose their own auditor. Without this, I believe many Canadians would be reluctant to work or volunteer in such organizations.

The bill proposes a \$100 million threshold in federal assistance in any 12 consecutive months above which the Auditor General would act as auditor or joint auditor. This appears to be a very arbitrary number and I believe would be extremely difficult and disruptive to apply. It would exclude organizations that receive just below this threshold even if they receive such annual funding every year.

However, it would include an organization one year and not the next year if the \$100,000 million threshold is not reached. This would be very disruptive to these organizations, as they would be required to change their external auditor to suit the varying levels of payments. As members know, the external auditor role is fundamental to any organization and there needs to be stability in their appointment.

[Translation]

Several not-for-profit organizations rely on the revenues of public sector organizations, whether they are from federal, provincial or municipal governments. It is precisely because governments recognize the importance of these organizations that they support them.

Governments are consistent in providing assistance to these organizations, and a significant element is an adequate government and a specific audit regime. The appointment of their own external auditor general is one of their fundamental rights.

[English]

I should also point out that the bill simply refers to payments in excess of \$100 million. As such, it covers all forms of payment, whether they be grants, contributions, payments for goods and services or lending activity. Some of these organizations could involve other levels of government and often do in their assistance or governance. It would certainly not be appropriate to impose Parliament's auditor on these organizations and risk alienating other governments in Canada.

It is very uncertain just how many organizations the bill would impact. In addition, while there would be additional costs to expand the Auditor General's mandate and accept such engagements, it is uncertain what the total of these costs might be.

Another aspect to consider is that the House is currently considering new legislation introduced by the Minister of Industry governing federal not for profit organizations. This proposed legislation would replace parts II and III of the Canada Corporations Act with a leading edge, modern corporate governance framework for these organizations.

It proposes to strengthen corporate governance and accountability rules so that not for profit corporations have the necessary tools to meet the challenges of the future. I believe this private member's bill may be congruent with the intent and spirit of the proposed Canada not-for-profit corporations act.

• (1800)

Putting aside the question of expanding the Auditor General's mandate to enable her to accept appointments as external auditor for such not for profit organizations, I do believe that Parliament needs to be comfortable with the governance, accountability and oversight regime with respect to the use of federal assistance no matter who receives this assistance and no matter what the amount.

However, there are many ways to achieve this that better respect the independence of these organizations.

*Private Members' Business*

Through existing policy frameworks and contractual arrangements with recipients of federal funds, the government should be able to ensure effective governance and oversight. Many of these regimes provide for performance reporting, audits, evaluations and other forms of oversight. If there is a need to explore ways to make these regimes more effective, then I would certainly be supportive of such.

[*Translation*]

An area in particular where the government has shown significant progress is not-for-profit organizations, sometimes known as “foundations”, which receive financial assistance directly. By being responsible in the use of public funds, the government is committed to keep the promises stated in the 2003 budget and reiterated in the 2004 budget. All these statements were made to demonstrate sound management.

[*English*]

Funding agreements are entered into between the foundations and the government through the responsible minister providing the funding to the specific foundation. The funding agreements are approved by Treasury Board and cover areas such as the purpose of the federal assistance to the foundation, reporting, audit and accountability requirements regarding the use of this funding, prudent investment vehicles for the endowment funding, and the expected results to be achieved from the specific foundation investment.

As with all not for profit organizations, officers and staff handle the day to day operations of each foundation appointed by the board of directors. The board is made up of individuals appointed under the governing charter. The federal government may appoint some directors, but in all such cases these would be in the minority. The foundation's membership appoints independent auditors to audit the financial statements, which must be prepared in accordance with generally accepted accounting principles. The government can undertake compliance audits to ensure that the terms and conditions of funding agreements have been respected.

I understand that the Auditor General Act already provides the Auditor General the power to inquire into and report on any organization receiving financial aid from the government. The expansion of the Auditor General's mandate as proposed by this bill could be seen as intruding on the independence of not for profit corporations in Canada.

That being said, there may be additional oversight measures that can be undertaken which would not be as intrusive, and I understand these are currently being explored.

The Auditor General does not need to be appointed external auditor for these organizations in order to provide additional oversight over the use of federal assistance.

In conclusion, I support the principle of expanding the role of the Auditor General as auditor or joint auditor of crown corporations on the understanding that the mechanism to put this into effect be examined. However, I oppose the provisions of the bill that deal with not for profit organizations.

● (1805)

**Mr. John Williams (Edmonton—St. Albert, CPC):** Mr. Speaker, I want to compliment my colleague from the Bloc Québécois for Bill C-277. There is no question that his heart is in the right place and in the right area. I am glad to see that the member speaking on behalf of the Liberal Party is going along with the idea that, yes, we need more accountability in this place.

I also support the intention of where Bill C-277 wants to go. Perhaps when it gets to committee it will have to be amended but I support the intent. What we need to talk about here at second reading concerns the sponsorship scandal and what happened when the Auditor General pointed out that the government had received little or no value for \$100 million. We know that crown corporations were involved. For example, Canada Post was exempt by legislation from being audited by the Auditor General.

We know that Canada Post was very much into the sponsorship scandal and working with the advertising agencies and so on and so forth. After that it turns out that the president, CEO and chairman of the board was getting expenses reimbursed without any documentation. Then we found out that the audit committee had not been doing its job. We really need to know what is going on over there.

Canada Post is a crown corporation that has a monopoly in this country to deliver mail. Nobody else is allowed to do it. Canada Post is going to put the prices up again. I know the minister says that it is less than the cost of inflation. However we have no idea if that organization is being run efficiently and effectively. We have no value for money audits coming from the auditors of Canada Post. We have no capacity in this place to examine what the auditors are doing. We cannot bring them in and ask them to give us some real facts so we can see what is going on down there.

The bill is a good idea. When we take a look at the foundations, as was pointed out, they had about \$7 billion sitting in their bank accounts which we had given them to do good work in society, the health innovation foundation, the scholarship foundation and so on. These were things that we approved in this House thinking that the money would be spent for the benefit of Canada and Canadians.

What happened? Canada Post put it in the bank as if it was its own money. Guess what? It pretty well was its own money. When we dealt with this issue at the public accounts committee the deputy comptroller general told us that they could not even get the money back. If the government decided to wind up the foundations and say that was it, that they did not want any more of this, then where do members think the money would go? It would not come back to us. It would be divided among the recipients who already received money from the foundation.

It may have changed since then. After we rapped the knuckles of the government at the public accounts committee, it decided it would see if it could make some changes. However it found out that it had no capacity to impose any change on these foundations unless it gave them more money.

*Private Members' Business*

We must remember that Canada Post had \$7 billion in the bank. How much more did it need? We had to give it more so we could change the agreement. This is the nonsensical type of stuff that needs to be stopped. Therefore it is important for the Auditor General to go where she needs to go in the Government of Canada.

It is the old checks and balances thing. If people think the Auditor General will be showing up at their door, then we know they are going to suck it in and get it done right.

What about the privacy commissioner? He thought he was too small, with only an \$11 million office budget. He did not think the Auditor General would come knocking on his door because he was just small potatoes. Then, of course, when it all started to unravel and fall apart, the Auditor General did go in and then we found that there were illegalities going on over there. They were spending money that was not even authorized by this place.

I stood up on a point of order and I said that the office had to be fixed and that we needed that money back. Unfortunately, and a disappointment to me and everyone else in this House I am sure, the government thought of every eventuality. In the event that the government spends money that is not authorized by this place, and it is fundamental to our democracy that we authorize it before it spends it, the line in the Financial Administration Act says that is okay and that we should not worry about it. The government can put a note in the public accounts when it is tabled saying that it is okay.

It did not even require a supplementary estimate to come into this House to be debated. It just had a little line saying that we should not worry, that we should be happy and that it was okay; it was illegal but it was okay: the sponsorship program, the foundations, Canada Post.

• (1810)

What about VIA Rail and the Business Development Bank? They were both wrapped up in the sponsorship scandal too. Why can we not take a look at them and do value for money auditing?

The intent of the bill is honourable and good and we do need to support it. As I say, it may need some tweaking in committee.

The other thing I wanted to mention has to do with federal-provincial relationships. The government is entering into a number of relationships on such things as the child care policy, the child benefit and so on. The federal government and a provincial government get together and deliver a program but nobody has the capacity to audit the whole program. The Auditor General of Canada may be able to look at one half and the provincial Auditor General can take a look at the other half, but they cannot talk to each other and audit the whole program because that is against the law and they adhere to the law. Even though other departments do not adhere to the law, they do. Therefore we cannot get a combined report auditing the whole program. We need to be able to do that. It makes eminent sense, I would say, to be able to do that.

It is interesting that when they negotiate these agreements, they always seem to forget to negotiate the accountability section. It just kind of drops off at the end and is not there. It is time we, just by default, ensure that it is there. In that way Canadians can expect the program will be audited. Canadians can expect a report saying that it is fine or it is otherwise. If it is otherwise, then we take the

appropriate action and do what we have to do and start inquiries and spend \$40 million, whatever it is we are spending over at the Gomery inquiry, plus the RCMP investigation and so on and so forth. It is called accountability and it does not matter what it costs. Accountability is what keeps people honest and it is what promotes honesty and integrity. The more we have of that, the better off we are.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, I am very proud to rise in support of the bill put forward by the hon. member for Repentigny. It is important that he brought the bill forward today because Bill C-277 really touches the heart of why we are here. We are in this place to manage the finances of our federal government effectively and to make sure that taxpayers across this country, all Canadians, are aware that their money is being managed effectively.

I also congratulate the member for Repentigny because Bill C-277 is similar to a motion that I brought forward in the House on November 1:

That, in the opinion of the House, the government should appoint the Auditor General as the external auditor of foundations, with a few exceptions, and ensure that adequate mechanisms are in place for a broad scope audit of all delegated arrangements.

The motion that I brought forward in the House is similar to the bill that thankfully the member for Repentigny has brought forward today. It is extremely important. His bill goes beyond the scope of my motion and deals with crown corporations and foundations in an effective way.

We know very well that this is a fundamental issue. It is an issue because the Auditor General has flagged it, as we know. She said, "Substantial amounts of public money have been transferred to foundations". In her press release in 2002, which I will come back to as part of her report a bit later on, the Auditor General mentioned that she was "concerned by the limits placed on Parliament's ability to scrutinize them". She has raised this question of foundations.

She also mentioned in her 2002 report that her audit found: "significant gaps and weaknesses in the design of delegated arrangements"; that there were "limits on what the Auditor General can look at", which prevents the Office of the Auditor General from giving Parliament proper assurance that the use of federal funds and authorities was appropriate; that the "parking of billions of dollars of the public's money in foundations, years before it is to flow to the intended recipients" was something that occurred systematically.

Her report also indicated that there was "little recourse" for the government when things went wrong and unfortunately also "limited opportunity for Parliament to scrutinize these delegated arrangements".

Very clearly the Auditor General has flagged the issue of foundations and, in a broader sense, crown corporation moneys that are paid by Canadians across the country and are set aside and outside her scrutiny. We know with a great deal of assurance that Canadians support the Office of the Auditor General and the task she takes on with ardour and professionalism to make sure we know that the money being spent through the federal government is being spent effectively.



*Private Members' Business*

I was very happy to learn this week that the efforts of the opposition parties in three corners of the House to fight to eliminate the withholding of \$11.5 million in funding for next year for the Office of the Auditor General has been successful. That is another sign that this four-cornered House with four parties working together can help to resolve issues. It is unfortunate that the government chose to withhold that funding. Fortunately, due to opposition pressure, that funding is now being allocated to the Office of the Auditor General. Fortunately now she is not forced to lay off 85 of her employees. It was unfortunate that the government did not confirm this earlier, but again, opposition pressure made a difference.

We have talked about financial mismanagement. There are a lot of examples. We could talk about the \$9.1 billion that is dropped into unaccountable foundations. Very fortunately, Bill C-277 would help us to start address that important issue. There is also the \$46 billion employment insurance surplus, which we have talked about and which literally was made on the backs of workers and communities across the country.

We also know that the Liberal government consistently underestimates the budget balance. That is a total of \$86 billion. Also, other speakers have referred to the sponsorship scandal, which is in the order of \$250 million.

On the one hand, we have seen the mismanagement of funds from hard-working Canadian taxpayers across the country, funds that are being paid to the federal government in order to ensure that we build a better quality of life for all of us. On the other hand, we are seeing a situation in my area, for example, where homelessness has tripled.

• (1815)

Child poverty is not being reduced but is actually increasing. It is shameful that this is happening at a time when there is a budget surplus. In my community St. Mary's Hospital was closed this year, a hospital that was important and badly needed. Due to federal government cutbacks and bad decisions by the provincial government, we have seen the closure of that hospital.

We talk about the EI surplus and at the same time there is unemployment. Families are having a hard time making things meet because the social safety net is no longer there. There is growing child poverty and yet we have a surplus and there are corporate tax cuts.

We see this dysfunction between resources that should be available to all Canadians and how those funds are allocated. That is why I welcome the measure by the member of Parliament for Repentigny, to start to address that so that we know what is happening with every dollar that Canadians pay to the federal government.

Earlier I made reference to the 2002 report. I would like to come back to that for a moment. It is the issue around the financial accountability of some of these foundations. The 2002 Report of the Auditor General made reference to a number of these foundations and made reference as well to whether or not there was the overseeing of these foundations through the House and the Office of the Auditor General.

For example, on Genome Canada, the Auditor General mentioned in the 2002 report that there was no ministerial direction and action. There was no departmental audit and evaluation.

For the Canadian Foundation for Climate and Atmospheric Sciences, there was no reporting of expected performance to Parliament. There was no reporting of performance results to Parliament, no reporting of audited financial statements to Parliament, no reporting of evaluation results to Parliament, no strategic monitoring, and again, no ministerial direction and action and no departmental audit and evaluation.

For the Canada Foundation for Sustainable Development Technology there was no ministerial direction and action.

For the Green Municipal Investment Fund and the Green Municipal Enabling Fund, there was no reporting of expected performance to Parliament, no reporting of audited financial statements to Parliament, no reporting of evaluation results to Parliament, and no ministerial direction and action.

For Canada Health Infoway Inc. there was no reporting of expected performance to Parliament, no reporting of performance results to Parliament, no reporting of audited financial statements to Parliament, no strategic monitoring, no ministerial direction and action, and no departmental audit and evaluation.

These are issues that have been raised, thankfully by the Office of the Auditor General. Clearly, as one of the other members mentioned, accountability and good financial management are extremely important to all Canadians, to all taxpayers, and should be important to all parliamentarians. We welcome Bill C-277 because it effectively starts to address the issue of lack of oversight.

• (1820)

[*Translation*]

In conclusion, thanks to the hon. member for Repentigny, we have a bill that will begin to address all these problems that exist outside of government initiatives and that are currently being assessed by the Office of the Auditor General.

Indeed, in adopting this bill, we will increase the Parliament's scope for action as well as financial accountability, which is so important to Canadians.

I fully support this bill and I know we will have the opportunity to improve it at committee.

I salute the hon. member for Repentigny for this initiative and hope all the members of the House will support it.

**Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ):** Mr. Speaker, I am a new member, and, as such, it is with emotion that I stood the first few times, but I am very happy today to support Bill C-277, which was tabled by my colleague from Repentigny. In fact, this bill is meant to lower the unfortunate level of public cynicism towards politicians.

*Private Members' Business*

We have before us a government that pretends to promote transparency. We have before us a Prime Minister who pretends to be a champion in the fight against the democratic deficit. We have before us a finance minister who says it is respectful to provide faultless management. I am happy that Bill C-277 gives the government an opportunity to practice what it preaches.

This bill will give back to the House and to the members of Parliament some control over the management of funds, which had been removed from the scrutiny of Parliament, something that started back in 1997, when the Prime Minister, then Minister of Finance, began to hide billions of dollars in different foundations. That way, he could remove these funds from public debate and distort his real manoeuvring room. Huge sums of money were involved.

I was making a quick calculation this afternoon. An amount of \$9.1 billion was transferred within a number of foundations. If you add to that the \$9.1 billion surplus for last year and the estimated \$8.9 billion for the current year, we have a total amount of more than \$25 billion that has been concealed from public debate in this House.

A government member was talking a moment ago about the work done by external auditors within the framework of their duties. I must say that my colleague from Repentigny has quite aptly explained the difference. I would still like to come back to that aspect.

Let me give you a few quick examples of the difference between the work of an external auditor and the work the Auditor General could do when it comes to the auditing of foundations.

In 1997, the Canada Foundation for Innovation has received a subsidy of \$3.651 billion. As of 31 March 2004, that foundation still held \$3.122 million. This means that, over a seven-year period, that foundation only spent 14 % of its budget.

Of course, an external auditor will look at the figures, examine everything and, at the end, I suppose, conclude that effectively, according to generally accepted standards in external accounting and audit, all the figures are correct. On the other hand, the Auditor General, in such a case, could make recommendations. She could tell the government that is not normal for a foundation after seven years to have spent only 14% of the budget allocated to it by the government.

The same goes for the Canada Millennium Scholarship Foundation. As we know, the Bloc has opposed this foundation specifically because it was impinging on Quebec's jurisdiction. The scenario is somewhat similar. Only 20 % of the budget allocated to the foundation was spent since 1998. That is 20 % in six years. We can ask ourselves why the finance minister of the time, who is now Prime Minister, wanted so much to allocate these funds to the foundations since, clearly, they were not ready to hand out the necessary sums.

However, there is worse still, and this is incredible. In 2001, \$350 million was allocated to The Canada Foundation for Sustainable Development Technology. Today, as of March 31, 2004, this foundation still has \$347 million on hand.

Listen to this next one, because it is truly mind-boggling. In 2001, Canada Health Infoway got \$1.2 billion in financing from the federal government.

• (1825)

On March 31, 2004, the foundation had \$1,202 billion. Not only did it not spend the money obtained from the federal government, but it made even more money.

In the mean time, incredible needs have been mentioned since the return of the House. There are people living in extreme poverty in Canada and in Quebec. I will not go back over the opposition day of the Bloc Québécois. I think that we have demonstrated that the federal government is not doing its job.

All this to say that Bill C-277 introduced by my colleague from Repentigny, gives to the government an opportunity to act where, until now, it has only talked. I sincerely hope that the government members will support the effort by my colleague in the committee as well as in the House, so that Bill C-277 may be passed. This is really important.

Also, we must not forget that these foundations established by the government are not subject to the Access to Information Act. There must be a specific provision in their financing agreement for the members of Parliament to be allowed to use the Access to Information Act and find out what is really going on within these foundations.

It has been mentioned that the Auditor General did an excellent job in the last few years. I said earlier that foundations cannot be scrutinized by members of Parliament. Actually, in April 2002—this is quite a while ago, and we again return to the lack of leadership in the government—the Auditor General wrote in her report called “Placing the Public's Money Beyond Parliament's Reach” that, in her opinion, the information provided to parliamentarians about the foundations “is not adequate for parliamentary scrutiny”. She concluded that “the foundations had been placed beyond the reach of effective ministerial oversight and parliamentary scrutiny”.

Knowing that, is it surprising that those who do not get the chance to listen to our proceedings daily tend to be cynical? I wish more people in Quebec and Canada could follow our proceedings as regularly as possible, because I hope, somewhat naively I suppose, that they would view the politicians with less cynicism. But their cynical view of the government and its party would increase immensely. Maybe the government would then really work in the best interest of the people instead of wasting its time in different ways and failing to resolve problems.

I hope the House will pass Bill C-277.

• (1830)

[*English*]

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I want to simply make the point with regard to the debate that I hope this bill gets to committee.

There is a point about external auditors. When they report on financial statements, the auditor's report is two paragraphs long. It is not the same kind of report that we are accustomed to seeing from the Auditor General. The Auditor General's reports are more in the line of value for money. They look at specific activities on the broad range and whether or not objectives have been met. That is the difference.

To the extent that the bill is dealing with assigning external auditors, it could very well be that the facility that should be sought is for the Auditor General to have access to do special audits with special activities. The Auditor General does not even audit every department every year; it is on a selective, orderly and transparent basis.

It has been a very interesting discussion. I think everybody agrees with the objectives. How this would happen is something that should be discussed in committee so that we can have a good bill.

**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.

---

## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[English]

### AGRICULTURE

**Mr. James Bezan (Selkirk—Interlake, CPC):** Mr. Speaker, I want to return to a discussion I raised in question period, regarding the closure of the border to the Canadian cattle and ruminant industries. The discussion revolved around what the government proposed to do with the Americans to get the border open and what types of trade actions they would pursue.

As we know, in the last couple of weeks, since I raised that question in the House, some advances have been made in the renegotiation of the opening of the border by the President of the United States, and developing regulation through the OMB.

I want to ask the government and the Parliament Secretary to the Minister of Agriculture and Agri-Food to lay out for us what the government's plans are. We know from the announcement the President made in the press conference that the Americans are only looking at cattle under 30 months of age. Therefore, there are still some trade violations as it applies to the areas of other ruminants, those being sheep, bison and elk. Those concerns still exist, as well as what we will do with the mature animals and the trade that they used to enjoy.

We also realize the OMB process can become politicized. At some point down the road, there will be a stage in the next set period of time laid out by the President of having the regulations approved by the house of representatives and the senate. What the government's involvement will be in that process? Also, what is the government prepared to do in the event that the whole process becomes derailed? It could be thrown off for political purposes or because other animals could be to have BSE, on either side of the border.

### Adjournment Proceedings

Could the parliamentary secretary lay out for the industry and for us House what trade rules will be implemented and what the backup plan will be?

• (1835)

**Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.):** Mr. Speaker, I appreciate the fact that he has said in the last couple of weeks some advances have been made. All too often in the House there is little recognition for the good work of the minister and the government. I appreciate that the member has recognized this.

It is important to say that, yes, we have made every effort to reopen the border. The minister has said a number of times that we have made over 150 representations on behalf of not only cattle. It is important to mention the cattle and beef sectors. However, exporters of other animals and meat are affected by the border closure as well, such as the sheep, goat, bison and the sectors. We need to work strenuously in their interests as well.

Specifically on the member's question, we will continue to assess all the options available to us. We do not think that initiating a trade dispute at this time would be the best way to proceed. As the member himself admitted, we are making reasonable progress. We certainly want border opened quickly, if at all possible.

It was a great advance when on November 20 President Bush advised the Prime Minister that the United States rule had moved from the United States department of agriculture to the office of management and budget. That development is significant because it means we now have a timeline for the rule being implemented and borders being reopened to live animals. It remains, however, premature to speculate on the scope of the United States rule and what animals and products it will provide access from Canada as the rule will not be published until the OMB has completed its study.

From the government's perspective, we will continue to keep the pressure on the United States. The issue is mentioned at every meeting, including the meetings when President Bush was here. The minister brought the issue forward strenuously, as did the international trade minister. We are looking at it optimistically.

As well, we continue to work around the world to try to import our cattle and beef products elsewhere. We continue to increase our slaughter capacity in our country so that at the end of the day we do the best we can, as the Government of Canada, for Canadian cattle producers and producers of other ruminant animals.

**Mr. James Bezan:** Mr. Speaker, it does not address the whole issue of the other animals that are still shut out of the U.S. market. We know from what the President has said that the U.S. is only looking at animals under 30 months of age in the cattle industry. Therefore, the other sectors still have to be addressed.

*Adjournment Proceedings*

The Charlottetown *Guardian* reported last week that the parliamentary secretary was urging the federal government to retaliate against protectionist American laws that violated trade agreements and applauded Ottawa's decision to tell Washington it would respond in kind to trade measures that violated world trade organization agreements.

There is no question that some violations are happening. I just want to ensure that the parliamentary secretary is committed to ensuring that we proceed with taking the course of law in the event that things do not happen the way we want them to.

• (1840)

**Hon. Wayne Easter:** Mr. Speaker, it is important to note that the press clip from the Charlottetown *Guardian* relates to the Byrd amendment and the favourable ruling Canada received relative to the Byrd amendment. There are a number of products under WTO rules, under the rule of law, which we could retaliate against as a result of the way the Americans use our duties to subsidize uncompetitive industries in the United States. Therefore, there is a list of trade products that we could retaliate against.

On the BSE issue, that recourse is not necessarily available to us. However, we continue to look at all options. I want to point out that we have exported to the United States 267,000 tonnes of beef so far this year—

**The Deputy Speaker:** The hon. member for Battle River.

GOVERNMENT CONTRACTS

**Mr. David Chatters (Battle River, CPC):** Mr. Speaker, I rise this evening to discuss a question that I asked on November 5. The question was about a Royal LePage contract which was announced on November 2 by the Minister of Public Works.

The contract is for relocating staff with the RCMP, national defence and the Government of Canada. This contract was to replace the contract which was awarded in 2002 and later cancelled.

The new contract is over a five year period and is worth just \$154 million which an 85% reduction from the 2002 contract which was worth approximately \$1 billion, as announced by the Minister of Public Works on December 19, 2002. I hardly believe that Royal LePage would take an 85% cut in its fees to do the same work that the previous contract involved.

Since I asked my original question, I have discovered that the contract is essentially for consulting and management fees and that additional contracts will have to be signed for flow-through costs for third party suppliers, such as realtors, lawyers and home inspectors. Let me state this again. This new contract, which the government announced with great fanfare, is only for the management of the contract. It is not for the whole contract for the relocation of the employees of the federal government.

Some would say that the minister is misleading Parliament with his spin. The minister has claimed that the contract was open and transparent. However, when I asked him to table the documents relating to the contract, he would not do it. Why is that? Perhaps, Mr. Speaker, you can get me the answer.

If we add up the moves, last year the government moved over 14,700 employees. Over a five year period, that total adds up to over

73,800 moves. If the government continues to claim that this contract is the one and only, can it provide any documentation on how it is planning to hire lawyers, realtors, movers, house appraisers and only pay a total \$2,087 per move? I am sure Canadians would love to be able to move across Canada for only \$2,000.

Just so the House understands how I came upon the figure of \$2,087 per move, I will explain that the total contract, just over \$154 million divided by the 73,800 moves equals \$2,087.

It is plain and simple, Royal LePage, like any private corporation, is in business to make a profit. The way that the minister is trying to spin this contract, Royal LePage would go bankrupt very quickly. I do not believe that Royal LePage would sign a contract that would put the company at risk.

Is the minister willing to table in the House all the documentation relating to this contract?

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, I am answering on behalf of the Parliamentary Secretary to the Minister of Public Works and Government Services.

In December 2002 a contract was awarded to Royal LePage Relocation Services of Don Mills, Ontario to administer the relocation process. The integrated relocation program is mandatory for members of the armed forces, the RCMP, public service executives, deputy ministers, governor in council appointees, and public service employees represented by unions.

On March 26, 2003 a complaint was filed with the CITT alleging that the government improperly applied the evaluation method set out in the request for proposals, RFPs, and that there was a bias in favour of the incumbent contractor, Royal LePage Relocation Services.

In July 2003 the CITT determined that the complaint was valid in part and recommended that Public Works re-evaluate certain sections of the bidders' proposals using a modified evaluation process. However, the allegation of bias was found to be not valid.

In the interim, a separate complaint of conflict of interest was filed by another bidder, Relonat/Envoy, in relation to the award of this contract. Public Works investigated the allegation of conflict of interest and found that while there was no evidence of criminal activity, there was a perceived conflict of interest. Public Works decided to conduct a new procurement process to ensure a fair, open and transparent process.

Two new contracts were awarded in November 2004: one contract for the Department of National Defence, and a second contract for the RCMP and Government of Canada. There are provisions within both contracts to ensure a fair distribution of referrals to third party service providers. They are the people who provide appraisals, legal services, real estate services, building inspections, property management services, and rental searches. They have the opportunity to do so providing they agree to meet the conditions, service level standards, fee schedule, and administrative procedures established by the contractor in conjunction with the project authority at Treasury Board.

The contract clearly states that the selection of a third party service provider remains the employees' choice. If requested, Royal LePage will assist them in the selection of suppliers who have signed a commitment of service to provide them with those services. However, the request for referral is very rare, and has only occurred eight times since December 2002.

• (1845)

**Mr. David Chatters:** Mr. Speaker, that is very interesting but I knew all that. That did not even address my question in any sense of the word.

The minister assured us that the contract was open and transparent. In fact the contract shrank from \$1 billion down to \$154 million with no indication that the required work was any different from the original contract. Where is the transparency in this process?

#### *Adjournment Proceedings*

If this proposal is open and transparent, I simply ask the minister to table the documents related to this contract so that we can all see why the original contract worth \$1 billion is now only worth \$154 million.

**Hon. John McKay:** Mr. Speaker, the relocation services provided by Royal LePage include taking advantage of volume purchases and providing advice to relocating employees and their families, not the removal of household goods which are covered under separate contractual arrangements. That may be part of the explanation.

The integrated relocation program is mandatory for members of the Canadian Forces and the RCMP. In 2003 there were 14,772 relocations under the program. This new procurement stemmed from a ruling by the CITT and a perception of conflict of interest received by the department relating to the earlier award of this contract. An internal investigation concluded that there was no conflict of interest.

The total value of the new contracts is approximately \$155 million, not including the flow through cost to third party suppliers, which would be on top of that. This is a competitive, open and transparent process.

**The Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24 (1).

(The House adjourned at 6:48 p.m.)

---



# CONTENTS

Thursday, December 2, 2004

## Business of Supply

Ms. Picard ..... 2167

## PRIVATE MEMBERS' BUSINESS

### Electoral Boundaries Readjustment Act

Bill C-302. On the Order: Private Members' Business: .. 2167

Mr. Bélanger ..... 2167

Motion ..... 2167

(Motion agreed to, bill deemed read the second time, considered in committee of the whole, reported without amendment, concurred in, and read the third time and passed) ..... 2167

### Electoral Boundaries Readjustment Act

Bill C-304. On the Order: Private Members' Business ... 2167

Mr. Bélanger ..... 2167

Motion ..... 2167

(Motion agreed to, bill deemed read the second time, considered in committee of the whole, reported without amendment, concurred in and read the third time and passed) ..... 2167

## Business of Supply

Mrs. Redman ..... 2167

## ROUTINE PROCEEDINGS

### Government Response to Petitions

Mr. LeBlanc ..... 2168

### Canada Labour Code

Mr. Fontana ..... 2168

Mr. Komarnicki ..... 2168

Mrs. Lavallée ..... 2169

Mr. Christopherson ..... 2170

### Committees of the House

#### Procedure and House Affairs

Mr. Boudria ..... 2170

#### Access to Information, Privacy and Ethics

Mr. Chatters ..... 2170

#### Aboriginal Affairs and Northern Development

Mrs. Barnes ..... 2170

### Excise Tax Act

Ms. St-Hilaire ..... 2171

Bill C-305. Introduction and first reading ..... 2171

(Motions deemed adopted, bill read the first time and printed) ..... 2171

### Income Tax Act

Ms. St-Hilaire ..... 2171

Bill C-306. Introduction and first reading ..... 2171

(Motions deemed adopted, bill read the first time and printed) ..... 2171

### Committees of the House

#### Procedure and House Affairs

Mr. Boudria ..... 2171

Motion for concurrence ..... 2171

(Motion agreed to) ..... 2171

### Petitions

#### Canadian Forces Housing Agency

Mr. Hill ..... 2171

#### Taxation

Mr. Hill ..... 2171

#### Marriage

Mrs. Yelich ..... 2171

### Questions on the Order Paper

Mr. LeBlanc ..... 2171

## GOVERNMENT ORDERS

### Supply

#### Opposition Motion—Agriculture

Mr. Gaudet ..... 2172

Motion ..... 2172

Mr. Duceppe ..... 2172

Mr. Mitchell ..... 2174

Mr. Ritz ..... 2175

Mr. Martin (Sault Ste. Marie) ..... 2175

Mr. Easter ..... 2176

Mr. Mitchell ..... 2176

Mr. Lemay ..... 2178

Mr. Casson ..... 2179

Mr. Adams ..... 2179

Mr. Loubier ..... 2180

#### Main Estimates, Supplementary Estimates (A)

Mr. Adams ..... 2180

Motion ..... 2180

(Motion agreed to) ..... 2180

#### Opposition Motion—Agriculture

Mr. Casson ..... 2180

Mr. Ritz ..... 2182

Mr. Mitchell ..... 2182

Mrs. Gallant ..... 2182

Mr. Angus ..... 2184

Mr. Martin (Sault Ste. Marie) ..... 2185

Mr. Mitchell ..... 2186

Mr. Bellavance ..... 2186

Mr. Gaudet ..... 2187

Mr. Loubier ..... 2188

Mr. Perron ..... 2190

Mr. Drouin (Beauce) ..... 2191

Mr. Gaudet ..... 2192

Mr. Gagnon (Jonquière—Alma) ..... 2192

Mr. Lévesque ..... 2193

Mr. Gagnon (Jonquière—Alma) ..... 2194

Mr. Easter ..... 2194

Mr. Mitchell .....	2195
Mr. Gagnon (Jonquière—Alma) .....	2195
Mr. Mitchell .....	2196
Mr. Easter .....	2196
Mr. Bezan .....	2197
Mr. Ménard (Marc-Aurèle-Fortin) .....	2198
Mr. Mitchell .....	2198
Mr. Moore (Fundy Royal) .....	2199

**STATEMENTS BY MEMBERS**

**Riding of Brant**

Mr. St. Amand .....	2200
---------------------	------

**Volunteerism**

Mr. Benoit .....	2200
------------------	------

**Gerhard Hess**

Mr. Telegdi .....	2200
-------------------	------

**Housing**

Mr. Bouchard .....	2200
--------------------	------

**St. Augustine's Choir**

Mr. Temelkovski .....	2201
-----------------------	------

**Agriculture**

Mr. Chatters .....	2201
--------------------	------

**Municipalities**

Mr. Tonks .....	2201
-----------------	------

**International Volunteer Day**

Ms. Brunelle .....	2201
--------------------	------

**David Vienneau**

Mr. Powers .....	2201
------------------	------

**Great Lakes Watershed**

Mrs. Gallant .....	2202
--------------------	------

**Organ Donations**

Mr. Savage .....	2202
------------------	------

**Immigrants**

Mr. Stoffer .....	2202
-------------------	------

**Lefties**

Mr. Solberg .....	2202
-------------------	------

**Chantal Petitelerc**

Mr. Côté .....	2202
----------------	------

**Canada-U.S. Relations**

Mrs. Smith (Kildonan—St. Paul) .....	2203
--------------------------------------	------

**Pierre Berton**

Mr. Angus .....	2203
-----------------	------

**Roy Overfors**

Ms. Demers .....	2203
------------------	------

**ORAL QUESTION PERIOD**

**National Defence**

Mr. Harper .....	2203
Mr. Martin (LaSalle—Émard) .....	2203
Mr. Harper .....	2203
Mr. Martin (LaSalle—Émard) .....	2204

Mr. Harper .....	2204
Mr. Martin (LaSalle—Émard) .....	2204

**Sponsorship Program**

Mr. MacKay .....	2204
Mr. Brison .....	2204
Mr. MacKay .....	2204
Mr. Brison .....	2204
Mr. Duceppe .....	2204
Mr. Brison .....	2204
Mr. Duceppe .....	2204
Mr. Brison .....	2205
Mr. Gauthier .....	2205
Mr. Brison .....	2205
Mr. Gauthier .....	2205
Mr. Brison .....	2205

**National Defence**

Mr. Blaikie .....	2205
Mr. Martin (LaSalle—Émard) .....	2205
Mr. Blaikie .....	2205
Mr. Martin (LaSalle—Émard) .....	2205

**Citizenship and Immigration**

Ms. Guergis .....	2206
Mr. Volpe .....	2206
Ms. Guergis .....	2206
Mr. Volpe .....	2206
Mr. Van Loan .....	2206
Mr. Volpe .....	2206
Mr. Van Loan .....	2206
Mr. Martin (LaSalle—Émard) .....	2206

**Agriculture and Agri-Food**

Mr. Gaudet .....	2206
Mr. Mitchell .....	2207
Mr. Gaudet .....	2207
Mr. Mitchell .....	2207

**National Defence**

Ms. Lalonde .....	2207
Mr. Pettigrew .....	2207
Ms. Lalonde .....	2207
Mr. Pettigrew .....	2207

**Citizenship and Immigration**

Mr. Jaffer .....	2207
Ms. Sgro .....	2207
Mr. Jaffer .....	2207
Ms. Sgro .....	2208
Mrs. Grewal (Fleetwood—Port Kells) .....	2208
Ms. Sgro .....	2208

**Middle East**

Mr. Lee .....	2208
Mr. Pettigrew .....	2208

**Citizenship and Immigration**

Mrs. Grewal (Fleetwood—Port Kells) .....	2208
Ms. Sgro .....	2208

**Softwood Lumber**

Ms. Crowder .....	2208
-------------------	------



Mr. Peterson .....	2208	Mr. Easter .....	2212
Ms. Crowder .....	2208	Mr. Moore (Fundy Royal) .....	2213
Mr. Peterson .....	2209	Mr. Richardson .....	2213
<b>Citizenship and Immigration</b>		Mr. Gagnon (Saint-Maurice—Champlain) .....	2213
Mrs. Hinton .....	2209	Mr. Adams .....	2214
Ms. Sgro .....	2209	Mr. Mitchell .....	2215
Mrs. Hinton .....	2209	Mr. Laframboise .....	2215
Ms. Sgro .....	2209	Mr. Lukiwski .....	2216
Mrs. Yelich .....	2209	Mr. Côté .....	2217
Ms. Sgro .....	2209	Mr. Boudria .....	2217
Mrs. Yelich .....	2209	Mrs. Yelich .....	2219
Ms. Sgro .....	2209	Mr. Côté .....	2220
<b>Softwood Lumber</b>		Mr. Martin (Sault Ste. Marie) .....	2220
Mr. Paquette .....	2210	Mr. Bouchard .....	2221
Mr. Peterson .....	2210	Mr. Mitchell .....	2222
Mr. Paquette .....	2210	Mr. Szabo .....	2222
Mr. Peterson .....	2210	Mr. Bellavance .....	2222
<b>Canada-U.S. Relations</b>		Mr. Julian .....	2224
Ms. Stronach .....	2210	Ms. Bakopanos .....	2224
Mr. Pettigrew .....	2210	Mr. Martin (Sault Ste. Marie) .....	2225
Ms. Stronach .....	2210	Mr. Mitchell .....	2226
Mr. Martin (LaSalle—Émard) .....	2210	Mr. Gaudet .....	2226
<b>Transportation</b>		Mr. Julian .....	2227
Mr. Coderre .....	2211	Mr. Bouchard .....	2228
Mr. Lapierre (Outremont) .....	2211	Mr. Mitchell .....	2229
<b>Firearms Program</b>		Mr. Côté .....	2229
Mr. Benoit .....	2211	Division deemed demanded and deferred .....	2231
Ms. McLellan .....	2211		
<b>Agriculture and Agri-Food</b>		<b>Message from the Senate</b>	
Mr. Lauzon .....	2211	The Acting Speaker (Hon. Augustine) .....	2231
Mr. Mitchell .....	2211		
<b>Mirabel Airport</b>		<b>PRIVATE MEMBERS' BUSINESS</b>	
Ms. St-Hilaire .....	2211	<b>Auditor General Act</b>	
Mr. Lapierre (Outremont) .....	2211	Mr. Sauvageau .....	2231
<b>The Environment</b>		Bill C-277, Second reading .....	2231
Mr. Cuzner .....	2211	Mr. Szabo .....	2233
Mr. Brison .....	2212	Mr. Christopherson .....	2233
<b>Business of the House</b>		Ms. Marleau .....	2234
Mr. Reynolds .....	2212	Mr. Williams .....	2235
Mr. Valeri .....	2212	Mr. Julian .....	2236
Mr. Alcock .....	2212	Mr. Côté .....	2237
		Mr. Szabo .....	2238
<b>ROUTINE PROCEEDINGS</b>			
<b>Canada's Performance 2004</b>		<b>ADJOURNMENT PROCEEDINGS</b>	
Mr. Alcock .....	2212	<b>Agriculture</b>	
		Mr. Bezan .....	2239
<b>GOVERNMENT ORDERS</b>		Mr. Easter .....	2239
<b>Supply</b>		<b>Government Contracts</b>	
<b>Opposition Motion—Agriculture</b>		Mr. Chatters .....	2240
Motion .....	2212	Mr. McKay .....	2240

**MAIL  POSTE**

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

**Lettermail**

**Poste-lettre**

**1782711  
Ottawa**

*If undelivered, return COVER ONLY to:*  
Publishing and Depository Services  
PWGSC, Ottawa, ON K1A 0S5  
Internet: <http://publications.gc.ca>  
1-800-635-7943 or Local 613-941-5995

*En cas de non-livraison,  
retourner cette COUVERTURE SEULEMENT à :*  
Les Éditions et Services de dépôt  
TPSGC, Ottawa (Ontario) K1A 0S5  
Internet: <http://publications.gc.ca>  
1-800-635-7943 ou appel local (613) 941-5995

**Published under the authority of the Speaker of the House of Commons**

**Publié en conformité de l'autorité du Président de la Chambre des communes**

**Also available on the Parliamentary Internet Parlementaire at the following address:**

**Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :  
<http://www.parl.gc.ca>**

---

**The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.**

**Additional copies may be obtained from Publishing and Depository Services, PWGSC, Ottawa, ON K1A 0S5**

**Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.**

**On peut obtenir des copies supplémentaires en écrivant à : Les Éditions et Services de dépôt, TPSGC, Ottawa (Ontario) K1A 0S5**

**On peut obtenir la version française de cette publication en écrivant à : Les Éditions et Services de dépôt  
TPSGC, Ottawa (Ontario) K1A 0S5**