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OFFICIAL REPORT
(HANSARD)

Tuesday, November 22, 2005

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, November 22, 2005

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)
[*English*]

INTERPARLIAMENTARY DELEGATIONS

Mr. Greg Thompson (New Brunswick Southwest, CPC): Mr. Speaker, as co-chair of the Canada-U.S. Interparliamentary Group, I have the pleasure to table, in both official languages, the report of the Canadian delegation of the Canada-U.S. Interparliamentary Group respecting its participation at the Canadian/American Border Trade Alliance Conference entitled “The Canadian/U.S. Border—A Unified Focus” held from September 11-13 in Washington, D.C.

I am also pleased to present to the House a report, in both official languages, with respect to the meeting that was held in Mobile, Alabama from July 30 to August 3 .

* * *

• (1005)
[*Translation*]

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Mr. John Williams (Edmonton—St. Albert, CPC): Mr. Speaker, I have the honour to present, in both official languages, the 22nd report of the Standing Committee on Public Accounts concerning Chapter 3, Passport Office — Passport Services, of the April 2005 report of the Auditor General of Canada.

In accordance with Standing Order 109, your committee requests a government response within 120 days.

[*English*]

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, I have the honour to present the seventh report of the Standing Committee on Aboriginal Affairs and Northern Development. The committee has studied Bill C-71, an act respecting the regulation of commercial and industrial undertakings on reserve lands and has agreed to report it without amendment.

PETITIONS

LNG TANKERS

Mr. Dale Johnston (Wetaskiwin, CPC): Mr. Speaker, it is my pleasure this morning to present a petition from constituents in New Brunswick and other areas who call upon the Government of Canada to assert its sovereign right and to declare no rights of passage for LNG tankers through Head Harbour Passage based on Canadian law and the precedent set in 1976 when oil tankers were refused passage.

Mr. Greg Thompson (New Brunswick Southwest, CPC): Mr. Speaker, I have another petition respecting the same issue, that is the passage of LNG tankers through Head Harbour Passage. We have had many of these petitions presented by many members in the House.

The petitioners are asking the Government of Canada to say no to the passage of LNG tankers through Head Harbour Passage for a proposed liquefied natural gas terminal on the American side of Passamoquoddy Bay.

The petitioners are saying that this passage is much too dangerous and it would put at risk our environment, our citizens and our economy. They are asking the Government of Canada to do as it did in 1976 and say no to the passage of those very dangerous ships.

CRIMINAL CODE

Mr. Lee Richardson (Calgary Centre, CPC): Mr. Speaker, I would like to present two petitions this morning from the citizens of Calgary. The first is in relation to the incidence of drug facilitated sexual assaults which occur on school campuses and the petitioners therefore call for immediate action to address this issue.

MARIJUANA

Mr. Lee Richardson (Calgary Centre, CPC): Mr. Speaker, the second petition is with regard to the memory of the slain RCMP officers and the petitioners ask Parliament to withdraw Bill C-17, the legislation designed to decriminalize the possession and use of marijuana.

* * *

• (1010)

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

Business of Supply

Mr. Greg Thompson (New Brunswick Southwest, CPC): Mr. Speaker, as we all know, members in this place are only entitled to four questions on the order paper and I think I am up to the maximum.

The point I am making is that the government does have its 45 day period to answer these and I have requested an answer within 45 days. Some of the questions that I have on the order paper could be answered by the Government of Canada today. We need that information to do our jobs for our constituents. There is no reason the government could not provide those answers today. I know the parliamentary secretary will get on his feet and explain why it will not answer but the truth is that this is a routine excuse that the government always uses.

I am asking the parliamentary secretary to put some pressure on the government to get the questions answered so we can do our job to hold the government's feet to the fire on some very important issues.

Hon. Dominic LeBlanc: Mr. Speaker, the member for New Brunswick Southwest has, on a number of occasions, raised the issue of the timeliness of answers.

Mr. Speaker, I know that you are very familiar with our Standing Orders. Perhaps the Speaker had, at some point, suggested to the member for New Brunswick Southwest that the solution to his constant frustration here today should not be used on the House of Commons' time but maybe he should go to the procedure and House affairs committee and see if there is an interest in reducing the 45 day period to answer questions.

Two of the questions asked by the member for New Brunswick Southwest were received on October 27 and one was received on November 1. Those answers will be provided by December 10 and 15, respectively.

The member regularly uses this occasion to bring up what is clearly a very important issue, and I personally have a lot of sympathy for this issue, but this is not the forum and perhaps you could remind the member of that, Mr. Speaker.

The Deputy Speaker: I would remind all members of the House that it is their privilege to contact the procedure and House affairs committee and put something forward. Perhaps that committee would choose to address that. However I do not believe there is a point of order here so much as perhaps a point of information.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

OPPOSITION MOTION—WORLD TRADE ORGANIZATION NEGOTIATIONS

Mr. André Bellavance (Richmond—Arthabaska, BQ) moved:

That, in the opinion of the House, the government should give its negotiators a mandate during the negotiations at the World Trade Organization so that, at the end of the current round of negotiations, Canada obtains results that ensure that the supply management sectors are subject to no reduction in over-quota tariffs and no increase in tariff quotas, so that these sectors can continue to provide producers with a fair and equitable income.

He said: Mr. Speaker, today is a great day for the farming community and particularly for the defence of what Quebec holds dear, namely supply management.

I will read the motion again, although you have done a great job of it—and I thank you for that—because I want to stress how important this is. I want those listening to us to clearly understand what today's opposition motion is all about. It reads:

That, in the opinion of the House, the government should give its negotiators a mandate during the negotiations at the World Trade Organization so that, at the end of the current round of negotiations, Canada obtains results that ensure that the supply management sectors are subject to no reduction in over-quota tariffs and no increase in tariff quotas, so that these sectors can continue to provide producers with a fair and equitable income.

It is no great mystery. It is important to understand why the House is considering this matter today, on this opposition day: the messages that the Liberal government is sending about protecting supply management are serious cause for concern.

First, the Minister of Agriculture and Agri-Food, then the Minister of International Trade and also Canada's chief negotiator are sending perturbing messages, just before the sixth WTO ministerial conference, which will take place in Hong Kong from December 13 to 18.

So there are perturbing messages, and not for the first time either. In February 1992—so this is nothing new—40,000 farmers in Canada converged on Parliament Hill to stop the government from giving up its quotas under article XI of the GATT.

There was already a sense that the federal government's position on this was weakening. The Liberals were in the opposition at the time. This is not the first time that they have made us such promises. My colleague from Saint-Hyacinthe—Bagot said that he was here during the protest. He was among the 40,000 people who protested in order to defend this system. The Liberals, who formed the opposition at the time, had promised never to sign the agreement if article XI, which allowed a country to limit access to its market, was repealed. It was a wonderful promise, but it was not kept. So this is not the first time. As a matter of fact, after being elected in 1993, the Liberals did the same thing with this promise that they did with their promise to abolish the GST. They simply did not keep it. What did they do in 1994? They signed the agreement. This is an outrage, once again.

Let us come a bit closer to where we are now. In Cancun, in 2003, cabinet was given a secret brief. This brief proved that the federal government was preparing once again to abandon supply management. Here is an excerpt from this brief to prove what I am saying:

“The problem:—the document states— negotiations involve compromise. Sectors of the economy benefiting from protection which shelters them from foreign competition will object to any change in the status quo, particularly if it comes during an economic downturn. Supply-managed producers of eggs, poultry and dairy products, the textile and clothing industry—I will say more on this a little later—and certain service sectors will probably object to any changes that would lead to increased foreign competition.”

Business of Supply

This is a French translation of the text. In fact, the Council of Canadians disclosed this document that was meant for cabinet. It was all these signs that made us say that the Canadian government and the negotiators were quite prepared to sacrifice important elements of the Canadian but especially the Quebec agricultural sector for possible market openings.

History is repeating itself. That is why we are in this House today. The Bloc Québécois will continue to do what it has always done and that is to defend the interests of Quebec and the interests of the agricultural sector in particular.

The speeches by the Minister of Agriculture and Agri-Food, the Minister of International Trade and Canada's chief negotiator, as I was saying earlier, show that they are questioning their commitments to the unequivocal protection of supply management.

The ministers' commitments are a lot less firm today than they were in their speeches. In his responses to Bloc Québécois questions in the House, the Minister of Agriculture and Agri-Food refuses to make a firm commitment to protect our marketing system and to get fair trade rules for agricultural products. The Minister of International Trade was quite pleased with the U.S. proposal to the WTO.

• (1015)

This proposal, and that of the European Union, it must be pointed out, imperil the supply management system. According to these proposals, Canada ought to cut its customs tariffs, while substantially increasing imports of milk, poultry and eggs. That is where we stand, and this is still a matter of interest for the 147 WTO member countries. Two powers, that is the EU and the U.S., want only one thing: to invade others' markets. It is not a matter of setting up extreme protectionist measures, but we do have to protect the way we have chosen to feed our population.

As I have said from the start, the Liberal government's position is a source of great concern, and examples in support of that have just been given. While the U.S. and the EU, which heavily subsidize their agriculture, can reduce their tariffs with no problem and thereby protect their markets, this is not the case for supply managed products. The federal government is trying to please the countries that wish to see the end of supply management and the opening up of our borders.

On the other hand, the Government of Quebec has a full understanding of the importance of this issue. Very recently, just November 16, all parties in the National Assembly adopted a motion unanimously. That motion was introduced by the Quebec Minister of Agriculture, a Liberal, but the Parti Québécois and the ADQ also voted in favour. It reads as follows:

That, with respect to the negotiations at the World Trade Organization, the National Assembly reiterate its complete support of supply management, an agricultural product marketing model that is fair to consumers, taxpayers, processors, and the producers whose livelihood depends on it; that it ensure that the federal government maintains its support of the current supply management system; and that the National Assembly call upon the federal government to give its negotiators a mandate that will ensure, at the end of the current round of negotiations, that Canada obtains results that ensure that the supply managed sectors are subject to no reduction in over-quota tariffs and no increase in tariff quotas.

I think that is clear. Here, the Government of Quebec is calling for what the Bloc Québécois has been calling for as well for a long time. It strengthens the position of the Canadian negotiators to know they

have the support of a government with a very clear understanding of the issues currently surrounding supply management.

Let us also not forget that the Bloc Québécois motion presented on April 15 by the hon. member for Montcalm was unanimously passed. That motion provided that "in the current World Trade Organization negotiations, the government should not agree to any concession that might weaken collective marketing strategies or the supply management system".

So, we are active in the protection of those interests that are important to us.

On October 23, a number of my Bloc Québécois colleagues and I participated in a rally, along with over 1,000 people in Montreal who were asking that the supply management system be protected. On that occasion, several prominent public figures expressed their support to agricultural producers. This was an extraordinary show of solidarity that was well worth witnessing. In fact, there is a reason why this march was held in the streets of Montreal. It was to make consumers, among others, aware of this issue. Needless to say, it is not in Montreal that the largest herds of cattle are to be found. However, people who buy their dairy products, their eggs or their poultry meat at a very reasonable price, thanks to the supply management system, may not realize what looms ahead, should the system be abandoned during the current negotiations at the WTO. Globalization may seem very far away or complex, but people are increasingly aware of what is going on.

If, some day, we find, for example, milk from Australia or New Zealand on our shelves, there is no guarantee that prices will be similar to those that are currently in effect under the supply management system. The government must be very careful in making decisions, so that we do not, some day, become dependent for our food. After all, the way we feed ourselves is rather important in our lives. Therefore, we must avoid a situation whereby, some day, our food would come from other countries, market prices would fluctuate and consumers would have a hard time buying even just a litre of milk.

• (1020)

One must be very careful on this subject. When we were marching in the street, the people clearly understood why we were doing it. I know that we have the support of the entire population of Quebec on this subject.

I was also part of a cross-Quebec tour with two colleagues and the vice-president of the Bloc Québécois. This tour was about occupancy of the land in the context of globalization. We went everywhere—central Quebec, in my own riding where I met with people, the Gaspé Peninsula, Montérégie and Abitibi-Témiscamingue. We did a tour of Quebec, a tour which we intend to repeat after the next election campaign. The farmers were there and everyone was clear on this subject. They sent us a clear message for the federal government, the message that Canada must accept no compromise on the supply management system. Everywhere this was the unanimous verdict. All the people we met with were most definite about it. There was no question of touching a single strand of the supply management system. If that is not a clear message, I wonder what it will take for the government to understand the issue we are faced with today.

Business of Supply

What I would like to know is whether the federal government has taken the trouble to listen to this message. Today we are going to have some fairly clear responses on this subject. This message has been sent by the 30,000 members of GO5—Coalition for a Fair Farming Model, Supply Management—as well as by its English Canadian counterpart, SM-5, the Supply Management Five, by the UPA, the Quebec Union of Agricultural Producers, by the Government of Quebec, as I was saying earlier, which tabled a unanimous motion on November 16, and by all the parties of the National Assembly as well as the Bloc Québécois.

This entire coalition is aware that we are now in a critical time for agriculture, particularly for Quebec agriculture as we know it.

We are not crying wolf. Many people are now standing up to send a cry of alarm to the federal government, which will be gone very soon. It is now November 22. From December 13 to 18 in Hong Kong, it will be time for the federal government to demonstrate that it is capable of standing up. That is what we ask of it. That is the mandate we give it and it will have our support if it does so.

The message it is sending us is that it is already prepared to cave in. That is why we want to have this opposition day today, so that the government, the Minister of Agriculture and Agri-Food, can rise and tell us that it has finally heard the message, that it will stand up and go to the WTO with this clear mandate not to touch the supply management system.

The danger of genuflecting to the WTO is that Canada will compromise its capacity to feed itself with what it produces. It will jeopardize our agricultural values and methods, which are on more on a family scale. That is what is happening. What we find in certain countries is mega-industrial agriculture. We need look no further than our neighbours to the south, with their mega-farms that are major industries. It is a choice. I make no judgment on the way that others do things. We have a different sort of farming here.

Supply management, moreover, is not even a subsidy. In the example I cited a moment ago, in the United States they subsidize farm production with Farm Bills and all kinds of outright subsidies which add up to billions of dollars. That is not the case here. I do not see why other countries would see fit to ask us to make concessions over a system which is not a subsidy. They have some work to do in the United States, notwithstanding the proposal they presented to convince us that they are going to abolish their farm subsidies.

There are some very interesting statistics on Quebec. There are 14,600 agricultural producers subject to supply management, whose production is worth at least \$2.2 billion, and who provide employment, directly or indirectly, for over 62,000 people. That accounts for 40% of Quebec's gross farm income. All these people demand that the Government of Canada take a firm position.

If what I have just described were to come about one day, Quebec's agriculture would collapse, it is that simple. I am also talking about all the agricultural producers in Canada who are subject to supply management and whom the government, of course, also has an obligation to protect.

●(1025)

I am asking this House and the federal government to listen to this clear message by supporting our motion. If the government refuses, the consequences will be very serious.

I was speaking previously about subsidies and I wanted to stress this: several countries are attacking the supply management system for no reason. These are not subsidies and moreover, there is room to manoeuvre.

There is a framework agreement which dates from 2004 and the federal government knows that there is already access to an average of 5% of the market. If one takes all the types of produce subject to supply management: namely milk, poultry and eggs, there is a 5% window in which other countries can sell their produce. Canada currently imports 6% of the dairy products consumed here, 5% of the eggs and 5% of the turkey, 7.5% of the chicken and 21% of the hatching eggs sold. By comparison, again taking the example of the United States, they give only 2.75% access for dairy products, and Europe allows a mere 0.5% access for poultry. Canada is one of the few countries in the WTO to open 5% of its market for each product under supply management. We thus already have a good line of defence for the Canadian government to say to other countries that our market is not totally closed, that it even compares advantageously to the United States and Europe, if only someone would pay attention to the figures I have just outlined.

I have the framework agreement here in my hand, and it contains some very interesting provisions on treatment. Section 32 talks about the principle of substantial improvement that will apply to each product, while section 33 states, "Substantial improvement" will be achieved through combinations of tariff quota commitments and tariff reductions applying to each product. However, balance in this negotiation will be found only if the final negotiated result also reflects the sensitivity of the product concerned". Finally, section 34 reads as follows:

Some MFN-based tariff quota expansion will be required for all such products. A base for such an expansion will be established, taking account of coherent and equitable criteria to be developed in the negotiations. In order not to undermine the objective of the tiered approach, for all such products, MFN-based tariff quota expansion will be provided under specific rules to be negotiated taking into account deviations from the tariff formula.

That is already in the framework agreement on sensitive products. I fail to see where there might be a problem of any kind in protecting our system as it currently exists.

I will conclude by reiterating what I said about the serious consequences if the government drops this protection that assures us stable incomes and also ensures that consumers pay a fair price. If it were to decline to support this motion today, it would be abandoning the Canadian agriculture industry outright, just as it has abandoned the regions since it came to power. It has also abandoned the textile industry, and I know a thing or two about that. It is appalling what we have had to deal with in my region in this regard, even though we have known for a decade what was going to happen on January 1, 2005, with the elimination of quotas.

Business of Supply

There may be laughter on the government side, but that is a fact. Talk to people in Huntingdon and ask them what they find funny about what has happened in the textile industry. This government also abandoned the garment industry and the furniture industry, which I can talk about at length. Globalization led to the closing of a Shermag plant in Victoriaville.

Everything is a mess in this government. The government would at least have a chance to get back on track if it protected our agriculture industry. We are going to give it that chance. It has also abandoned the unemployed, older workers and the list goes on. It ought to make amends today.

I can say in closing that a sovereign Quebec will have a place at the bargaining table, that it will be at the WTO and will strongly defend its agriculture industry. Because we are stuck with Canada in the meantime and the Government of Canada is the only government able to defend us, we call on the government to stand up and do it. It has to be firm and not abandon our farmers.

● (1030)

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I have a comment for the member. I could have agreed with nearly everything he said in most of his speech, at least for the first 10 or 15 minutes. It goes without saying that, due to his comments in the last 4 or 5 minutes, I and most Canadians think less highly of his speech. But never mind all that.

I want to start by saying that I support this motion.

Last week, I wrote a letter to the government House leader. This letter was co-signed by the member for Thunder Bay—Rainy River, who chairs my party's rural caucus, and the member for Kitchener—Conestoga, who chairs the dairy caucus. I myself chair the group of MPs interested in the poultry industry. The purpose of this letter was to ask for such a debate, which was set to take place this evening. As we now know, in light of today's debate, this evening's debate has been abandoned.

Here is my problem with what is happening. I must admit, I had hoped to be among the members going to Hong Kong. I think that members on both sides of the House were preparing to go too.

We are in a situation where, in a few days, the government could be defeated, causing an election during the holidays. There is no doubt that having this happen in the midst of these negotiations unnecessarily weakens our position. There is also no doubt that parliamentarians scheduled to attend will not be able to do so, including those who, like me, are about to retire. Usually, members about to retire are not sent to represent Canada, although I would be willing to go anyway.

Although I support his motion, would the member not agree with me that the timing—since his party is preparing to force an election in the midst of these negotiations where we all need to work together to defend the interests of Canada's agricultural industry— and the message he and his party are sending are contradictory? On one hand, they support farmers, but on the other, they are pulling the rug out from under the very government that is trying to defend those farmers. The member's statements are somewhat contradictory.

● (1035)

Mr. André Bellavance: Mr. Speaker, I thank the hon. member for announcing that he will be supporting our motion. That is a very good sign. I hope that his minister and his government will listen to him. I also hope that his Prime Minister will do likewise, as requested.

I find it rather ironic that such a spectre be raised concerning the election when, yesterday, in this House, all parties except the government party supported the NDP motion asking precisely that the government call an election after the holiday season.

Had his government supported this motion, as the Bloc Québécois did, from December 13 to 18, the minister would have gone to Hong Kong, but he will go anyway, even in the midst of an election campaign. This kind of scaremongering will not have me believe that the Minister of Agriculture and Agri-Food and the Minister of International Trade will lose any legitimacy because we will be in an election campaign. If they take part in negotiations in Hong Kong, they should hold their own. As I said earlier, we will stand behind them even if an election campaign is under way. We will say that the minister is doing a fine job, if he does what is asked of him.

I imagine that, among the 147 WTO member countries, there might be some besides ours that will be holding an election around the same time. Will that take any legitimacy away from their ministers participating in the negotiations? Of course not. As if other countries would care about how long the minister will remain in office. Should his time be short, another minister will take over. That is not a problem.

I find that the hon. member is brandishing a totally ridiculous spectre, especially since he and his party had the opportunity, yesterday, to support, as we did, a motion that would have allowed an election to be called after the holidays.

[English]

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Speaker, in reference to the hon. member's remarks I would like to put on the record the fact that the Liberal Party, the governing party, has been the party of supply management. We introduced the system some 30 years ago.

While the separatists continually talk about what they would do if they were to have a separate country, the fact of the matter is that ours is the party that put in the supply management system. Ours is the party that has constantly supported supply management at negotiations. Ours is the party that makes sure primary producers in Quebec in the supply management commodities can in fact have decent incomes. We were the makers of the supply management system.

Business of Supply

I take the member's motion to mean that our negotiators should be absolutely inflexible, or in other words, that we really not negotiate. Through the Canadian Federation of Agriculture, the UPA, the farm organization in Quebec, has taken a balanced position. It has put forward to the Government of Canada that yes, we do have a number of different commodities in the country and we need to take a balanced position at the WTO negotiations. In terms of that, there already is a motion in the House that in negotiations the negotiators support and uphold the supply management system.

Let us talk about the reality of the world and being absolutely inflexible at those negotiations. The Minister of Agriculture and Agri-Food has fought hard for this industry. He has been one of the leading people at the negotiations. He put forward a proposal whereby each country would have the right to protect its sensitive commodities. That would in fact protect their supply management system. We might have to open up a wee bit of access, but for doing that we move to the balanced position for all commodities so that all farmers in Canada can benefit.

If the member's position by this motion is that we be absolutely inflexible and do not move at all, then I believe that kind of position would be shooting our industry in the foot and would lead to a lose-lose situation. I believe we have to go forward with the position that the Minister of Agriculture put forward.

Is the member saying that we should be absolutely inflexible with no movement at all in terms of these negotiations?

• (1040)

[Translation]

Mr. André Bellavance: Mr. Speaker, we have no choice but to demand firmness of the government, because it has given us a multitude of signs that indicate to us its readiness to abandon the supply management system. I have spoken of this on numerous occasions over the years. This is the kind of approach the government of the day was using back in 1992, which led to the disappearance of GATT article XI. We have some historical examples which lead us to believe, indeed oblige us to believe, that our concerns are well founded.

This business of the need to be flexible is exactly what we do not want to hear. Why should we be flexible? This is not a subsidy. Let the other countries toe the line if they wish, but our negotiators have all they need with the framework agreement to defend our position without any problem.

The parliamentary secretary likes to keep bringing up the UPA. I can tell him that the UPA also has some serious concerns with the current situation. I will read an excerpt from one of the Union des producteurs agricoles press releases:

Laurent Pellerin, president of the Union des producteurs agricoles and spokesperson for the GO5, has voiced serious concerns. He said "On the eve of the renewal of the Canadian negotiators' mandate, if what is currently on the WTO table is to be agreed to—that being the lowering of over-quota tariffs and increased access to our milk, egg and poultry markets—this would be a death sentence for any productions that are under supply management"—

These are not the words of the evil sovereignists, but of Laurent Pellerin.

—"Yet, judging by the signals we are getting from the Canadian government, it appears they are prepared to sign an agreement in Hong Kong, whether or not it is acceptable to agriculture. That is why we are so concerned."

I would like the hon. parliamentary secretary to stand up again and tell us what he is in the process of doing, and what little marginal details he is prepared to let drop. I, and the UPA, the 30,000 supporters of GO5, and Quebec as a whole, all would like to know. The Government of Quebec has in fact presented a pretty clear motion to the government. I would just like to know what are those little details they are prepared to let drop.

[English]

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food and Minister of State (Federal Economic Development Initiative for Northern Ontario), Lib.): Mr. Speaker, I am pleased to have an opportunity to rise in debate on what is indeed a very important issue, the WTO negotiations. It is obviously a very important issue for those one in ten producers who happen to use the supply management system. It is important for the other nine out of ten Canadian and Quebec producers who in fact do not operate under supply management. Indeed, as I am sure colleagues in the House and those who are watching know, these negotiations cover a much broader range than simply agriculture. These are negotiations about a whole range of issues, all of which are critically important to Canada, to Canadians, to our economy and to producers.

My view is that there are politics involved in things. There are a lot of politics on this floor, there is no doubt about that, and we are seeing a good amount of that here today, but this has to be about a little more than politics because we are talking about people's livelihoods. We are talking about people's futures. We are talking about the well-being of our economy. We are talking about the well-being of Canadians.

This cannot simply be a tossing back and forth of political rhetoric. There is a lot of that taking place. We just saw an exchange between the hon. member for Glengarry—Prescott—Russell and the mover of the motion. It was a discussion about the timing of the negotiations. We can go back and forth one way or the other about what will or what will not happen, but we cannot deny the reality.

If the government of the day is voted down in regard to the confidence of the House, it is impaired in its ability to negotiate in international fora. It does not mean that it will not negotiate. It does not mean that the government will not be there, but this does impair its ability to do that. Anyone who wants to argue otherwise is simply exercising political rhetoric.

Yes, Canada will be there to defend its interests. Obviously it will be. We are not going to abandon our producers. We are not going to abandon the other sectors of the Canadian economy, but I ask opposition members not to try to suggest for a minute that they have not added one more handicap onto our ability to reach an agreement that is in the best interests of all producers and in the best interests of all Canadians. They have done that.

They cannot have it both ways. They cannot profess to be the defenders of something and then take actions that make it more difficult to exercise that defence. That is what the opposition members have in fact done.

Business of Supply

My parliamentary secretary, who has been a farm leader in this country for so many years that he probably does not want to even count them, made mention of the fact that supply management is, at least from the governmental perspective, a Liberal Party and a Liberal government invention. Certainly it was done with producers and for sure they need to take the credit for the system that is there, but it was a Liberal government that provided the regulatory framework to allow it to come into force. It has been a Liberal government that for 35 years has defended the supply management system in this country. The Liberal government was there at its birth and has been there for the last 35 years defending it.

People can throw out all kinds of historical references to what may have happened in the past, but the reality is that there is a supply managed system in Canada, it is a robust system, and it works. Otherwise, those members over there would not be defending it. The reality is that we have a strong supply managed system and what the government has done in the past is what has in fact led to that system.

The hon. member said that he is unsure of where the government is. Let me take the member back to not too long ago and make mention of the last election campaign, which unfortunately was not that long ago. At that time, the SM5, which the hon. member mentioned, asked for a certain pledge in respect of supply management. In fact, the Prime Minister was asked to provide that pledge.

• (1045)

I will read that to the House. It stated that we will ensure:

—that at end of the WTO negotiations, producers under supply management can continue to meet the needs of Canadian consumers and obtain all their revenue from the marketplace, based on their costs of production, including a fair return on their labour and capital.

Those are not the words of the government. Those are the words of the SM5.

The Prime Minister signed that pledge. He signed it on behalf of the Liberal Party. The Liberal Party stands by exactly that comment and is being governed by that in its negotiations.

Is that still not enough? Let me go to a motion in this House from earlier in this session. It stated:

That, in the opinion of the House, in the current World Trade Organization negotiations, the government should not agree to any concession that would weaken collective bargaining strategies or the supply management system and should also seek an agreement establishing fair and equitable rules that foster the international competitiveness of agricultural exporters in Quebec and Canada.

We supported that. We supported that because we believe in a strong supply managed system in this country.

The point I am making here is that it has not been simply rhetoric. Rather, it has been members from this side, and others, coming into the House and defending the interests of Canadian producers, including those who are supply managed producers. That is on the record. That is fact. That is what is there.

As I mentioned, the WTO negotiations are a broad based set of negotiations. Yes, they include agriculture. They include non-agricultural market access. They include rules governing services. There is a wide range of issues being negotiated in the Doha round.

The Doha round is also dealing with the whole issue of developing countries and the Minister of International Development is here in the House for this, because out of that round, we must also be dealing with the needs of developing nations. This is not something that is simple. It is something that is complex. It is not something that is one-dimensional. It is multi-dimensional.

As we defend the interests of the supply managed systems in this country, which we do, we will also be defending and promoting the needs of large segments of Canadian society and, indeed, those around the world, particularly those in the developing countries.

Let us talk specifically about the agricultural negotiations, because what we are trying to accomplish here is something that works for all Canadian producers, 100% of them, those who are in supply management and those who are not. We do not want to leave any Canadian producers out at all. We want to strike a deal. We want to come to an agreement in Hong Kong, and beyond if it takes beyond that, an agreement that works for Canadian producers in general. This is an obligation that I take very seriously. It is an objective that my colleagues in cabinet and caucus take very seriously. It is one that we will stand by.

There are things in the proposed agreement that Canada very much wants to see supported. The framework agreement of last July called for the elimination of export subsidies. That is a good thing for Canadian producers. When we see the Europeans put an export subsidy on their wheat so that they can compete unfairly with Canadian producers, that is not fair, it is not right and it should be stopped. This agreement, which is calling for the elimination of those export subsidies, is positive for Canadian producers. Those in the grains and oilseeds sector need that kind of initiative. They need that kind of thing in the agreement. That is why we were pleased to see it in the framework agreement of last July.

• (1050)

Let us take the whole issue of domestic supports. So far in these negotiations, we have had an agreement whereby those who provide the largest domestic supports, the United States, the European Union and the Japanese, will be required to make cuts in their domestic supports in a much larger proportion than the rest of the developing countries, and that includes Canada. That is appropriate because they are providing domestic supports way out of proportion to what the rest of the world's countries are providing and they are doing it in a way that is distorting the marketplace to the detriment of Canadian producers.

When our corn growers in Quebec and Ontario and elsewhere find that the commodity price of their product is dropping through the floor, it in part is a result of the domestic supports being provided in the United States. An agreement whereby we can bring an end to the counter-cyclical payments and the deficiency payments that are provided to the United States is something that we ought to be working for and negotiating in Hong Kong, because it is absolutely essential for Canadian producers. It will give them a real tangible benefit and increase their ability to create wealth for themselves, their families, their communities and this country. That is what we are working for in this Doha round. That is what we are working for in the negotiations.

Business of Supply

At the same time, we are working to maintain a supply management system in this country, as I mentioned in our support of those resolutions. We are making sure that the three pillars of supply management are viable and strong so that the system can be maintained. That is our goal and our objective. That is what we have been working on.

We achieved a very important milestone in July in the framework agreement, because that agreement called for the establishment of a sensitive products regime. Why is that important? It is important because it will allow countries like Canada to have the ability to treat its sensitivities, its sensitive products, differently than it treats other products.

That is exactly what we want to do with supply management. We want to designate as sensitive those products that we deem as supply managed products. They could then be treated in a sensitive way that responds to the needs of our producers and our country. That is what we achieved in the framework agreement. Every nation agreed that sensitive products will be part of this agreement.

In the same way that I will work to make sure there is no backtracking on the agreement to eliminate export subsidies, and in the same way that I will work to make sure that there is no backtracking on the agreement that countries will reduce domestic supports in the proportions talked about, I will also make sure that we do not backtrack on the July framework agreement that allows for and calls for a sensitive products regime as part of market access. That is absolutely essential to protecting supply management. It was this government that achieved the agreement of the other 147 nations in the WTO that there would be a sensitive products regime.

That is what negotiating is all about. That is—

An. hon. member: That's what governing is all about.

Hon. Andy Mitchell: My hon. colleague says that is what governing is all about. That is what we mean when we talk about achieving results that will work for our producers, and in this case in particular our supply management producers.

I want to make an important point here, because sometimes it gets lost in the international community. I thought that my hon. colleague across the way would have mentioned this. It is not just Canada that wants sensitive products. We have our sensitivities, indeed, which we usually refer to as our supply managed products. Other countries around the world also have sensitivities and also want to have sensitive products. I want to make it clear that Canada has indeed made the point with those countries that we need to have a particular regime for sensitive products. Indeed, we do not want to see countries trying to hide their treatment of sensitive products within their general tariff reduction formulas. The European countries suggested this and we rejected it because we think it is inappropriate. We do not think that ought to happen.

There needs to be an aggressive tariff reduction formula on non-sensitive products, one that would actually provide market access. There needs to be a separate sensitive products treatment, which the framework agreement calls for and which we were pleased to see was agreed to in the July framework agreement.

●(1055)

It is clear from both our actions in those negotiations and what we supported, including what the Prime Minister supported, that we are supporters of supply management.

As I mentioned, we need to have flexibility in how each country protects its robust sensitive products regime. How we may want to do it in Canada may not be the same way they want to do it in Japan. It may not be the same way they want to do it in the European Union or in the United States but, my goodness, we have to ensure we have the flexibility in there so we can choose to defend our sensitivities in a way that makes good sense for us, and that is the position we have taken at the WTO.

What we are trying to accomplish is something that works for all of agriculture, for our exporters and for those who decide to use a supply managed system. We want to make absolutely certain that is the case.

In taking my last few minutes, I want to speak directly and personally to the members in this House, which is not always done.

We are going to have some very significant and challenging negotiations in the WTO. We have already had them with Hong Kong and probably beyond Hong Kong, and they will continue. The timeframe for achieving an agreement is the end of 2006 and these will be challenging negotiations.

I, along with my colleagues, the Minister of International Trade, the Minister of International Cooperation and others, understand very clearly our obligation to all Canadian producers. We understand our obligations to reach a fundamental agreement that works in the best interests of those producers. We understand the importance of supply management. We have said that over and over again.

The reaction that I have taken in the negotiations has been there to ensure we have an agreement that will allow for the continuation of a robust supply managed system, as well as provide that environment, both in terms of domestic support reductions and in export subsidies, that will be in the best interests of producers generally.

In my view, it will be important that I have the opportunity to be provided with every potential tool that I can have in terms of achieving that outcome. It is my responsibility and my obligation because those negotiations fall to me. I say to the House that it is absolutely essential and important that I be given every opportunity and every tool to achieve a result that all of us want to achieve.

This is not about whether or not there is support for supply management. My goodness, this House has spoken over and over again in support of supply management. This is about the way we go about doing it and it is about providing, in my view, the opportunity for myself and those who will be negotiating with me every possibility for success. That is what I am asking the House to do.

●(1100)

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I want to thank my colleague from Richmond—Arthabaska for giving us this opportunity this morning to discuss a highly important and highly delicate topic, namely the trade negotiations that are to begin in December.

Business of Supply

The minister has just said that we were right to raise this issue. The answers he just gave in his speech make Canada's position during the Doha round all the more worrisome. Why? Because when we ask him why he is not taking a firm position on production methods and supply management, he tells us that is precisely what he is doing. He just said so again.

We are not talking about a list of sensitive products. We are talking about milk, eggs and poultry. These are not sensitive products. These are products that come from farmers through a supply management system, which ensures strict domestic production and stabler prices than in the United States or elsewhere. The prices are based on production costs.

The minister just said that is not the principle he will defend. He will not defend this principle whereby Quebec and Canadian farmers are strict with their production, do not flood international markets and do not create major surpluses like the United States and Europe do on several markets including the cereal market. He is presenting a weak position at the Doha summit, a position which consists in saying that there are sensitive products. These are not sensitive products.

The only ones who respected the international agreements since the last accords in 1994 are the farmers from Quebec and Canada. Even for milk, a \$6.30 subsidy was abolished a few years ago to satisfy international needs. During that same time, the Americans and the Europeans doubled their subsidies.

The minister must ask the United States and Europe to reduce their subsidies, which are causing imbalance, and to stop creating these so-called systems that are indefensible. What he must clearly defend is a management approach, a strict production system and a strict approach to imports.

• (1105)

[*English*]

Hon. Andy Mitchell: Mr. Speaker, let me make three points.

First, the member refers to these negotiations to begin in December. No, these negotiations are not beginning in December. We are not stepping into something right at the beginning. We are dealing with something that has been going on for a lengthy period of time, years. I would suggest that the hon. member recognize that the defence of Canada and the defence of Canadian producers has been going on for all of that time.

The hon. member makes a valid point but he is just reiterating my point, which is the importance of the Americans dropping the level of subsidies that they and the Europeans provide. That is exactly the position we have taken at the WTO negotiations and exactly the point where the 148 countries in the WTO came together last July and said, first, that all export subsidies will be eliminated at a date specific. That date is part of the additional negotiations that are taking place. That is a very positive thing for Canadian producers and something we are working toward.

The hon. member talked about the increase in domestic supports. Absolutely, that is not something that we believe is appropriate. It is in fact distorting the marketplace. It is what is causing our grains and oilseeds folks a great amount of difficulty and it is something that we are indeed working on in the negotiations and again, why, in the

framework agreement, there was an agreement that there would be higher reductions.

In terms of supply management, this is not a debate about whether the House believes that supply management is a good and valid system for Canadian agriculture. It is. The House has stated that over and over again. It is about the best way to achieve that result and the government is committed to achieving a positive outcome for all of Canadian agriculture, including the supply managed sectors.

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, I appreciate the difficulty the government has in dealing with the World Trade Organization. I know talks have been going on for quite some time and I know about the unsuccessful talks that we had in Cancun and Seattle. This has been a very contentious issue for a long period of time but our agriculture producers right across the country, whether they are in grains, oilseeds, red meats or in the supply managed commodities like milk, eggs and poultry, want Canada to take a very strong position in the WTO talks.

One of the problems we have, and I think a lot of it is in the way producers see it out in the field, is that we have these mini ministerials that are happening on an ongoing basis across the globe. Some have been done in China and Korea and numerous ones in London and Geneva. I had the privilege of accompanying the minister on a trip to Geneva not that long ago, along with my colleague, the agriculture critic from the Bloc, and we saw those discussions first-hand. We appreciate the difficulty in the negotiations, especially with the hard line that has been taken by the European Union.

However the one thing producers here want and have been advocating for is that we have an official Canadian position, that we go in and take a leadership role. I know the minister, the Government of Canada and our very skilful trade negotiators have been doing a great job in talking to all the players at the table. This is a poker game to some degree and it is time for us to lay our cards on the table and say what we stand for on the aspect of sensitive commodities. The European offer of 8% does not go far enough to have full protection of our supply managed commodities. It needs to be over 10% and, as has been suggested by the Dairy Farmers of Canada, as high as 14% of our farm cash receipts need to be protected as supply managed and be fitted into that sensitive commodity definition and how they work that out.

We still need to have a very aggressive role in reducing subsidies, trade distorting programs for red meats, grains and oilseeds. When will the minister finally table that position to show the leadership that we are the third largest agriculture trader in the world and we want to take that leadership role in these discussions?

• (1110)

Hon. Andy Mitchell: Mr. Speaker, I want to express my appreciation for the hon. member's assistance when he accompanied me to one of the negotiations.

Canada has taken a very clear position on many of the issues that are part of these negotiations. As members may know, three separate pillars are being discussed, one on export competition. As I mentioned earlier, Canada had been very clear in saying that export subsidies must be eliminated by a date specific and we have promoted that the date be earlier rather than later.

Business of Supply

On the whole issue of food aid, we are very supportive of legitimate food aid but we do not want to see it being used to replace commercial production. We have been very clear on that. In terms of domestic supports, the next pillar, we have been very clear on the ratio in that the largest providers eliminate it in greater proportion. We have been very clear on the U.S. proposal. Although we believe its suggestions on the AMS are reasonable suggestion, it needs to go further in terms of its overall cuts.

Although we appreciate the fact that they have suggested dropping the blue box from 5% to 2.5% of production, we have said that there needs to be some firm rules around that blue box so that it really is less trade distorting than the amber box. We have been very clear on that. We have been very clear that we want a robust tariff reduction formula so we can provide new access to Canadian producers. We have, at the same time, said that if that is going to happen we need to have a sensitive products regime, one that is sufficiently large enough to cover the needs of Canadians and that there needs to be flexibility in how individual countries deal with that.

As we move through the negotiations, we will use our best judgment as to how we make and deal with each specific issue as they come up. However we are very clear in our specific positions on the three pillars that I have outlined and in our overall position, which is to protect the interest of Canadian producers.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, having listened to the minister, I cannot help but think we are starting to see the same kind of sell out that we have been seeing with softwood lumber. I come from British Columbia and very clearly the government has done nothing to stand up for Canadian interests.

The minister congratulated himself for the sensitive product regime. I have heard this from the horse's mouth, his chief negotiator for the WTO. At that time, he estimated that 11% of our products were part of the sensitive product regime and the Americans were pressing for 1%. His chief negotiator said that the compromise would be somewhere in between. This indicates the minister is willing to sell out half of supply management or perhaps three-quarters of it. He will stand up for the sensitive product regime, but we will end up with a decimated supply management system.

Therefore, would the minister confirm to the House today that his government will not sign any agreement that has a negative impact on the supply management sector and on communities across the country which depend on it?

Hon. Andy Mitchell: Mr. Speaker, we have a very serious topic about protecting Canadian producers and the hon. member chooses to throw rhetoric onto the House. That is his choice.

I am sure my negotiator said nothing about softwood lumber because he does not deal with that file. The hon. member's rhetoric about softwood lumber is absolutely wrong.

In terms of the American proposal on 1% of sensitive products, Canada clearly has rejected that and so too have most other countries. I will reiterate that we will work to an agreement that protects all of Canadian agriculture, including supply management.

•(1115)

Ms. Diane Finley (Haldimand—Norfolk, CPC): Mr. Speaker, before I begin, I wish to advise the House that I will be splitting my time with the hon. member for Macleod.

I rise today to speak to an issue that concerns all agricultural producers in our country. That is the critical importance of positive outcomes from the current Doha round of negotiations at the WTO. All sectors of our agricultural community are anxiously awaiting the results of this current round of talks. Enough cannot be said about how much is on the line for all sectors of agriculture in this round. In fact, all sectors of agriculture in the country deserve our support, and I mean every one of them.

I am pleased to be part of a caucus that is determined and committed to supporting and defending all Canadian farmers.

Why are we here today? The WTO negotiations are underway and producers in all sectors should feel secure that their concerns and priorities are being kept in mind by their government. For the record, I wish to make clear what the Conservative Party position is in this round of negotiations.

The Conservative Party of Canada supports the goals of the Doha round, those being substantial improvements in market access, the phasing out of export subsidies and substantial reductions in trade distorting domestic support. This position is affirmed in the Conservative Party's international trade policy, which reads:

In future rounds of trade negotiations, a Conservative Government will vigorously pursue reduction of international trade barriers and tariffs. A Conservative Government will pursue the elimination of trade-distorting government export subsidies within clearly established time limits. A Conservative Government will seek a clear definition of what constitutes an export subsidy.

The Conservative Party is also strongly in support of supply management. This support is reflected in our party policy, which states:

The Conservative Party of Canada believes it is in the best interest of Canada and Canadian agriculture that the industries under the protection of supply management remain viable. A Conservative government will support the goal of supply management to deliver a high quality product to consumers for a fair price with a reasonable return to the producer.

Furthermore, our leader, the member for Calgary Southwest, has expressed his strong support for supply management by signing a declaration in support of this system.

Producers under supply management should know that the Conservative Party will continue to stand by dairy, poultry and egg producers. Further to that, we also passed a resolution at our convention in Montreal that forms our party's guiding principles when dealing with agricultural issues. It forms the foundation for how we will deal with agriculture in the future. It states:

The Conservative Party views the agriculture industry to be a key strategic economic sector of Canada. We recognize that various regions of Canada and sectors of the industry hold competitive advantages in agricultural production. National agricultural policy will reflect our belief that one size does not fit all.

Business of Supply

When it comes to that last bit about one size does not fit all, I will explain that. I am sure at some point or another members have been in one of the fancy hotels where they provide nice fluffy robes. Unfortunately, no matter whether it is the member and his or her spouse who check in, the hotel only provides one robe, but it says that one size fits all. On average, it probably does fit, but it may be too small for the member and too big for the spouse. Really it suits no one but on average it fits everyone.

This is our approach to Conservative agricultural policy. One size, one solution will not fit all. We have to recognize that as we develop solutions, they must be tailored to the needs of the various sectors of the agricultural industry. We will recognize that when we form government.

• (1120)

Canada's agriculture sectors are as diverse as Canada itself, and I believe our policy reflects that. It is in light of this diversity that we wish to work, and are trying to work, with our Bloc colleagues on an amendment to the motion that would reflect the wide diversity of agricultural interests in Canada and in Quebec.

The amendment we will be seeking is intended to protect producers under supply management, while seeking the enhancement of agricultural exports that are so needed by so many sectors in our country. I am not talking just about the grains and oilseeds, or the corn producers, or cattle producers or any others, I also am talking about those producers who operate under supply management.

In my riding of Haldimand—Norfolk I have been approached by many producers, many dairy farmers, who were very frustrated by the closure of the border to the U.S. as a result of BSE. Even though they are supply managed, they depend heavily on exports of their replacement heifers. There also is the issue of several other products from supply management that these producers want to export to increase their production and therefore their profitability.

When we talk about supporting the export-oriented agricultural producers, we include the dairy and the poultry producers, all those under supply management, in this category.

We know no one agricultural sector wants to profit at the expense of another and regardless of the sector, agricultural or other, Canadians deserve to be treated with respect by their government. They should have confidence that their representatives will stand tall for them and stay true to their commitments.

We will not be drawn into a discussion of the merits of one sector over another, but this whole thing boils down to accountability. The biggest challenge that supply management faces is the international pressure to reduce tariffs on all agricultural commodities. Without tariffs, Canada's supply managed industries are unable to predict the amount of imports and the whole system is disturbed. Predictability is a key component of supply management and that is managed through the board of controls, one of the three pillars of supply management.

During this round of talks at WTO, the Prime Minister and his Liberals are once again promising to protect supply management. Frankly, based on the record of the Liberals and their complete lack of accountability, as demonstrated most glaringly by the sponsorship

scandal, I have to wonder if Canadian dairy, poultry and egg producers can trust them.

The last time around, Liberals sold out Canada's farmers by signing away article XI which protected the industry with quantitative import restrictions. These were replaced with tariffs which have proven to be a failure in protecting Canadian producers from international competition. A case in point is we are witnessing substitute products designed to get around the tariffs, displacing Canadian dairy products in the production of ice cream.

Again, I cannot reiterate the critical importance of ensuring that all Canadian agricultural producers are fairly represented at the WTO so as to ensure that their best interests are looked after.

My concern is, having spoken with a number of producers in Haldimand—Norfolk, they are very frustrated. It is true that they need more access, but our supply managed farmers have seen over the last 12 years various components in protection measurements of supply management chiseled away at, like water eroding a rock. It does not happen overnight, but a lot of damage can be done over time. They recognize now it is not a coincidence that this erosion has taken place over 12 years, the same amount of time the Liberal government has been in power. That is too much of a coincidence.

The Liberal government has been at the negotiations, conducting the negotiations and selling supply management out at those negotiations. It is one more example of the low regard with which the Liberal government holds agriculture across this country. We have seen it in many ways. We have seen them poke the U.S. in the eye with a stick on one issue and then ask for a favour on the BSE.

• (1125)

We were scheduled to have a debate this evening on the very real crisis in farm incomes, but it had to be cancelled at the request of the Liberal government.

These negotiations in the Doha round are important to all Canadians, not just our farmers. One in eight Canadian jobs is a result of agricultural production. That is how important this is.

[*Translation*]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, I really enjoyed the hon. member's speech.

We are just a few weeks away from the WTO negotiations, in Hong Kong. There is a gloomy feeling among producers in my riding, in Quebec and in Canada. Supply management, which is a great system for the marketing of agricultural products such as milk, eggs and poultry, is being threatened. Right now, producers do not have confidence in this government.

Back home, the president of the UPA is worried. He said:

On the eve of the renewal of the Canadian negotiators' mandate, if what is currently on the WTO table is to be agreed to—that being the lowering of over-quota tariffs and increased access to our milk, egg and poultry markets—this would be a death sentence for any productions that are under supply management”.

Business of Supply

My question is for the hon. member. The latest American proposal during the negotiations is that what are known as sensitive products in the WTO negotiations not be accessible to more than 1% of the tariff lines. If that measure is implemented, 80% of the supply managed products would be threatened.

What does the Conservative member think of the government's position, which has not been openly critical of the American proposal?

[English]

Ms. Diane Finley: Mr. Speaker, we have to make sure that we have all the details and that we do not just look at one aspect of the negotiations.

I had the opportunity to be involved in a number of different negotiations in my career prior to entering this House. We must always keep the perspective of the big picture. We must pay attention to the details but look at the whole picture. If we talk about one issue like this in isolation, we are not considering the broader picture. We have to make sure that we look at the whole picture; otherwise, we would just be chiselling away at ourselves. This is just common sense in any negotiation.

To discuss any one particular phase, as the hon. member is asking me to do, would be irresponsible without looking at what else is happening in terms of market access that is being granted to us and what our counterparts in Europe and the U.S. would be doing. Already over the last 12 years we have accelerated the decrease in our tariffs whereas they have not kept up. We have to make sure that Europe and the U.S. accelerate their timelines to catch up with us.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I appreciated the comments from the Conservative Party's agriculture critic. She put forward a very impassioned defence of supply management. This is important, because in this House we need to stand four-square. All four corners of this House need to support supply management institutions and the communities across the country that depend on them.

She signed a letter in July 2005 which said something quite different. I will read it into the record:

It is absolutely not the position of the Conservative Party that the Government of Canada leave the WTO negotiations if over quota tariffs on sensitive products are reduced.

She concludes her letter by saying:

Again, I believe it would be irresponsible for Canada's negotiators to walk away from the WTO negotiations.

Here we have a situation where we know the Liberal government is prepared to at least sell out half of supply management, if not three-quarters or four-fifths, and the Conservative Party was saying, at least in the summer, that it would not stop that process of selling out half, three-quarters or 80% of our supply management sectors.

I am asking the hon. member which is the Conservative Party's position, what she said today in an impassioned defence of supply management, or what she said in July?

• (1130)

Ms. Diane Finley: Mr. Speaker, I have heard of trade distortion, but that was a classic example that really set a new record.

What I said in July in the letter was perfectly consistent. I do not understand how the hon. member across the way would pretend to defend supply management if he were to walk away from the table, which is what he is suggesting I should do. If we are going to protect people in negotiations, we have to be at the table. We cannot defend them by walking away, because who would be there to defend their interests? No one. It is in everybody's best interests to remain at the table and continue with the negotiations, not to take a hard-line position, throw a hissy fit and walk out. That will not accomplish anything for anyone. For the hon. member to suggest otherwise indicates that he does not understand the sophistication of this process.

Mr. Ted Menzies (MacLeod, CPC): Mr. Speaker, I want to acknowledge my hon. colleague from Richmond—Arthabaska for bringing forward this motion. I have had the privilege of travelling with the member and recognize his understanding of the agricultural issues.

It is a great opportunity for us to rise in the House and represent our constituents. Many of my constituents are farmers, as am I.

I have some concerns with how narrowly focused the motion is. It certainly speaks to one sector of agriculture, but we need to recognize that there is more than one sector of agriculture in Canada. Despite the rhetoric we are hearing from the other side, the Conservative Party is very adamantly supporting supply management, as it is supporting all sectors of agriculture. In fact, 24 of the members from this side of the House are farmers themselves. They do not just represent rural ridings, they are farmers themselves. I think we understand of what we speak.

As we approach the federal election campaign, and we all recognize there is one soon to be upon us, I would like to contrast the ambitious Conservative approach to agriculture and trade policy to the utter failure shown by the Liberal government on trade and agriculture.

The motion should be broadened, as I have mentioned, to show the government's failures not just regarding supply management, but also regarding our export oriented sectors. The grains and oilseeds sector, beef and value added products have been left completely out of the motion.

The Government of Canada should reiterate its support for supply management. We have heard a bit of the rhetoric, but I am not sure that can be classified as solid support for this sector.

The Government of Canada must ensure sufficient flexibility to retain supply managed production after the conclusion of the current WTO round. The government must also recognize that nearly 90% of Canadian agricultural producers rely on exports. The Government of Canada must mandate our WTO negotiators to ensure the elimination of export subsidies by a specific end date and ensure substantial reduction of trade-distorting domestic support under clear definitions of what constitutes a subsidy. We must get clear rules for tariff rate quota administration, with the goal of increasing clear market access for Canadian agriculture products in foreign markets.

Business of Supply

The Liberal government has not supported supply management. It has not supported any sector of the farming community. Liberal support has resulted in probably the largest farm crisis that we have faced in decades. It is not much to be proud of.

Liberal support has resulted in repeated trade challenges from our closest trading partners. With this kind of Liberal support, the farm industry could probably do quite well without it.

There are politics in all things, according to the Minister of Agriculture, but farmers cannot afford to wait while the Liberal government gives out untendered contracts to the likes of David Herle so he can poll to find out what international trade policy might win the Liberals the most votes.

It is clear that the Liberal government is not up to the job any more. The Liberals have lost the moral authority to govern and we on this side are ready to take up the reins of government and bring policy back to the best interests of Canadians.

Farmers, agri-business and average Canadians just are not buying the Liberal hype any more. They see through the Liberal threats and they are ready for change. They will not accept the crass politicking from the Minister of International Trade, the Minister of Agriculture and the Minister of International Cooperation having threatened Canada's farmers, non-governmental organizations and business communities by saying they will not attend the WTO meetings in Hong Kong in December. That is unacceptable.

• (1135)

The Conservative Party stands four-square behind Canada's farmers. We have members such as myself who have actually attended ministerial meetings before. I was a farmer representing the agricultural industry at the Seattle trade talks in 1999 and again in Cancun in 2003. That of course was before I was a member of the House. We have actually made an effort to talk to other countries. We have tried to build bridges with no backup from the agriculture minister.

On this side of the House we have the experience and commitment to negotiate free trade agreements that benefit, not harm, Canadian agriculture. A Conservative government would not threaten to boycott WTO meetings for partisan political gain. The Liberal government has consistently played the interests of Canadian farmers against each other to achieve its objectives.

The Conservative Party does not believe that consulting our trade partners is an acceptable negotiating ploy. The Conservative Party of Canada would mandate Canadian negotiators to table proposals at the WTO, not hang around simply on the margins hoping to ride on someone else's coattails.

The Conservative Party of Canada is committed to making Canada a good faith broker on the international stage. According to former Liberal trade ministers and negotiators, it is embarrassing to see how little Canada counts at the WTO. According to former Canadian trade negotiator Bill Dymond, Canada has become essentially marginalized.

It took 12 years of Liberal government to destroy what hard-working Canadians have achieved in almost 150 years. It is time to

stand up for Canada. That means it is time for a Conservative government.

The Liberal government has been in power for over 12 years. Farm incomes have dropped all the while. Trade irritants have grown and have been grossly mismanaged by the Liberal government. Producers in agri-business have rejected the Liberal farm support programs, have questioned the Liberals' lack of trade vision, and have demanded real action on policy reform. After over 12 years, things are just worse for everyone. Canada needs a Conservative government to clean up this mess.

Because the Minister of Agriculture refused to come to the House of Commons on November 22 and account for Canada's farm income crisis, Parliament is unable to debate what solutions might be available for this crisis.

The Minister of Agriculture voted against a Conservative motion to drop the deposits on the CAIS program. We were willing to accept that this may work, but the minister, recognizing its failure, would not support a motion because it did not come from his side of the House. The Minister of Agriculture voted against a Conservative motion to return the lands appropriated for Mirabel airport to Quebec farmers.

Canadian farmers have suffered from poor ministerial representation at WTO negotiations. An example of the Liberals shirking their duties to Canadian farmers was the absence of the Minister of Agriculture and the Minister of International Trade at the mini ministerial meeting in Kenya on March 2 to 4 of this year. At this meeting member countries discussed their commitments to the Doha round of the WTO. The international trade minister and agriculture and agri-food minister were not at the meeting because they were attending a Liberal convention. Under the rules of the mini ministerial meeting, without a minister present, no other representatives of that country are allowed to speak officially.

The Liberals have done a poor job of showing other countries that Canada's supply managed sectors ought to be exempt from WTO negotiations. The proof is that many other countries believe that supply management is purely a government subsidy program when in fact it is not.

These ministers' poor showing at the WTO imperils the livelihoods of all farmers. Canada is the third largest agricultural exporter in the world. Given that the two ministers have given mixed messages at the WTO and member countries, it is not surprising that Canada is losing its credibility among WTO countries.

• (1140)

A former Liberal international trade minister, Roy MacLaren, went on the record in the *Globe and Mail* on November 8 by saying, "Canada has mysteriously disappeared from the global trade arena". He also said:

Canada's current policy of ambivalence—offering little in terms of liberalization, free-riding on what others negotiate, and implicitly protecting our preferential access to the U.S. market by not pushing for an ambitious global deal—may buy short-term political peace.

Supply

I leave members with one final question: do we not all deserve better than the Liberal government has given us?

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Speaker, what a ridiculous rant and so far off today's motion. Talking about standing up for Canadian farmers, this government and this minister have stood up for Canadian farmers consistently inclusive of supply management.

That is why the payments to Canadian farmers have never been higher in Canadian history. The member opposite knows full well that the real reason why commodity prices remain so low is as a result of the global situation that exists out there. Both the Minister of International Trade and the Minister of Agriculture and Agri-Food have negotiated extensively and put Canada on the map. In fact, they punched far above their weight in terms of those negotiations.

However, the party opposite talks about undermining the credibility of a government and its members are trying to defeat the government in the House when the most important international trade negotiations ever are taking place. We would not have a minister there with the confidence of the Canadian people. That party is undermining our ability to do our job at the WTO.

I have a question on the specifics of the motion today. This was the policy of the party opposite in May 2002. It stated:

We will ensure that any agreement which impacts Supply Management gives our producers guaranteed access to foreign markets, and that there will be a significant transition period in any move towards a market-driven environment.

That was the policy as of May 2002. Is that still that party's position?

Mr. Ted Menzies: Mr. Speaker, I always enjoy questions from my hon. colleague on the other side of the House. I know that he has a great deal of agricultural experience, growing potatoes in Prince Edward Island, and representing the socialist side of agriculture that does not believe that there is a future in agriculture without protection.

The rest of us understand that we are a trading nation and that the future of Canada being able to compete on an international scale is providing opportunities for those farmers, opportunities that market access can and will be negotiated in Hong Kong whether or not our agriculture minister is there. There is no reason on earth why our agriculture minister, our trade minister, and our Minister of International Cooperation cannot be in Hong Kong. The precedent has been set.

The Prime Minister travelled to a G-7 conference in the middle of the last election. I would ask any hon. member in the House to give me a reason why this meeting in Hong Kong is not important enough for the government to defend not only agriculture but all industries in this country? If the Liberals are not willing to stand up for Canadian industries, they better not expect to ever govern again.

ROUTINE PROCEEDINGS

● (1145)

[English]

COMMITTEES OF THE HOUSE

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Hon. Raymond Simard (Parliamentary Secretary to the Minister of Internal Trade, Deputy Leader of the Government in the House of Commons, Minister responsible for Official Languages and Associate Minister of National Defence, Lib.): Mr. Speaker, I rise on a point of order. Discussions have taken place between all parties concerning the recorded division scheduled to take place later today on the motion to concur in the 10th report of the Standing Committee on Public Accounts. I believe that you would find unanimous consent to the following motion: I move:

That the motion to concur in the 10th report of the Standing Committee on Public Accounts, be deemed carried on division.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[English]

SUPPLY

OPPOSITION MOTION—WORLD TRADE ORGANIZATION NEGOTIATIONS

The House resumed consideration of the motion.

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, in talking with producers in my riding and supply managed sectors, there is growing anxiety and it has been happening over the past decade under the Liberal government's rule. Producers are looking at Hong Kong and quite frankly, it is make it or break it for their future right now.

We have a minister who does not show up at a mini-ministerial meeting. Instead, he was at a Liberal convention. What does that speak about the government's priorities in protecting supply managed sectors?

My hon. colleague was in my riding not that long ago to talk to producers, to talk to supply managed producers, and I have this question for him. Is it any cold comfort that the government is representing us at the WTO for them, when instead the Liberals prefer going to conventions instead of to meetings to talk about what is going to happen in Hong Kong?

Mr. Ted Menzies: Mr. Speaker, I would like to publically acknowledge the warm reception I received when I visited with some of the farmers that the hon. member represents. Certainly, we heard some concerns from corn producers who are looking at the government and asking what it is doing to stop the dumping of U.S. corn that has dropped prices incredibly low. We met with dairy farmers and we reassured them of the strength in this caucus on this side of the House that will stand up, even if those ministers claim they cannot go to defend the interest of supply management. We would be proud to do that.

Supply

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I am proud to rise on behalf of the NDP caucus on this motion by the hon. for Richmond—Arthabaska. It really strikes to the very heart of both the agricultural crisis that we are currently living through and the government's repeated sellout of Canadian interests.

I would like to begin by reading for the record the motion itself:

That, in the opinion of the House, the government should give its negotiators a mandate during the negotiations at the World Trade Organization so that, at the end of the current round of negotiations, Canada obtains results that ensure that the supply management sectors are subject to no reduction in over-quota tariffs and no increase in tariff quotas, so that these sectors can continue to provide producers with a fair and equitable income.

This is an important point because the motion calls for, and we will be supporting the motion in the House, full protection for the supply management sector. There are no ifs, ands or buts. It calls for full protection for the communities from coast to coast that depend on supply management to provide that equitable and fair income to which the motion refers.

We have heard in just the last few minutes both the Liberal Party position and the Conservative Party position. When I asked the Minister of Agriculture and Agri-Food directly whether he would refuse to sign any agreement that would diminish our supply management sector and hurt communities from coast to coast, he did not answer. He did not for one very good reason because he is prepared, as is the rest of his government, to sell out supply management.

As the negotiator for the WTO clearly indicated in a briefing a few weeks ago, 11% of our products are in the sensitive product regime. The Americans are demanding that it be reduced to a ceiling of 1% and the negotiator felt that the compromise would be somewhere in between.

We see very clearly from the negotiator, and the motion refers to a solid mandate that would be given to the negotiator, that the figure is going somewhere between 1% and 11%. What that percentage will be, we do not know. Is he prepared on behalf of the government to sell out 50% of our supply management sector? We do not know. Is he prepared to sell out 75% of our supply management sector? We do not know that either. Is it 90% of our supply management sector that will be gone after these negotiations?

The truth is that we do not know how much of our supply management will be sold out. We do know that the negotiator and the government are prepared to sell out a huge chunk of it. We know that there will be enormous ramifications in communities from coast to coast that depend on our supply management institutions and expect our government to stand up for those institutions.

I will be coming back later on to the whole issue of the repeated sellouts of the Liberal government. However, it is important to note a couple of comments that the trade minister made in a recent interview a few weeks ago on other aspects of essential parts of Canada's economic institutions that support communities from coast to coast.

In an interview with the *National Post*, the international trade minister, in referring to the fact that the Americans are coming after

the Canadian Wheat Board, said, almost bragging, that we have made concessions to the Americans with respect to the financing of the Canadian Wheat Board and in respect to underwriting losses.

He was asked if he could articulate our position on softwood and energy, if there was a linkage or not? He said very clearly that there was no linkage. We have an international trade minister who has signalled not only with supply management but obviously with the Wheat Board, and obviously with NAFTA, and the privileged and proportional access to our energy resources that we continue to give even though we no longer have a functioning dispute settlement mechanism, that the government's intent is to sell out again. We have a very clear indication from this Liberal government that it is ready to sell out a huge chunk of supply management.

• (1150)

How many communities would be impacted? How many farmers would be shut down? We do not know at this point. It is all in the fog. However, very clearly, the intent is there. The negotiator is going with the intent to sell out supply management and this government, coming back from Hong Kong, will try to spin it by saying it saved 4%, or it saved 5%, or it saved 6%, or 2% of supply management and in some way claim that as a victory. That is completely unacceptable.

With this parliamentary motion, that we hope would be adopted with support from all four corners of the House, we would hope to move forward, so that the negotiator understands that he is not to sell out any portion of supply management institutions that maintain our communities from coast to coast.

The next question should be: If the Liberal government is prepared to sell out supply management, what are the Conservatives prepared to do?

We had an answer from its agriculture critic just a few minutes ago in this House. Indeed, even though the Conservatives are ready to make the speeches in the House saying that they support supply management in principle, very clearly, the Conservative Party, as it stated clearly and concisely this summer, is prepared to allow our supply management institutions to be gutted and it will stay at the table and sign whatever agreement is put forward.

With the Liberals and the Conservatives both ready to sell out a significant proportion of our supply management institutions, it appears, certainly outside Quebec, that there is only one party standing up for the communities from coast to coast that depend on supply management, and that is sad.

I am hoping the Conservatives will adjust their fire, will support the motion, and will speak very clearly that they will not sign a WTO agreement that guts our supply management institutions. The Liberals have clearly signalled that is where they are going.

The Conservatives are going to have to change their statements and change their attitudes if they hope to keep seats in rural Canada because, as we know, this is a significant issue. Rural Canada will not accept half measures, will not accept half of the gutting of supply management, and will not accept a three-quarters gutting of supply management.

Supply

Rural Canada will accept complete protection of our supply management institutions and will not support a government or a party that will simply allow those institutions to be gutted. That is the essential issue that we are talking about today. We are talking about the fundamental support for supply management.

Why would we support supply management? We know fully that communities from coast to coast depend on it. We are talking about supply managed industries that add a net \$12.3 billion to our GDP. Why this government would mess with that formula is beyond me, but very clearly, it has signalled the intent to do that.

We are talking about supply managed industries that support \$39 billion of economic activity and the government, like some drunken sailor on shore leave, is ready to gamble all that at the WTO in Hong Kong, ready to sell out and gut what is an essential part of rural Canada and an essential part of the Canadian economy.

Our supply management industries, as well, sustain more than 214,000 jobs: 75,000 on the farms, almost 48,000 in farm supplies, and over 91,000 in the processing sector. A total of over 214,000 jobs dependent on our supply managed industry. We are talking about one out of every five jobs in Canada's food industry.

●(1155)

When we are talking about something that plays an essential role in the Canadian economy why would the government be prepared to sell off a huge chunk and gut our supply managed sector?

It is important to note that it is not just Canadians who have jobs and rural communities from coast to coast that benefit from the supply managed sector. It is also consumers who benefit. One of the recent surveys done by the Dairy Farmers of Canada reveals that Canadian consumers pay 6.5% less for a nutritional basket of dairy products in Canada than for the same basket in the United States. It is a very important point. Consumers in Canada benefit from our supply managed sector as well.

We are not just talking about the hundreds of thousands of jobs that depend on it, the thousands of farms and communities from coast to coast that depend on the supply managed sector, we are also talking about the benefit to Canadian consumers, this distinct structure that Canadians have which other countries would like to emulate, which I will come back to later in my presentation. This distinct sector benefits consumers as well as farmers and it helps supply hundreds of thousands of jobs to the Canadian economy.

[Translation]

We are talking about something that is fundamental to rural Canada. It is extremely important for the Canadian economy. I am absolutely flabbergasted by the fact that the government is prepared to auction off this critical and vital sector of the Canadian economy.

Last month, Jean-Robert Sansfaçon wrote an article in *Le Devoir*, in which he mentioned the benefits of the supply management system. He said:

Because of the higher costs generated by maintaining reasonable size farms in a rigorous climate such as ours—

Such as the climate with which we are very familiar in Canada.

—the supply management system adequately meets our needs, while ensuring decent revenues to producers. To accept to abolish this system and replace it with

a free trade initiative would result in thousands of farms being abandoned, and in thousands of others being consolidated under large size operations, and we would all lose. Nothing justifies such a dismantlement of the agricultural sector, which is already very affected by anarchic modernism, and the hog industry is a sad example of that.

We are talking about something that benefits rural Canada, all of Quebec, western Canada, northern Ontario, Atlantic Canada and the whole country. Our communities all depend on this vital and critical sector.

●(1200)

[English]

Why would the government be ready to sell out? The chief negotiator has clearly signalled that the government is ready to sell out most, if not all. It has certainly drawn the line at 1% or 1.5%, so it would be conserving some sort of symbolic presence in supply management.

This has been the tendency of the government over the last 10 years. We have seen this with softwood lumber. In August the dispute settlement mechanism was arbitrarily ripped up by George Bush. Since then, the government has done nothing, albeit, make one phone call.

We have heard lots of speeches about getting tough and doing something, but that has been for domestic consumption only. We have not seen one concrete action by the government to bring resolution to this and to bring back the now \$5.5 billion that is sitting partially in Washington because of the Byrd amendment, but as we know, millions of dollars have been paid out under the Byrd amendment that we have lost forever.

The government did not recall Parliament early, even though we called very clearly for that action to occur. The government continues to negotiate concessions under NAFTA-plus in such key areas as food safety and air safety. The government is negotiating right now with the Bush administration to lower our standards to American ones. We wonder why the Bush administration does not take the government seriously when it is negotiating other concessions.

The government continues to give proportional and privileged access to our energy resources. We are the only country in the world that provides a foreign country a supply of energy before Canadians have the right to access that and, as we know, in the event of a national shortage, a national emergency, we still have to ship most of our energy supplies across the border to the United States in the framework of NAFTA.

We have proportional and privileged access on energy continued to be granted to the Bush administration at the same time as the reason we granted that proportional and privileged access, which was to have a dispute settlement mechanism that would actually be binding, no longer exists. The dispute settlement mechanism has been arbitrarily ripped up by the Bush administration. The government has done nothing about that and continues to provide proportional and privileged access to energy resources that are the birthright of Canadians but they are sent abroad to the United States.

As we saw last week, the government allowed a Bush bagman, Richard Kinder, to purchase Terasen Inc., the most important utility in Canada and in British Columbia. We allowed him to rubber stamp approval on Terasen, despite the fact that thousands upon thousands of British Columbians had said no to that sellout. This is one of 11,000 takeovers that have happened under the Liberal watch. Ninety-seven per cent of foreign direct investment coming into Canada now takes over and guts Canadian companies with the corresponding loss of jobs and loss of benefits to the Canadian economy.

It is no surprise that 15 years later we are seeing that over 60% of Canadian families are earning significantly less in real terms than they were 15 years ago. Could there be a clearer indication of the massive Liberal failure on the trade policy and with the economy than the fact that most Canadian families are now earning less than they were 15 years ago?

Most jobs created in this economy, as we know, are now temporary or part time in nature. Statistics Canada told us in January that most jobs come without pensions now.

What we have seen over the last 15 years of Liberal failure and Liberal sellouts is that for most Canadians the quality of life is continuing to fall. For the lowest income, 20% of Canadians, their incomes have collapsed by 10%. Working class and middle class Canadians have lost the equivalent of three weeks salary a year on the Liberal watch.

Liberals can stand up in the House and say that everything is fine but, except for corporate lawyers and CEOs, the reality is that Canadians are having a tougher time of it than they were 15 years ago. It is because of the complete failure of the Liberal government on not producing a job strategy and on its complete failure on trade policy.

• (1205)

We have seen the Liberals' complete failure on softwood lumber and, with Terasen Inc. and 11,000 other sell outs, a fire sale of Canadian resources and Canadian companies. Now we are seeing in Hong Kong that the government is getting ready to sell out a significant proportion, if not a majority, of our supply management sector.

We also, and this will be the subject of another debate, see the government preparing to sign a general agreement on trades and services to sell out our public services as well. There does not seem to be any limit to the Liberal government's capacity to sell out the country and to not think of the consequences that it will have on Canadians from coast to coast to coast.

I am proud to support the motion, not only for Canadian farmers and Canadian rural communities from coast to coast and not only for Canadian consumers, but for those elsewhere in the world, particularly in developing nations, who are looking for supply management to change and improve their quality of life. It is not just for Canadians. It is for people around the world that we have to stand up for our supply management sector.

Supply

[Translation]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, I commend my hon. colleague for his remarks and I agree with the important points he made.

I come from Berthier—Maskinongé, a rural area. In that rural area, agriculture is very important of course. Our rural areas have been affected by this problem. The furniture industry is currently ailing. And there have been plant closures in the textile industry.

Negotiating for supply management entails a bargaining relationship. One enters negotiations to gain something and prepared to give something in return. We consider that supply management in this case is not negotiable because, without it, our regions are likely to shut down.

The government of the day will have to be very sensitive to this situation where regions are having their lifeblood drained away. Indeed, rural areas are shutting down. Agriculture is one of the ways to ensure the vitality of our rural areas. So, the concern raised by the hon. member very much strikes a chord with the Bloc Québécois.

That is why hon. members have to support the motion we have put forward. It is important for our region, for Quebec and for many other regions across Canada.

Mr. Peter Julian: Mr. Speaker, I would like to thank the hon. member for Berthier—Maskinongé for his words and his question. I had only 20 minutes, but I could have continued and spoken about the lack of a government policy on the textile industry too, as the member very well knows.

This is not simply about the softwood lumber industry, or the textile industry, or Canada's rural and agricultural sectors. This government is prepared to sell off our heritage and the very foundations of our Canadian economy. That worries me very much.

The Minister of Agriculture and Agri-Food just said that he is not prepared to sign an agreement at the WTO that will result in supply management being reduced by half, by three quarters, by 80%. But we do not know what limit he will set because he did not tell us today. We questioned him, but he did not tell us what his limit is.

We know that he is prepared to sell off supply management, sell off the communities that depend on it, and sell off the farmers who rely on it. He is ready to sell off jobs. He is ready to do all that. But we do not know whether it will be one third—if we are lucky—or 50%, three quarters or more. That is what is so disturbing. This government and its ministers are prepared to sell out rural Canada, its communities and its jobs. Ultimately, as the member well knows, Canadian consumers will also suffer. To the extent that prices are better in Canada, it is consumers who will pay.

Our concern is obviously all the greater today since we just heard the minister refuse to say categorically that he would not sign an agreement that negatively affects supply management. I know that the hon. member will continue to work very hard at this in order to protect the communities that would be affected. We will do the same, and we hope to make this government, which is prepared to sell everything at a low price, listen to reason.

Supply

• (1210)

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, after listening to the hon. member's remarks, I prefer to make a comment. I am among those who espouse the theory that not only does Canada's supply management system allow us to provide extremely high quality products to our consumers at reasonable prices but it does so almost entirely without subsidies. The only subsidies that enter the picture might be for some inputs, if the feed eaten by animals under the supply management program was subsidized. This is not a subsidy. So we can say that there are virtually none.

Some consumer groups have sometimes propagated a myth. It is heard less often today than it was a few years ago. Nevertheless, it was said that supply management increased product prices. This is not true.

I want to ask my colleague if he recognizes, as I do, that, under supply management, we often end up with almost identical prices. I have checked this myself. For example, I compared the price of a litre of milk, or rather a pint of American milk in Florida to the price of milk sold here in an Ottawa suburb. If there is any price difference, I cannot see it. The same goes for a dozen eggs. We have even seen on several occasions that the same products cost more in various American cities than they do here in Canada.

So it is important for us to state not only that there are no subsidies involved and that the system is self-sufficient, but also that it ensures good products at good prices for Canadian consumers. It is important that consumers support us in this. I invite my colleague to respond.

Mr. Peter Julian: Mr. Speaker, I thank the hon. member for Glengarry—Prescott—Russell for his comments.

I know that he will be retiring from this House, perhaps in a few days, if an election is called next week. His experience, and he has a wealth of it, will be missed in this place.

We may have disagreed on certain subjects from time to time, but no one can question his long experience and his past contributions to the House of Commons, especially since he has given every member of the House a copy of his new book. I will look through it with interest, if I have time during the election campaign; otherwise, I will read it immediately after the campaign, on the plane, while going back and forth between Vancouver and Ottawa.

The hon. member raised an extremely important point for consumers. As I said, according to the Dairy Farmers of Canada, compared to the U.S. market, Canadian consumers of dairy products enjoy lower prices, thanks to this supply management system. We can see, therefore, that it is not just farmers and rural communities that benefit. Consumers across the country also benefit, by having access to a better quality product at a lower price here than in the United States, where such a system does not exist. That is the Americans' loss. One day perhaps, they will be fortunate enough to elect a government that will set up this kind of system.

• (1215)

[English]

Hon. Don Boudria: Mr. Speaker, I want to thank my colleague for his very kind remarks. This may be one of my last days in this

chamber, but I hope it will be a bit longer. Like the man at the garage said, "Them's the breaks".

The Dairy Farmers of Canada sent a communiqué to many of us in which it expressed its concern and invited our support. Perhaps my colleague has had the opportunity to see it. The Dairy Farmers of Canada have had a particular bone to pick over the last little while. It is not just the issue of supply management for dairy farmers, but it is the fact that there seems to be no limit to the devious imagination of some in trying to bypass the supply management system to allow products to come into Canada that normally could not. The butter-oil-sugar blend issue is an example. Items are artificially sweetened to make them cross the border and then the product is removed. The sugar is more or less a container in that regard to make some product cross the border.

Would my colleague agree that is an abuse of the system, which is being perpetrated on Canadian dairy farmers? It clearly was not part of the deal when supply management was established or in the subsequent rounds of the GATT, subsequently the WTO.

Mr. Peter Julian: Mr. Speaker, I agree with the member for Glengarry—Prescott—Russell. It is the death of a thousand cuts.

We are discussing a more serious issue right now, which is the potential for the government to sell out supply management in Hong Kong. The death of a thousand cuts is taking place with these loopholes, which very clearly contravene the supply management sector and undermine it.

I would agree completely with the member that we have to reinforce in Hong Kong. We have to ensure that no agreement is signed that would negatively affect supply management. We also have to deal with the loopholes and the undermining of the supply management foundation that is taking place through these imports.

[Translation]

Mr. Réal Lapierre (Lévis—Bellechasse, BQ): Mr. Speaker, I will be sharing my time with the hon. member for Jonquière—Alma.

This is a turbulent period, in many respects. Tsunamis, tornadoes and hurricanes have swept through 2005. The planet has mobilized to face these challenges. On the other side of the Atlantic, the rejection of the European constitution by a number of countries has had the effect of a cannon ball. Civil war is devastating Iraq; Afghanistan is collapsing beneath nearly a half-century of bullets, bombs and mines; the Middle East is ablaze with rage, aggression and hatred. Terrorism is plaguing the world.

The mad cow crisis has wreaked havoc that would have been unthinkable only four or five years ago. We are facing a probable flu pandemic which, for now, is targeting flocks of birds. All these problems are having a serious impact on a world of crucial importance to humanity: the world of agriculture, the world that helps preserve life.

The agricultural sector is suffering the adverse effects of natural and political storms.

Globalization has created a wider gap between rich and poor. It is also responsible for an extraordinary mood of solidarity which is gradually taking hold.

We now have the opportunity to show solidarity in helping the very persons who permit the world to feed itself and survive. That is the foundation. If we do not support the fragile balance that farmers have established to ensure the survival of their threatened world, all the riches of the planet will not be able to buy the wheat, milk or meat needed for health. There will be no more food.

Am I an alarmist? I am a realist. Every day brings us new examples of our obligation to share, at the national, continental and international levels. However, in order to share, one must have something to share. Will it always be enough to provide money and blankets? I believe that global trends indicate that it will soon be necessary to ensure that all human beings have access to water and food. Therefore it is imperative to do our very best to preserve the agricultural sector, which is the true basis of our well-being and our ability to participate in globalization.

As a rich nation on a rich continent, it is our duty to guarantee the sustainability of food sources, for who knows whether tomorrow, literally tomorrow, we may not be confronted with a pandemic famine. We are forced to consider this by the natural cataclysms shaking Asia and South America, and by the wars raging in the Middle East and Africa. We are forced to believe this by the environmental problems arising all over the world.

We have a fine opportunity for prevention, as opposed to cure. We can accept this opportunity by supporting the principle and implementation of supply management. This clever mechanism has been devised and established by the dairy, egg, turkey and chicken producers to bring about the greatest possible balance between supply and demand in their products. This is a system which avoids overproduction, which would inevitably lead to selling at a loss and thus diminishing market prices. For it to work, the system has to be combined with import controls, or else the market is flooded with products, forcing prices down beneath production costs, and the round of demand for subsidies begins.

That is understandable, which is why it is so sad. While Quebecers and Canadians are ensuring the quality and quantity of their production and market supply, many countries skirt around the standard and subsidize their farmers in an unfair manner.

•(1220)

The United States, France and the Netherlands prop up prices by intervening in the domestic dairy market. We know that our sector of this market is particularly fragile.

The 2005 evaluation of the agricultural policies of the OECD countries states that Canada brought farm support back down from 1.8% to 0.8% of GDP between 2002 and 2004. According to the same source, farm support is 1.3% in the European Union, 1.2% in Mexico and 0.9% in the United States. Meanwhile, farm income there has increased by over 4% a year, while here the market is on the brink of collapsing, agricultural succession is decreasing at a catastrophic rate and the income crisis in this sector of the economy is disastrously complicating the situation.

Supply

Supply management is not a threat to globalization. On the contrary, it is a logical and effective way to apply it, since globalization must occur according to clear rules in this world where everyone has a hand to play.

By promoting supply management, which is a fair model, we are allowing local economies to expand without risk and to ensure the sustainability of their production. Every country should follow this model, since national self-sufficiency helps provide a significant contribution to the international market with a minimum number of fair rules.

Imagine a world in which eggs or dairy products could only be had through foreign markets because our domestic industry was ruined by a lack of interest among producers who no longer saw the potential for profit. Who would be able to have an omelette for breakfast? How many children would have a birthday cake? I believe I speak for my colleagues; perhaps they think I am kidding. The number of producers is decreasing right before our eyes. Yes, some farms are growing, but nowhere near enough to offset the decline.

Canada absolutely must support supply management in the upcoming WTO negotiations, and why not seize the opportunity to promote this principle? Canada must maintain its current customs tariffs on goods subject to supply management and not give up any of its ability to manage pricing policies.

It could propose that all WTO signatory states allow imports to make up 5% of their market. That measure alone would make it possible to increase the flow of goods on the international market by almost 80% with no customs tariffs. This would constitute a real improvement in market conditions and at the same time would restore balance in the rules and conditions of international competition.

If we look at the dairy industry alone, we see clearly that the norm is to regulate economies in developed countries. The problem lies in the way systems are regulated.

The United States, for example, is a long way from full deregulation, which is the trend we are seeing in Australia. Dairy producers in that country receive assistance in the form of a direct production subsidy program, while the policy of reducing the domestic support price is showcased.

In New Zealand, full liberalization of the dairy industry has been suggested, while a cooperative with state authority to maintain market capacity on the international market manages the system.

Should this conclusion not influence us and encourage us to promote supply management? I think it should.

Factoring in that the revenue of Quebec and other Canadian producers enjoys the best protection, while Canada's financial contribution to dairy production is the lowest, we can clearly evaluate the positive effects of supply management as it is applied here.

Supply

• (1225)

We have a winning formula. It would therefore be irresponsible not to support it, not to develop it, not to promote it. It is not really wise to consider siding with requests that conflict with the well-being of our agricultural producers and consumers in Quebec and the rest of Canada on the pretext of a desire to make a mark on the international stage. We have a great opportunity to stand shoulder to shoulder with those who are the foundation of our well-being.

• (1230)

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, I have listened carefully to the hon. member and have a question for him on supply management.

After the mad cow crisis in 2002, and the resulting income losses for farmers, I would like him to explain why supply management is very important for those same farmers and for the survival of the farms of Quebec and of Canada.

Mr. Réal Lapierre: Mr. Speaker, I would like to point out to my hon. colleague that I too represent a strongly agricultural riding and the bulk of its agricultural economy rests precisely on supply management. My riding is massively dominated by the dairy industry, and there are also many poultry and chick operations.

So we need look no further than our own areas. It is necessary that we continue to support this program, and it should even be tried by all of the developing countries. In fact, the supply management formula and its *raison d'être* starts with self-sufficiency. Setting quotas of self-sufficiency avoids our even having to think of flooding the market in other countries that may need our products, because our availabilities are very limited.

Mr. Sébastien Gagnon (Jonquière—Alma, BQ): Mr. Speaker, first I would like to congratulate my colleague on his fine speech. It covered the main concerns of the Bloc Québécois. I would like him to provide me with some clarification on the situation in the regions.

I myself have a number of farms in my riding. I actually live in an area where there is a lot of agriculture. The farming community has seen some rough times over the last few years. There was the mad cow crisis, which resulted in major financial losses for farmers after the embargo was imposed on the export of beef, and so forth.

The farmers in the region even met with leaders of this government who will be at the negotiating table. There are a number of signs that supply management might be dropped.

I would like my colleague to provide me with some information that might exist, either in his region or in Quebec, about this loss or at least this government back-down from protecting supply management.

Mr. Réal Lapierre: Mr. Speaker, in order to answer my colleague's question, I must mention what I heard a little while ago. The minister told us that when there is a negotiating process at the international level, certain difficulties can arise.

It must be recognized, though, that the main difficulty we will have to deal with, as Quebecers and Canadians faced with any movement or relaxation in supply management, is that we will again be transplanting into our own backyard a difficulty that some other countries are already experiencing. I cannot see how a lessening of

demand, in comparison with what is currently required to keep supply management as it is, could possibly have any other effect than to hurt us.

Our farmers have already been hurt enough by the mad cow problem. We must take the necessary action, especially in an area where we have the ability and the tools to control our production in an intelligent way, to ensure that we cannot be accused of flooding other markets. That is a winning approach. It is a winning approach that we can only recommend to all other countries, especially those that would like some day to be able to control their own farm production.

• (1235)

Mr. Sébastien Gagnon (Jonquière—Alma, BQ): Mr. Speaker, it is with great pleasure that I rise in the House to speak to the motion brought forward by the Bloc Québécois, which reads as follows:

That, in the opinion of the House, the government should give its negotiators a mandate during the negotiations at the World Trade Organization so that, at the end of the current round of negotiations, Canada obtains results that ensure that the supply management sectors are subject to no reduction in over-quota tariffs and no increase in tariff quotas, so that these sectors can continue to provide producers with a fair and equitable income.

As I was saying, it is with great pleasure that I rise to speak to this motion because it shows once again how much we, the members of the Bloc Québécois, care about agricultural producers and about the regions of Quebec. Indeed, one of our priorities is to defend full use of the land in Quebec so that our regions cease to disintegrate. This can be done through various means, including by addressing major issues such as this one and by protecting certain industries.

Allow me first of all to salute the work of the men and women who, day after day, by their work on the farm or in businesses, provide us with this produce, this high quality food that adorns our tables every day. These people work very hard. Farming is not an easy profession, because it keeps people busy on the job 24 hours a day, 365 days a year.

I know what I am talking about, as I had the good fortune—and I do say the good fortune—to work for six years on a farm in my home town of Métabetchouan.

I would also like to take this opportunity of congratulating these farmers who work on their farms every day, in addition to making us, as members and parliamentarians, aware of these major issues through their representations.

I would like to mention by name in this House the people whom I have had the good fortune to meet recently, who have once again made us aware of this issue of protecting supply management: Daniel Côté, Réjean Maltais and Yves Lapointe. Mr. Lapointe is a young man around the same age as myself. He is not naive. He has chosen to work, day after day, at this noble calling, even though he has grasped all its inherent demands in terms of work and commitment, particularly in the current context, despite the major crises of recent weeks and years.

The aim of their representation was to raise our awareness of this supply management protection system. Allow me, for the benefit of our listeners, to remind us what supply management consists of.

The lion's share of farm incomes in Quebec are generated by supply managed sectors, especially the dairy industry. This system offers the dual advantage of generating decent incomes for our producers and not causing distortion in world markets. In fact, it deserves to be better known abroad and could even constitute one element of a response to the world farm crisis.

Here again it is essential that Ottawa believe in it, as Ottawa is the player that is responsible for the negotiations. It is basic.

I will also address the concern that exists on the part of these producers. Why? First of all, because my own region, and probably several regions in Quebec, have experienced ups and downs related to the declining economy.

Let me explain. In Saguenay-Lac-Saint-Jean, the softwood lumber industry has experienced serious problems. As we know, the Americans are imposing export duties which prevent us from exporting to our full potential to the United States: the countervailing duties. This region, which derives its living from three major sectors, lumber, aluminum and agriculture, has seen two of these industries hit hard: softwood lumber and specifically agriculture. As a result, people are right to worry about the problems to which they are exposed.

Let us look at the importance of agriculture in our region: there are 3,000 indirect jobs that depend on agriculture, meaning about 16,000 indirect jobs in this sector of activity. This is important for Saguenay-Lac-Saint-Jean: it represents some 12% of jobs.

• (1240)

It is interesting to see the producers who want to do more and who opt for other market openings, such as the cheese dairies and other agri-food sectors. We see a lot of vitality there. Yet this is not easy. These people need help in developing their farms. It is precisely through strong stands taken here, in this House, that these farmers can be given the confidence to engage in this industry and to pursue their activities with peace of mind.

But at present, that is not the case; they are worried, for all sorts of reasons. There are certain signs that are keeping them worried, and forcing them to take up this fight and intervene.

I cite the example of butter oils. The Ontario chemical ice cream industry wanted to stop using cream to make its ice cream, to reduce its production costs. It wanted to be able to buy an American blend of milk by-products and sugar, known as butter oil, as a raw material. Bowing to the industry lobby but abandoning Quebec dairy producers, the federal government decreed that these butter oils were not dairy products, thereby opening the border to these imports. The result was that in five years, between 1997 and 2002, imports soared 557%, representing a loss of a half billion dollars for Quebec's dairy producers. That is a substantial loss of revenue.

A similar fiasco has also occurred with the importing of cheese sticks.

These are not our only concerns, concerns which the government has left hanging. I am referring here to a memorandum to cabinet which has galvanized the fears of producers, who felt betrayed. According to this memorandum, which dealt with the mandate for the WTO negotiations, Canada was prepared to get rid of supply

Supply

management. That was the drift of certain of its comments. The secret document, made public by the Council of Canadians in September 2002, raised the ire of 10,000 Quebec producers of milk, poultry, hatching eggs and table eggs, four supply managed sectors.

Another concern has been raised by Mr. Steve Verheul, director of the International Trade Policy Directorate at Agriculture and Agri-Food Canada. Mr. Verheul spoke at a special general meeting of the UPA for Saguenay—Lac-Saint-Jean. His presentation was in no way reassuring to the dairy and farm producers of that region, even though he seemed to be softening the blow of the coming WTO negotiations in saying that they would try to minimize the losses that Canada might incur in that forum.

What this government has to do is to stand up once and for all and make sure that in no case does it give in to any compromise on the supply management issue. It has the chance to do this, and this is crucial. In fact, in this sort of negotiation, when you lose something, it is lost for a long time. The government therefore has the opportunity to report for the negotiations, be firm in its demands and positions, and show leadership. That is what we in the Bloc Québécois want for the farmers, and what they themselves want.

Today, in this House, I ask this government not only to support the motion of the Bloc Québécois, but to move from words to action and ensure that the protection of supply management is maintained.

[*English*]

Mr. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, supply management is something that I support and with good reason. There are 500 dairy farms in Wellington County, the county within which I live in Ontario. They support thousands of people in related industries and provide a very good, high quality product of which we all can be rightfully proud.

I note with interest that despite the many detractors of supply management out there, over the course of the last year and a half, since I was elected in June 2004, I have not had one constituent, one consumer, complain to me about the price of milk, or eggs, or butter, or cheese, or complain about the price of chicken or turkeys. That is a very telling sign that the consumer is getting a very reasonably priced, high quality Canadian produced product. That is another reason I support supply management.

There are some concerns being raised in the community. I met with the Wellington dairy producers the other day. They highlighted concerns to me about the threat they perceive to be at the WTO trade talks and their fears about the over-quota tariffs being reduced to the point where the whole threat to supply management would be introduced because of lower tariffs allowing for the importation of milk, eggs, chickens and turkeys.

I wonder if my hon. colleague would comment on that. What would he see as the solution to the government's position at WTO? I know the Bloc is advocating that the government ensure that no reduction in over-quota tariffs are pursued, but what suggestions does he have as to what the government position should be at WTO regarding the non-supply managed part of the agriculture industry? In other words, how should Canada best pursue its trade objectives in terms of obtaining a level playing field for those farmers in non-supply managed industries?

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In my neck of the woods, the farmers in non-supply managed sectors of agriculture are probably facing some of the worst financial circumstances that they have seen in a generation, if not in two or three generations. I note that the price of corn in Ontario is below the price of production. I think it is around \$2.80 a bushel, which is quite a bit below the price of production. These farmers are suffering because of unfair subsidies and unfair tariffs in other jurisdictions like the U.S. and Europe.

I wonder what suggestions my hon. colleague has as to what position the government should pursue in order to obtain a level playing field for those farmers in non-supply managed sectors of agriculture.

• (1245)

[Translation]

Mr. Sébastien Gagnon: Mr. Speaker, I would like to salute my colleague and to thank him for his support for this motion.

First, in his question, he raised some concerns. I found an excerpt from a cabinet document that, at the time, confirmed farmers' fears that they were being betrayed.

Allow me to quote briefly from this document:

Negotiations involve compromise. Sectors of the economy benefiting from protection which shelters them from foreign competition will object to any change in the status quo, particularly if it comes during an economic downturn. Supply managed producers of eggs, poultry and dairy products, the textile and clothing industry, and certain service sectors will probably object to any changes that would lead to increased competition.

Here is what the government strategy was:

The government will recognize that multilateral trade negotiations require Canada to consent to certain measures to open up markets to its trading partners. The government is working in close collaboration with the sectors most likely to be affected in order to define the priorities and objectives for negotiations. A more thorough examination is also required of how to manage the ongoing transition to a more globally integrated economy and the related costs of adaptation. At the same time, we will emphasize the overall gains the new negotiations will bring for Canada's economy, businesses and consumers.

What this means is that the government is prepared to compromise, but it will try to make us pay the price in other ways.

My colleague asked what solutions we could ask the government to put in place. At least this motion reinforces Canada's position in this House. We are also asking the government to ensure that the supply managed sectors can continue to provide producers with a fair and equitable income. To this end, the motion says that supply managed products must be included on Canada's list of sensitive products and that Canada will accept no increase in tariff quotas. This means that there can be no increase in the percentage of supply managed products subject to free trade, which is about 5%. The motion further asks that Canada refuse to negotiate a reduction in tariffs imposed at the border for foreign supply managed agricultural products. These over-quota tariffs are those tariffs imposed on imports that exceed the 5% quotas.

Those were three ways of showing a certain degree of assertiveness. However, this system is way too fragile for us to start negotiating it and taking it apart. Therefore Canada's position must be firm.

• (1250)

[English]

Mr. Lynn Myers (Kitchener—Conestoga, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Saint-Léonard—Saint-Michel.

I am pleased to rise in the chamber today to speak to this motion on supply management. Agriculture in general is an always important topic that requires our attention. The basic necessities of life and well-being should remain at the highest level of importance for government. Being able to feed our people should always be a primary responsibility.

In that vein, we as a government and as a Parliament have the responsibility to ensure that our agricultural producers, all of them, have the tools they need to farm and supply the market with quality and wholesome foods at a reasonable price while getting a return from the market that covers their costs of production.

In Canada, we have been able to achieve this in the dairy, poultry and egg industries through supply management, a fair agricultural model. Canada's dairy, poultry and egg industries contribute \$12.3 billion to the Canadian GDP. They generate \$6.8 billion in farm cash receipts, sustain more than \$39 billion of economic activity and employ more than 215,000 Canadians throughout the country.

Whether we represent a rural riding, an urban riding or a cross-section of both, ensuring that producer concerns are heard and acted on is the responsibility of all members of Parliament. That is why in 2003 I started the Liberal dairy caucus as a vehicle to ensure that producer concerns on issues such as labelling and use of dairy terms, dairy product standards and import controls were heard by the innermost levels of the federal government.

It is also why at the start of this Parliament I introduced Bill C-264, an act for the recognition and promotion of agricultural supply management. The purpose of the bill is to establish and implement the Government of Canada's policy respecting agricultural supply management. Simply put, it is intended to recognize and promote supply management and ensure that supply management is preserved in Canada.

I was also very pleased earlier this year when the Liberal Party of Canada passed a resolution at the national biennial reaffirming our party's long-time support for supply management. It also called on the Government of Canada to "recognize and reflect formally in agriculture and trade initiatives the three pillars of supply management" and "defend and promote supply management, the Canadian Wheat Board and all single-desk selling during negotiations at the WTO".

This brings me to why we are discussing this important issue today. Next month, the sixth ministerial is taking place in Hong Kong. While it is not expected that full modalities will be achieved, decisions could still be taken that could jeopardize Canadian producers' choice of domestic marketing systems.

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The WTO negotiations have reached a level where specific proposals have been tabled by the most influential members. These proposals are not in the interests of supply management.

The Canadian government needs to go to the negotiations with the strongest negotiating mandate possible. We support the objectives of the Doha round, but we cannot put Canadian agriculture on the table when no other country is willing to do the same.

The proposals currently being discussed would result in Canada having to reduce our over-quota tariffs and increase access to the Canadian market for imported dairy, poultry and egg products. The loss of Canadian market and the loss of price stability will compromise Canadian farmers' ability to receive a fair return from the marketplace. This is simply unacceptable.

Canada's strategy to seek the creation of a fair and equitable trading environment is not supported by the most dominant and most trade-distorting WTO members, the United States and the European Union. It is clear that the Government of Canada must take a strong stand in WTO negotiations on agriculture.

A recent study prepared by trade expert Peter Clark for the Dairy Farmers of Canada suggests that the current WTO agricultural negotiating framework will not ease the imbalances among the participating countries. The EU and the U.S. have bought flexibility to reduce their over-quota tariffs by providing huge amounts of domestic support to their farmers.

For example, the new study demonstrates that U.S. dairy farmers had access to \$13.8 billion U.S. in direct and indirect support in 2003, meaning they can get about 40% of their income from federal, state and local government subsidies. These subsidies effectively limit access to the U.S. market. The U.S. advocates tariff cuts because it can limit access while trying to increase U.S. exports to other markets.

• (1255)

Our dairy, poultry and egg producers are demanding this as our negotiating position because, first of all, cuts in over-quota tariffs will eliminate farmers' ability to predict the level of imports coming into Canada. In turn, farmers will be unable to match supply with demand and thereby ensure that there are enough domestically grown products to meet the needs of Canadians from coast to coast. Farmers and consumers alike deserve stability. We cannot allow any cuts in over-quota tariffs.

Second, farmers negotiate fair prices for their food based on what it costs to produce it. The income farmers receive is made without relying on taxpayers' dollars, unlike in the United States and the European Union, where farmers are subsidized to a staggering degree. We cannot limit the ability of dairy, poultry and egg producers to receive a fair price from the marketplace.

Next, we cannot accept a cut in our over-quota tariffs nor can we offer more access for our dairy, poultry and egg sectors. Canada is already giving more access for dairy, poultry and eggs than the U.S. or the EU.

Canada offers import access to about 4% of the market for dairy products, 5% for eggs and turkeys, 7.5% for chicken, and 21% for hatching eggs. In contrast, the U.S. currently offers 2.75% access for

dairy products and the EU offers only 0.5% for poultry. If we cannot achieve an equitable minimal market access of 5% in all countries, then we should not allow any increase in market access commitments in Canadian dairy, poultry and eggs.

This Parliament owes it to Canadian farmers to think beyond our own interests and send a strong message to the governments of the other 147 WTO members that we are for, first and foremost, a fair and equitable rules-based trading environment. Second, and very important, we are for achieving a level playing field with real market access that is fair and equitable across the board. Finally, and equally important, we are for recognizing that we all have areas that are more sensitive and we need the ability to offer some protection to those areas, but in an equitable way for all our member countries.

By way of conclusion, I note that this is a very important debate today. This is a very important motion in support of supply management across this great country of ours. It is something that all parliamentarians should take heed of, should note and should defend to the nth degree. It is something that we owe our farmers and our producers. It is something that we owe our rural communities. It is something we owe all consumers by way of choice in terms of having a solid and good supply managed system in place.

It is something that all parliamentarians and indeed all Canadians should support and actually feel quite good about, because it is a system that has worked well in the past. It is a system that we must defend and preserve. It is a system that we must carry forward into the future because a lot of communities and this country's economy depend on a strong supply managed system.

I applaud all of those members of Parliament who are speaking on this important initiative today. I applaud everyone who is in support of supply management, because it is a good system. It is worth promoting, defending and carrying forward.

• (1300)

Ms. Bev Oda (Durham, CPC): Mr. Speaker, I thank the hon. member for articulating the situation very clearly and also for his sentiments about how important the agriculture industry is to Canada, particularly how important those agricultural producers are who provide Canada with safe, good quality food. We want to maintain that.

I know that our turkey, chicken, egg and dairy farmers are a key part of keeping Canada's food products safe. The products are of great quality. In fact, the quality and the safety of our food are the best in the world. We have to continue to ensure that we do this in Canada, and we can do this here in Canada.

We have to also ensure that we have a sustainable agricultural sector. Right now we are discussing the WTO negotiations that are about to be undertaken. We have heard about the impact that a reduction in over-quota tariffs or an increase in the tariff quotas would have on our farmers.

Supply

I have had meetings with many of the farmers in Durham, but even prior to that, I note that these are my neighbours. In fact, dairy cows trespass on my lawn occasionally. These are the people I meet at the grocery store. I want to make sure the House understands that I have heard from every sector of the supply management farmers.

I would like to ask the member if he could help us by giving us a little more reflection on this. I spoke about my neighbours. I have actually lived beside a dairy farm for about 10 years, which unfortunately coincides with the decade or more than this government has been in power. I have seen the agricultural community get further and further into reduced incomes, struggles and challenges.

I would like to ask the member how we can make sure that the supply management approach to our industry is maintained. The member is quite right when he says that this is not a subsidy. This is a way to ensure that we have good quality and safe food at an affordable price for Canadians, yet there seems to be a perception among other countries that are against supply management that it is a subsidy. It is not a subsidy. We have to maintain it. We have to ensure that we have strong representation in Hong Kong to ensure that we have the continuation of supply management in this country.

Could the member explain why the government is unable to correct the perception that supply management is a subsidy program when it is not?

Mr. Lynn Myers: Mr. Speaker, the hon. member opposite raises a couple of very good points, primarily and first of all the notion that in this great world of ours we have a supply managed system in Canada that has excellent quality and safety and also has the ability to make sure that people get quality and safety of food at a reasonable price, as does our whole food system, for that matter. I think that is worth highlighting.

As the member points out, I too think we need to make sure that at the next negotiations we take a very tough position in support of supply management. I think that is paramount.

With respect to her direct question about changing perceptions, it seems to me that it is important in a debate like this one today in the House, and also elsewhere where we can make those kinds of inroads, to tell farmers, producers, the agricultural community and consumers, for that matter, that we are standing firm with them in this very important sector. Supply management is something that we hold dear. We will continue to protect and promote it. We should all be part of that in terms of making it happen.

I see this as a non-partisan issue, quite frankly, in the sense that we have to stand by our farm people. I still live on the family farm and I feel strongly about that. I think it is important to maintain those kinds of links and that kind of initiative, which supports not only farmers in general and their families but the supply managed system in particular.

I think back, for example, to Eugene Whelan, who sat in the House for many years. He was the agriculture minister who started this whole process of supply management and in fact was one of the pioneers in enabling this system to be put into place in a very meaningful way. We cannot let that legacy fall by the wayside. We have to stand firm on it. We will stand firm on it and we will

continue to promote supply management as the good system that it is.

● (1305)

[*Translation*]

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Mr. Speaker, I also appreciate the opportunity I have been given today to participate in the discussion on global farm income and to describe some of the steps that this government has taken to support our agricultural producers.

Specifically, I would like to address the issue of the World Trade Organization negotiations on agriculture and highlight the efforts by the Minister of Agriculture and Agri-food and the Minister of International Trade to establish equitable rules of the game for international markets, rules that will allow our farmers—already among the most productive on the planet—to compete more equitably and effectively in international markets.

Achieving the expected results in the World Trade Organization negotiations is absolutely vital to ensuring the future prosperity of our agricultural sector and, in fact, to ensuring the prosperity of the entire country.

Every year, agriculture contributes between \$5 billion and \$7 billion to the nation's trade balance and represents some 10% of our annual trade surplus. In 2004, we exported more than \$26 billion worth of agrifood products to over 180 countries.

The agriculture and agrifood sector represents approximately 8% of Canada's gross domestic product and one out of every eight jobs in the country. There can be no doubt that this industry is absolutely essential to the economic well-being of Canada.

In addition, the members of this industry have performed strongly during a difficult economic period. Although farm incomes are declining, Canadian agricultural products are internationally recognized for their superior quality. In fact, Canada is the world's third-ranking exporter of agrifood products—convincing confirmation of the high esteem in which Canadian agricultural products are held.

Nonetheless, to derive maximum benefit from this reputation, to be able to compete in international markets and also to allow our producers to continue to earn their living in their chosen career, we must ensure that all the nations on the planet play by the same clear, enforceable rules.

Canada has attempted, in the current round of negotiations on the Doha agenda, to encourage the creation of a trading system that will allow all countries, irrespective of their relative political or economic power, to compete equitably in compliance with rules that are accepted by all.

Now, as we are coming up on an important milestone in the current round of negotiations for the Doha agenda, that is, the ministerial conference in Hong Kong, we are focusing even more on the attainment of those objectives. These negotiations are our best opportunity to work with other countries to develop an level playing field by eliminating tariff barriers that until now have limited the ability of Canadian producers to compete fairly in international markets.

Since the very beginning of the negotiations, we have had our sights set on three specific objectives that should make the level playing field possible. Canada's objectives consist first in eliminating all export subsidies for all products; second in substantially reducing domestic support that distorts trade; and third and last, in significantly improving access to foreign markets for all our products.

Attaining these objectives and creating fair rules will provide real benefits for our producers. For example, the elimination of export subsidies, which is a longstanding Canadian objective, would allow Canadian exporter to compete more fairly and more effectively in international markets. This is especially true for the grain and red meat industries, which have to compete against subsidized European producers.

Significant measures to reduce and harmonize domestic supports that distort trade—that is, the countries that subsidize the most would make the biggest reductions—could go a very long way toward establishing fair rules and would benefit Canadian producers, who have to deal with European subsidies for grain and red meat and American subsidies for grain and oilseeds.

● (1310)

Moreover, an ambitious harmonization formula for tariff reductions should give Canadian exporters better access to key industrialized and developing countries, especially for products like beef, pork, oilseeds and special crops, as well as for various processed goods.

At the same time, Canada continues to defend the right of Canadian producers to make up their own minds as to the best way to market their products, including the use of structured marketing systems like the supply management system and the Canadian Wheat Board.

We are making every effort to present our ideas as the best way of achieving a level playing field for international trade, which our producers need to be able to compete fairly in international markets.

I would like to point out that these actions are not intended to benefit our agriculture industry alone. The health and prosperity of our entire economy are directly dependent on our ability to compete effectively in a context of increasing globalization.

The Government of Canada has made these negotiations a priority, and Canada plays a very important role in the international negotiation process. We are working with many countries to present our ideas as the best way of establishing fair rules for the world trade system.

Canada is known for its propensity for presenting practical, credible ideas that facilitate negotiations. Many important Canadian concepts have been incorporated into draft agreements, along with proposals from other countries in the WTO. We intend to continue working very hard to achieve our objectives in close consultation with provincial and territorial governments and industry representatives.

In addition to our efforts during these especially long and difficult negotiations to finally arrive at fair, equitable rules for our farmers, I would like to remind the House of the major achievements of the

Supply

Canada agriculture and food international program, also known as the CAFI program.

It is a key part of Canada's international strategy, which was specifically put in place to support our agriculture and agri-food sector by facilitating the development of long term international strategies.

We will be able to ensure, therefore, that this sector is well placed to succeed on the largest markets and to respond to both the increase in consumer demand and any increased competitiveness on international markets.

The CAFI program provides matching funds for every dollar invested by the industry in support of activities that enhance Canada's reputation as a world leader in safe, high quality agricultural and agri-food products, beverages and seafood in order to respond to the constantly changing demands of international markets.

In promoting its own ideas on international trade, the Government of Canada tries to enhance the profitability of farmers and farm families all across the country.

Similarly, by being more successful on the international level, that is to say, by improving the recognition of its brands, facilitating market access, and eliminating technical barriers to trade, Canada ensures that its agricultural and agri-food sector will continue to grow and prosper. This will translate in turn into a stronger national economy that benefits all Canadians.

We will do everything in our power to ensure that this proud Canadian tradition continues, for both our current generation of farmers and the generations to come.

● (1315)

[*English*]

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Mr. Speaker, I listened to the comments of the hon. member and those of member who spoke before him. I found them a bit confusing quite frankly.

I did not get from his comments whether the present government supports supply management. It was the government at the table for much of the Uruguay round of the WTO in 1994. It was there again in 2001-02 at Doha. It agreed ahead of time, as near as I can understand, for a 10% reduction in supply managed dairy, poultry, turkey and eggs in Canada. It was ahead of the time of the Hong Kong round.

I would like to have a clear understanding of whether the government supports supply management. I am not getting a clear understanding on that.

Supply

Supply management has worked well in Canada. It has worked extremely well in the province of Quebec. Supply managed farms are doing extremely well. There are over 500 supply managed farms in the province of Nova Scotia that contribute about \$180 million to the economy of Nova Scotia. In no way, shape or form would we want to see any of this sector of the economy threatened. A 10% reduction is roughly \$18 million to the economy of the province that I have the great honour to represent.

If we read the language clearly, it would seem to me that the government has agreed, going into Hong Kong and coming out of Doha, to reduce supply management in Canada by 10% across the board. Therefore, I would like a clear answer on whether the government supports supply management.

Mr. Massimo Pacetti: Mr. Speaker, as chair of the finance committee, we just finished touring across Canada. We met people from out west and out east. Many people have asked that Canada support and continue to support supply management.

Therefore, I do not think there is any dispute as to whether we support supply management, and I do not think that is the issue. I do not think I have to tell the hon. member that Canada is an exporting country. The idea is we are going into a round of talks of negotiations so Canada can continue to be a successful exporting country, not just in certain areas but in all areas.

In agriculture we are having problems in certain areas. We see it in pork and beef. There are certain areas of alfalfa. We met with some of the people out west. A lot of industries are having problems exporting their products because of subsidies. The European countries, especially, and the Americans are subsidizing their farming and agricultural communities. Therefore, I do not see that there is any issue with supply management.

Again, Canada is a trading nation. If we do not step up and show leadership in these areas, we have to be in the end ready to negotiate. We cannot negotiate from a position of weakness.

The debate is not on the supply management issue. It is on other issues.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, it has been my experience, as an observer of these things, that Canada's stance, going into these WTO negotiations, has been hopeless in representing the interests of Canadian producers, at least in my prairie region.

I have heard it said that Canada's negotiating stance going into these things is on its knees. It does not come from a position of strength. It is the European Union and the U.S. that dictate the direction that these negotiations take.

We have heard from my colleague, the hon. member for Burnaby—New Westminster. He said that he had spoken to a chief Canadian negotiator, who will represent us at this round. In this one segment the Americans are looking for 1% and we are at 11%. However, the negotiator tried to assure our member not to worry. He said that Canada would carve off somewhere in the middle. In other words, Canada will go into a round knowing that it will probably have its share chipped away or eroded by 5% or 6%, but we should be pleased because it will not yield the entire thing. This is before the bargaining even starts.

I am a former union negotiator. If I represented my people in that way, I would be out on my ear. It seems like we are trading the family cow for three beans, none of which ever seem to sprout for us. It is just a bad deal.

As the government goes into the Hong Kong round, this is Canada's bargaining stance, "Please, leave us with some of our integrity as Canadian producers. Please EU, don't take it all". Is that our bargaining stance?

• (1320)

Mr. Massimo Pacetti: Mr. Speaker, this is obviously a responsibility of the government to take leadership. I do not think we need any lessons from the opposition on how to negotiate. Canada is well known for being an international leader in trading. We trade in every single industry that this country manufactures and produces. Name it and we are producers. Now you are going to tell us how to negotiate? I do not know whom you have been talking with. I have just said that we have been touring the country. This is a non-partisan—

The Acting Speaker (Mr. Marcel Proulx): I would remind the hon. member to speak through the Chair, please.

Mr. Massimo Pacetti: Mr. Speaker, maybe the hon. member was speaking to somebody from his riding, I am not sure. I understand he is from an urban riding. I am from an urban riding. We consulted with Canadians from coast to coast to coast, as we say. They have told us we are doing a good job, but let us open up the export markets so that we remain competitive against European countries and the Americans. That is it and that is all.

[Translation]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, I will be sharing my time with the hon. member for Drummond.

From the time I was elected in June 2004, supply management has been an extremely important file to me. I want to thank the Union des producteurs agricoles in my riding of Abitibi—Témiscamingue, which met with me on numerous occasions. We have discussed this somewhat complex issue. This has been, however, an opportunity to learn a little bit more. In fact, it is above all an opportunity to learn about the essential work being done by farmers in regions such as my own, not only in the Témiscamingue region, but also in Abitibi, in terms of milk and other products produced.

As others said earlier today, there are five products under supply management: table eggs, hatching eggs, milk, turkeys and chickens. I want, above all, to provide some important figures.

In Canada, supply managed farm cash receipts represent \$6.7 billion or 20% of total farm cash receipts. Annual sales of added value products are \$14.8 billion. There are nearly 75,100 on-farm jobs; 47,900 agriculture-related jobs; and 91,400 jobs in the processing sector, for a grand total of 214,400 jobs. One in five jobs in Canada is in the food industry.

In Quebec, supply managed farm cash receipts are \$2.3 billion. There are 16,171 producers; 32,940 direct jobs and 36,584 indirect jobs, for a total of some 69,000 jobs. This is what supply management represents in Quebec. It is huge. This is 40% of total farm cash receipts in Quebec, and supply management exists in 16 regions in Quebec, including mine, Abitibi—Témiscamingue.

I want to make it clear that this is an extremely important issue. Supply management is based on three major pillars. First, production is limited by a quota system to ensure that it covers all domestic demand, without causing overproduction which might lead to a price collapse.

Second, as production is limited to needs, prices are regulated to avoid excessive fluctuations, ensuring producers a relatively stable price for their products.

Third, to keep supply and demand in balance, the borders are closed through the imposition of high duties on the importing of poultry, eggs and dairy products. That way imports do not disrupt the balance.

These three pillars are essential. If one of them takes a hit, the system collapses. That is what we want to avoid with this opposition day. We want to remind the government of the importance of these three pillars.

I do not want to get the figures wrong, but I will repeat them. They have been provided to us by the Union des producteurs agricoles. These figures, which are for all of Quebec, could be made proportional to my region. There are 32,940 direct farm jobs and 36,584 indirect jobs, for a total of some 69,000 jobs which partake of and depend on supply management.

•(1325)

This represents 40% of all farm activity.

As the member for Abitibi—Témiscamingue, since I knew that our opposition day would be dealing with supply management, I held a meeting last week with certain producers and representatives of the Union des producteurs agricoles. They told me that if supply management were to be sacrificed on the altar of the World Trade Organization tomorrow morning, that would signal the end for at least 80% of the farms in Abitibi—Témiscamingue.

For the dairy, poultry and turkey producers, it would be the end. This region is not on the doorstep of Montreal or the big centres. For them, the disappearance of the quotas is catastrophic. For us, for Abitibi—Témiscamingue, dairy and the four other supply managed products make up an essential sector. Supply management must continue.

There is one point which is not clear, and about which we are apprehensive. I would have liked the government to talk to us about this a little. In summer 2004, the members of the WTO concluded an agreement in principle on agriculture. The elements of this agreement in principle are being negotiated as we speak.

It is true that we are told that supply management will not be abolished under this agreement. We believe the WTO. Despite the general commitment to further liberalizing trade in agricultural products, raising quotas, and reducing tariffs, countries preserve the

Supply

right to protect a certain number of sensitive products. That is what the debate will be about in Hong Kong, and that is what we will insist on, because supply management is in danger of being weakened under this agreement.

The government's strategy for defending it must be reviewed. First, it will only be possible to protect sensitive products—we are speaking obviously about the supply managed products mentioned earlier—if trade in agricultural products in general is liberalized more than it was before the agreement.

Second, even for these sensitive products, market access will have to be substantially improved. This is not clear. We obviously want controls. We must ensure that supply management is not imperilled for any reason. The security of many farmers depends on it. In my riding of Abitibi—Témiscamingue, it is clear that if supply management disappeared tomorrow morning, much of my region would also disappear. The problem is that our farmers cannot compete with what would enter Canada from countries like New Zealand, Australia or even the United States.

I will finish, therefore, by asking the entire House to pass the motion introduced today by the Bloc Québécois because the government has to know that it must negotiate properly and must not make any concessions when it comes time to negotiate in Hong Kong over the next few weeks.

•(1330)

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Mr. Speaker, I congratulate my colleague from Abitibi—Témiscamingue on his presentation. I would like to remind him, as well as the previous speaker across the way, of a few things, before asking my question.

This is my question for my colleague. Is it correct that, until the signature of the Marrakesh accord, Canada imposed import quotas for products subject to supply management under article XI of the GATT? This was the article that allowed a country to limit access to its market. Does he also recall that the presence, on February 21, 1992, of 40,000 farmers on Parliament Hill calling upon this government not to touch the article XI quotas? Does he recall as well the commitment by those same Liberals to never sign the accord if it called for the elimination of article XI. The Liberals were elected in 1993, and a year later they were signing an agreement that did away with article XI.

Since then, the result of its elimination has been to make supply management less stable. The Liberals were elected in 1993, and since then they have been working on a bill to decrease controls still further. We have heard the member across the floor refer to a previous speaker who was from an urban riding. He commented that his party did not need any lectures from anyone. Can we assume that this government has the capacity to negotiate? Can we trust its promises and its speeches? That is what I am asking my colleague.

Supply

Mr. Marc Lemay: Mr. Speaker, I thank my colleague from Abitibi—Baie-James—Nunavik—Eeyou for his question. It will enable me to point out that we do in fact have a number of restrictions, which is why we have this opposition day in order to make it very clear to those who are going to be negotiating on behalf of Canada that Quebec is, unfortunately, still part of Canada and thus our demands need to be taken into account. Supply management is an essential part of Quebec's agricultural base. It is absolutely vital that the negotiators not fold under pressure, because the survival of our agriculture depends on it.

I agree with what my colleague has said. We must, clearly, be careful because the government has already gone to other forums with the avowed intention of making no concessions, and has caved in anyway. I am in favour of strengthening Canada's position. That is the reason for an opposition day today on this subject.

• (1335)

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Mr. Speaker, I thank my hon. colleague for his speech. I must say that I could have made practically the same speech. The reality is absolutely identical for farm producers in our region, who are under supply management, and they have the same demands. Just last week, I too met with producers and representatives from the UPA, who were extremely concerned about the situation.

The question I would like to ask of my colleague has to do with the fact that, just a few days ago, the Canadian negotiator appointed by the government met with representatives from the UPA and various sectors under supply management. He said something to the effect that changes were to be expected. I have tuned in to a number of radio shows on this topic. When we are told to expect changes and losses, when fundamental changes are announced, how concerned should we be? What does my hon. colleague think of the mandate the negotiator was given by the federal government to give something up?

Mr. Marc Lemay: Mr. Speaker, I thank my hon. colleague for her question.

There has indeed been a real uproar in all the regions of Quebec. I want to thank the UPA federations in all the regions of Quebec, who are very sensitive to this issue. The regional federations are doing a wonderful job of mobilizing federal MPs like me. I will never thank them enough for having kept us as informed as they have of what was happening on this issue.

We are very aware and sensitized, and things did happen. Obviously, as soon as the negotiator hints at possible give and take, suggesting that something might have to be given up, everyone gets scared. If any changes to supply management as it currently exists were to be made, that would really be a very serious problem for agriculture.

Nevertheless, the agreement signed in July 2004 could be maintained through the explicit recognition of sensitive products set out in articles 31 to 34, the recognition of the principles of fairness and balance, consistency and flexibility discussed in articles 3 through 35 and, finally, the ability to use various combinations to improve access to market.

Things can be done, but it is critical not to give in on supply management.

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, I want to thank my colleague from Abitibi—Témiscamingue for sharing his time with me and I commend him on his excellent speech.

I am speaking to this motion because agriculture is a significant link in the economic life of the riding I represent. In the Centre-du-Québec region, 1,400 farms are subject to supply management. Of the 853 farms in the Drummond area, 236 dairy farms are subject to supply management as are 38 in the poultry and eggs sector.

What is supply management? It is a management model, which under the surveillance and regulation of the Régie des marchés agricoles du Québec helps keep production levels balanced for certain types of farm products in order to prevent the surpluses or shortages that can cause serious price fluctuations. In my region, dairy, poultry and egg production are affected by this system.

We learn that this model will again be disputed at the upcoming World Trade Organization meeting next month in Hong Kong. I want to remind the government that if it is as sensitive as it would have farmers believe, then it should respect the motion passed yesterday by the majority of parliamentarians in this House and call an election at the beginning of next year. Then we could all support our farming representatives at the WTO instead of being in the heat of an election campaign. It is up to the government to decide.

At the WTO negotiation tables the Canadian system is highly criticized and the Government of Canada seems inclined to give in to foreign pressure. A cabinet document obtained by the Bloc in spring 2003, indicates that Ottawa is prepared to drop supply management if this concession allows it to get a significant decrease in farm subsidies in other countries and better access to their market. Grain producers in the west would benefit from such a position, but it would cause the ruin of farming in Quebec, which is why our farmers are so deeply concerned. In fact, several demonstrations have been held on this over the past few weeks.

The Bloc Québécois vigorously defends supply management. Supply management is a model that has produced results. I, too, share the opinion of the regional president of the Quebec Union of Agricultural Producers, André Fortin, who recently lauded the effectiveness of the system, saying that “the principle of supply management has enabled family farms in Quebec to survive. It ensures that consumers pay a fair price for their products and that producers get a fair share”. Supply management is a major tool for the economic vitality of our industry, and it is cost-effective.

The Bloc motion proposes that, first of all, supply managed sectors be able to continue to provide producers with a fair and equitable income. In that regard, the motion affirms that products from supply managed sectors are on the Canadian list of sensitive products.

Second, the Bloc proposes that Canada accept no increase in tariff quotas, or in other words that the proportion of the market for supply managed products open to free trade, that is approximately 5%, must not be increased.

Supply

Third, the Bloc proposes that Canada refuse to negotiate a decrease in border tariffs for foreign supply managed agricultural products entering Canada.

Finally, the motion calls for results. It is not enough for the government to say in this House that it supports supply management. It has to adopt a strategy to defend supply management and promote it effectively abroad.

If the federal government respects the four requests made in this motion, supply management may be fully preserved. With the WTO meeting approaching, farmers are worried.

• (1340)

Could the government let them down?

We know that the United States, Europe and Australia, in particular, are pushing for these barriers to be eliminated. That would allow foreign products, some of them heavily subsidized by governments, to take over our markets. The agricultural industry is afraid that such measures will mean the end of small family farms.

Former Quebec premier Pierre-Marc Johnson, who is acting as a special advisor for the coalition defending the interests of Quebec producers, believes that “reducing these tariffs would have a devastating effect on the future of our farms. It would have an impact on society as a whole, not just on farmers”.

A similar message was conveyed by the president of the Union of Agricultural Producers, Laurent Pellerin, who contends that acting on the demands of several WTO members would be a dangerous move.

In the name of eliminating trade barriers, several members of the WTO would like to put an end to supply managed production in countries where it exists. These free-traders also hope to reduce the customs tariffs that currently protect many products. Laurent Pellerin opposes that idea, arguing that “it will jeopardize the food self-sufficiency of Quebec and Canada. Consumers could also become dependent on foreign products, but would not get the lowest prices, even though those products are sold more cheaply on world markets”.

Producers from the Mauricie and Centre-du-Québec regions formed a coalition for a fair agricultural model, GO5, and are asking the federal government to maintain current supply management policies for certain farm products in Canada.

The coalition is fighting for the maintenance of these policies, which allow us to regulate prices based on producers expenses, and to control imports that are likely to compete with Canadian products. According to producers, abolishing these supply management policies would result in the closure of many farms in the region, without providing any benefit to consumers.

Because of these increasing concerns, and because of the government's timidity in making decisions, the Bloc Québécois did not want to take any chances. It is proposing a stronger motion, not just to protect supply management, but to define the mandate of Canadian negotiators, as they are preparing for the meeting of the World Trade Organization, in Hong Kong, where the opening of borders to farm products will be discussed.

The benefits of supply management are undisputed. In this regard, the editor of *Le Devoir* came to the following conclusion:

Because of the higher costs generated by maintaining reasonable size farms in a rigorous climate such as ours, the supply management system adequately meets our needs, while ensuring decent revenues to producers. To accept to abolish this system and replace it with a free trade initiative would result in thousands of farms being abandoned, and in thousands of others being consolidated under large size operations, and we would all lose. Nothing justifies such a dismantlement of the agricultural sector, which is already very affected by anarchic modernism, and the hog industry is a sad example of that.

The Bloc Québécois' motion reflects the change of approach made by WTO member countries which, in July 2004, signed a framework agreement recognizing the exceptional nature of agriculture as it relates to trade, and allowing for the protection of certain sensitive products.

The Government of Canada must give its negotiators the mandate to defend at all costs supply managed products in Canada, including milk, poultry and eggs, so that they can benefit from this exemption from now on. The numerous benefits they provide have everything to do with our unique nature and the values we hold dear in Quebec: feeding local consumers with local, fairly priced quality products, while guaranteeing a fair income for farmers and maintaining human size farms.

• (1345)

It is a matter of ensuring our food security. It is also about the socio-economic vitality of our agricultural industry. It is essential that the federal government, which alone has a spot at the negotiating table, take a firm stand. Supply management is not negotiable.

• (1350)

[English]

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, I wish to thank my hon. colleague from the Bloc for her intervention in today's debate. It is a very important debate about how important agriculture is in Canada.

All parties in the House have reiterated time and time again that we are committed to the supply managed sector, that we want to support and strengthen our dairy industry, egg industry, chicken and turkey industries, and ensure that those industries remain viable for a long, long time.

The one problem I have with the motion is that it is forgetting about the rest of the agriculture industry. About 90% of agriculture in Canada is based upon free trade. It is based upon industries like grain and oilseed producers, hog farmers, cow-calf operators, feedlot operators and ranchers right across this country.

Some 60% of farmers in Quebec depend upon non-supply managed commodities like grains and oilseeds. I would like to ask the hon. member from the Bloc, is she prepared to take a look at a negotiating stance that also supports those producers who so desperately need a strong position to be taken by the government in the negotiations in Hong Kong that are coming up in December?

[Translation]

Ms. Pauline Picard: Mr. Speaker, Quebec farmers are concerned because supply management is extremely important to them. Quebec provides 40% of all milk sold in Canada. It is important and essential to us.

Supply

Our concern stems from the fact that the minister has refused to say clearly whether he intends to protect supply management. It is absolutely essential that there be a clear mandate to do so. We are quite concerned by the minister's mixed signals, which are making our producers quite apprehensive. If supply management is not protected, all our values are in jeopardy, and a number of family farms might go under.

That is why today's motion, in which we are asking the federal government to respect the four demands therein, could help reassure us that supply management could be maintained in its entirety.

[*English*]

Mr. Ted Menzies (MacLeod, CPC): Mr. Speaker, I wish to thank the hon. member from the Bloc for raising those concerns. Once again, this is a very important debate we are holding today, simply because the Liberal government has failed to recognize how important and how fundamental agriculture is to Canada's economy.

Having said that, I still have concerns with the motion. Certainly, I support supply management. I will be one of the proponents if our ministers actually dare to show up in Hong Kong. I will be there with the minister supporting supply management. You can be assured that I will be there speaking on behalf of farmers, Mr. Speaker.

The motion, I fear, will tie the hands of our negotiators. In my estimation, it is too restrictive. Let me give an example. Whenever I buy a piece of farm equipment or a car, I do not offer the highest dollar I am likely to pay for it. In my estimation, the motion will tie the hands of our negotiators. They have no room to make an offer, knowing that will probably not be the bottom line. It concerns me greatly that our negotiators do not have a little latitude in the difference between their beginning offers and where we hope to end up.

We certainly hope that supply management will be protected, but we also need to recognize, as the members from the Bloc have confirmed, that there are other sectors of agriculture that have to be recognized as well.

The question I would like to pose to the hon. member is, how confident is she that our ministers will do their job and actually show up at the WTO?

• (1355)

[*Translation*]

Ms. Pauline Picard: Mr. Speaker, we are proposing this motion to the House so that it may be passed by all members, because we have no certainty that the federal government will do its job.

It is very important that the government not take any action that will open up our borders and let American and European markets invade ours. It is also very important that it not take any action that will make supply management disappear, as that will put our agriculture in danger.

I would like to repeat the Bloc Québécois motion, because it is being criticized as too restrictive. I will submit that to your judgment, Mr. Speaker, because I do not believe it is. In my opinion, it is ensuring us that the supply management system will be maintained, and we want to ensure that the negotiators defend those sectors subject to that system.

The motion says "that these sectors can continue to provide producers with a fair and equitable income."

Since I am getting the time-up signal, I will invite my colleague in the Conservative Party to read the Bloc Québécois motion.

[*English*]

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, I wish to thank my colleague from the Bloc, the agriculture critic, the member for Richmond—Arthabaska, for his motion today, giving us this chance to again talk about a desperate situation that we have in agriculture and, really, the future of Canadian agriculture as it relates to the World Trade Organization.

As I mentioned earlier in the debate today, the huge concern that we have is that there has not been a Canadian position advocated for Canadian farmers. We do not know what our position is regarding supply management. We do not know what our position is for our grain and oilseed producers and our livestock producers, whether hogs, cattle or bison. We are not sure where we are at when we are sitting around the table in Hong Kong, Geneva, Doha, Cancun, or Seattle. We have actually been just sitting in a quagmire of rhetoric, not knowing the true position.

We want more than just verbal support, and that is what we have been getting out of the government. We want real action and a real position advocated. The Liberal government had an opportunity to represent that at ministerials that were held throughout the last few years. Just as an example, back in March, there was a mini-ministerial that took place in Kenya and the government did not even bother showing up. Why? Because Liberals were holding their convention at that time.

I would like to state, Mr. Speaker, that I will be splitting my time with my hon. colleague from Central Nova, who will pick up after question period.

The real key here is that we have to ensure we have a firm Canadian position, so that the industry knows where the government is headed. We want to know what the negotiators are working from as their base when they go into negotiations. We have to remember that the WTO is a negotiation. It is a poker game and there will be give and take, but we want to ensure that the parameters are laid out. That is essentially what we are asking for here, that the parameters are set.

Agriculture has been an integral part of rural Canada. It is an integral part of urban Canada, as well. Spinoff jobs occur in grocery stores, food processing, packing plants, refrigeration companies, and trucking companies. These are all tied to agriculture. Jobs in mills, distilleries and ethanol plants are all based upon agriculture. We have to ensure that we have these opportunities to hold government to account when we start talking about a trade relationship.

I will continue this discussion after question period, so that we can more formalize the discussion around the World Trade Organization talks.

•(1400)

AUDITOR GENERAL'S REPORT

The Speaker: I would like to lay upon the Table the Report of the Auditor General of Canada for 2005.

[*Translation*]

Pursuant to Standing Order 108(3)(g), this report is deemed to have been permanently referred to the Standing Committee on Public Accounts.

STATEMENTS BY MEMBERS

[*English*]

MINING INDUSTRY

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, I would like to welcome today representatives of the Canadian mining industry who are in Ottawa to participate in the annual Mining Day on the Hill.

Canada has long been recognized as a world leader in mining and mineral exploration. Recently the Prime Minister said, "Canada's energy and mineral endowment is one of our greatest comparative advantages".

Mining provides high-paying skilled jobs across Canada and is a major economic engine in many rural and remote communities. Over the next decade the sector will face a labour shortage and estimates there will be 60,000 to 80,000 jobs to fill, and that is not including the oil sands sector. This challenge is an incredible opportunity.

We must enhance aboriginal participation in mining, further develop immigration policies to recruit foreign skilled workers, and continue to improve foreign credential recognition. Canadians stand to benefit. Our government must continue to work with the mining industry to ensure that opportunities are seized.

Happy Mining Day.

* * *

TSUNAMI RELIEF

Mr. Gary Schellenberger (Perth—Wellington, CPC): Mr. Speaker, last year Southeast Asia was hit by a massive tsunami. Since then, over 29,000 Rotarians from across Canada have raised more than \$1 million to help rebuild 25 schools in Sri Lanka as part of the Schools Reawaken project.

The Canadian Rotary Committee for International Development informed me recently that its application to the federal government for matching dollars was turned down. Rotary applied for matching dollars because the Liberal government promised to match contributions by Canadians.

It is difficult to understand why Rotary's application was rejected, considering that as of August, the federal government has contributed just \$166 million or roughly 40% of the \$425 million promised to Southeast Asia. That leaves roughly \$259 million still available.

S. O. 31

On behalf of Rotarians and all Canadians, will the Prime Minister intervene personally and make sure the federal government keeps its word? It could start with \$1 million to the Rotarians so thousands of children in—

The Speaker: The hon. member for West Nova.

* * *

ORDER OF NOVA SCOTIA RECIPIENT

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, I rise today to acknowledge Theresa McNeil's considerable contributions to Annapolis County. I want to congratulate her on her recent appointment to the Order of Nova Scotia. The Order of Nova Scotia is the highest honour bestowed by our province. It recognizes her outstanding contributions and achievements.

As the first female high sheriff for Annapolis County and indeed all of Canada, Mrs. McNeil is an inspiration and a role model. She has spent countless hours volunteering in her community of Upper Granville and always has time for her family and her 17 children.

I want to thank Mrs. McNeil for her invaluable contribution to her community, her province and her country. I congratulate Mrs. McNeil on this the most recent of many accomplishments.

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[*Translation*]

LE CLAP CINEMA

Mr. Roger Clavet (Louis-Hébert, BQ): Mr. Speaker, I rise today with pride in this House to mark the 20th anniversary of the Le Clap repertory movie theatre.

For two decades, film enthusiasts in the Quebec City area have had the chance to see repertory films in their original language.

I have fond memories of that locale and of many interesting post-screening discussions.

The Bloc Québécois congratulates the founders of Le Clap, its management team and the entire staff, who over the past 20 years have stimulated our interest in cinema not only with their program choices, but also with their publication *Le Clap*.

Any credit for making international cinema popular in Quebec City goes to Le Clap and its team. Congratulations and many more years to Le Clap from my beautiful riding of Louis-Hébert.

* * *

•(1405)

[*English*]

COALITION OF AFRICAN CANADIAN ORGANIZATIONS

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I rise today to advise the House that this evening the Prime Minister will meet with representatives from the Coalition of African Canadian Organizations.

S. O. 31

The coalition is made up of many community groups, including the Jamaican Canadian Association and the Jane-Finch Concerned Citizens Organization, both located in my riding of York West. At the meeting, the coalition will present to the Prime Minister its action plan to prevent violence.

I would like to congratulate the coalition on its continuing constructive efforts to keep our community safe, and wish it well on its meeting with the Prime Minister this evening.

* * *

OFFICE OF THE ETHICS COMMISSIONER

Mr. Deepak Obhrai (Calgary East, CPC): Mr. Speaker, on Friday, November 18 the Standing Committee on Procedure and House Affairs tabled its report on the question of privilege that I raised in reference to the Ethics Commissioner's conduct and to find him in contempt of Parliament.

The committee found the Ethics Commissioner was in contempt of Parliament. Thus, a painful chapter that had no merit to it has come to an end for me and my family. I would like to thank you, Mr. Speaker, and the chair of the committee, the hon. member for Glengarry—Prescott—Russell, as well as members of the committee from all parties.

I urge all members to read this report as it deals with the Office of the Ethics Commissioner and has severe consequences on all members. I also hope that the Ethics Commissioner will grab the opportunity that the committee has given him and gracefully make his exit and a thorough cleanup is done of his office so public confidence is restored in this office.

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GUN VIOLENCE

Hon. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, let me take this opportunity to offer our sympathy to the families and friends of so many black young men who have been killed by guns and gun violence.

The entire Toronto community is shocked by the boldness and non-caring attitude of young men who belong to gangs and whose lifestyle, criminal activities and weapons use create havoc and distress in our communities.

As legislators we cannot ignore this continuing crisis which is a manifestation of deep-rooted problems facing African Canadians. As we call for stricter laws and penalties, let us also assist the communities to obtain quality of life for all of our citizens.

* * *

[*Translation*]**ALBERT BÉGIN**

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, I want tell the House about Albert Bégin from Saint-Isidore-de-Clifton, a young man from the riding of Compton—Stanstead, who will be celebrating his 100th birthday on December 15.

Mr. Bégin does not dwell on the past, but still enjoys the present. Recently, nearly 230 of us relatives, friends and acquaintances came together to recognize the incredible contribution made by this man

who has loved the land. Attached to his region and devoted to his neighbours, Mr. Bégin told us with pride about the high points in his life.

Mr. Bégin did not drink from the fountain of youth, but he might have a magical recipe: he does not drink, he does not smoke and he keeps very active. He spoke glowingly of his card games and outings with his friends from the seniors club.

The Bloc Québécois congratulates Albert Bégin, a man who inspires us to live as long as he has.

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[*English*]**UKRAINE**

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, as a light snow fell on my way to the House of Commons this morning, I felt a moment of nostalgia. On this morning one year ago, I stood in Independence Square with Viktor Yushchenko as a light snow fell on a gathering of tens of thousands of people.

The day before massive fraud was committed against the will of the Ukrainian people. Canadian observers documented hundreds of cases of fraud and intimidation reaching the highest levels. All exit polls showed Yushchenko had been chosen by the people, yet the interfering Russian government announced Yanukovych the victor.

In addressing the gathering crowd, I congratulated Yushchenko as being the duly elected president and assured that the people of Canada would stand shoulder to shoulder with the people of Ukraine.

During the weeks that followed, the crowds grew to millions. Our Prime Minister provided critical support to the people of Ukraine at key points in time. In the end, the colour orange spread over the snow covered cities of Ukraine like the promising rays of sunshine.

I would like to thank the Prime Minister, every parliamentarian and the thousand Canadian observers, including former prime minister John Turner, for rising to the occasion. Not a single life was lost and the will of the people overcame the forces arrayed against them. As the slogan of people—

● (1410)

The Speaker: The hon. member for Regina—Qu'Appelle.

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NORTH CENTRAL FAMILY CENTRE

Mr. Andrew Scheer (Regina—Qu'Appelle, CPC): Mr. Speaker, the North Central Family Centre has been improving the quality of life in Regina for several years. Thanks to the dedication of dozens of volunteers and staff, the centre has been able to assist low income and unemployed people live better lives. The centre offers after school activities to students, meal programs, and all sorts of training and educational services.

In addition, the North Central Family Centre has started its own construction company to build and renovate houses in the core area of Regina. The company has already taken 18 people off public assistance by providing them with steady employment. It has also improved the standard of housing for many people in Regina and is working toward bringing the joys of home ownership to more and more families. By providing people with jobs, it has helped workers beat their addictions and taught them responsibility and valuable construction skills.

I would ask all members to join me in congratulating Sandi Wankel, Dr. Irvine Resnik, Dick Champlone, Ben Hernando, and all the staff and volunteers at the centre for their outstanding work in making North Central Regina a better place to live.

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[Translation]

STUDENTS FROM BROME-MISSISQUOI

Hon. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, I am pleased today to welcome exceptional students from my riding. Some of them took top honours at the regional Bell science fair, including Pierre-Luc Beauséjour of Bedford, Charles Dumouchel and David Lalanne of Cowansville and Francis Holtken of Farnham.

Others graduated from high school with outstanding academic averages. Chloée Bureau Oxtou of Magog and Samuel Grenon Godbout of Dunham were awarded the Governor General's Academic Medal.

I want to take this opportunity to congratulate them. I am convinced that these awards are merely a prelude to a very successful future. The future is bright, thanks to these young people from Brome—Missisquoi.

I want to welcome them to Parliament Hill and I encourage them to strive for excellence during their entire academic career.

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[English]

YOUTH ENTREPRENEURSHIP

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, for far too long our young people have been forced to leave their northern homes and families, not because they want to but because there is an overwhelming lack of good jobs and training opportunities. As we send our best and brightest to points south, we also export our future. I have committed myself to helping reverse this trend. Together with key economic partners like the credit unions and community futures development corporations, we have come up with a program intended to encourage our youth to stay and flourish in the northwest of British Columbia.

I would like to talk about Daron Miller, a 22-year-old owner and operator of Clarity Communications, who sells, installs and repairs VHF mobile radios that are critical to safety in the logging industry. Daron was the first winner of the Youth Entrepreneurship Award, which will provide 10 \$1,000 awards to young people in communities across the northwest.

The YEA embodies a new sense of optimism that is emerging in northwestern British Columbia and which must be fostered. We are

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turning the corner and northerners, especially young northerners, need even more programs like the YEA to ensure that they can prosper in their home communities.

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GEOSCIENCE

Mr. John Duncan (Vancouver Island North, CPC): Mr. Speaker, the Canadian minerals and metals industry consistently contributes an average of 4% to Canada's GDP, supports almost 400,000 direct jobs and has been a major contributor to our positive balance of trade. Not only that, the mining industry has become the largest private sector employer of aboriginal Canadians.

However, there is a serious challenge due to declining mineral reserves. The solution is new geoscience and exploration investment. The Conservative Party strongly supports this increased investment in geoscience programs and research because it supports exploration, builds mineral reserves and provides valuable data to support public policy decisions.

It is time to invest in geoscience and the future of this dynamic innovative sector of the Canadian economy, which is important to so many Canadians.

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[Translation]

FRANÇOISE MONGRAIN-SAMSON

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, I want to pay tribute in the House to a deserving award recipient. Françoise Mongrain-Samson, from the Abitibi—Témiscamingue region, was named 2005 female farmer of the year at the Saturne gala held during the Quebec federation of women farmers' convention.

Ms. Mongrain-Samson runs a dairy farm with her husband in St-Félix-de-Dalquier, near Amos. The mother of three children, she was the first woman on the Amos farm co-op's board. Since January 2000, she has been board chair. She helped found the Nord-Agri association, which promotes hog farming.

Thanks to her commitment to her community, Ms. Mongrain-Samson is helping to promote agriculture.

The Bloc Québécois congratulates Ms. Françoise Mongrain-Samson on this well-deserved honour.

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● (1415)

[English]

GOVERNMENT POLICIES

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, fearing the growing wrath of Canadian voters, the Liberals started their fearmongering campaign earlier this year. The Liberals have always confused the best interests of their party with what is best for Canada, and now they want to confuse Canadians by suggesting government come to a stop during an election. Actually, since the order paper has been bare for months, it would be hard to tell if the government did stop.

Oral Questions

Seniors, soldiers and farmers are told that money will not flow unless the Liberals maintain their death grip on Parliament, but in fact the House of Commons passed the legislation to send that money months ago. If the programs are not receiving their funding, it is because the Liberals are still incapable of following through on promises. If the military cannot replace 40-year-old aircraft, how can that be the fault of an election in January?

In 1917 and 1940 Canadians went to the polls at the height of global war. Our parents and grandparents knew that voting is a right, a responsibility and a privilege. Throwing these bums out is our duty and it will be a long overdue pleasure.

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ROTARY INTERNATIONAL

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the motto of Rotary International is "Service Above Self". Its wide-ranging activities include the development of community service projects that address many of today's most critical issues, such as children at risk, poverty, hunger, the environment, illiteracy and violence.

It also promotes ethical behaviour. One of the most widely quoted statements in business and professional ethics is the Rotary four-way test. The four-way test asks the following questions. One, is it the truth? Two, is it fair to all concerned? Three, will it build good will and better friendships? Four, will it be beneficial to all concerned?

Today I am honoured to pay tribute to the men and women of Rotary International for their outstanding service and their ethical guidance in Canada and around the world.

ORAL QUESTIONS

[English]

JUSTICE

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, 48 people have been shot and killed this year as a result of increasing gun violence in Toronto.

For years the government and the Prime Minister paid absolutely no attention to the growth in crime in Toronto. In fact, the Deputy Prime Minister laughed when asked about convicts being given day passes to Wonderland.

Now we are on the eve of the election. Why does the Prime Minister wait until his government is on the verge of collapse before paying attention to the growth in crime that has occurred under his watch?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the Minister of Justice has brought forth an extensive package in terms of mandatory sentences in terms of handling this situation.

I must say that there are also other elements to this. I would ask the Leader of the Opposition why he refuses to deal with community violence, the fact of exclusiveness and the fact that young men and young women who are engaged in these kinds of activities require strong social supports. Why does he oppose every single measure to

help the people who live in these communities? Why does he shut his eyes to the reality of what is going on?

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GOVERNMENT CONTRACTS

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, I am glad the Prime Minister is getting used to asking questions. What I will tell him is that we support initiatives like that but his soft on crime policies do not work.

We recently learned that David Herle, the Liberal campaign manager, received a \$23,000 untendered contract from the government to write the mini-budget.

I wonder if the Prime Minister will come clean and tell the House if he is aware of any other untendered contracts that may have been given to Liberal Party operatives.

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the hon. member knows that the contract and other contracts were given exactly in accordance with the rules.

Now the hon. member asked why I ask questions. I am not the only one. Canadians are asking questions. They want to know what the Leader of the Opposition's position is on health care. They want to know what the Leader of the Opposition's position is on the strength of the Canadian federation. They want to know what the Leader of the Opposition's position is on the kind of country that we want to build. They in fact want to know what his agenda is and why he keeps it hidden.

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SENIORS

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, the answer to all those questions is that we will clean up the mess the government created over the last 12 years.

The Prime Minister continues to run around the country threatening to take away an increase in seniors' pensions if an election is called. However the increase to seniors' pensions was contained in Bill C-43 which was passed by the House, by the Senate and supported by all three national parties.

Why is the Prime Minister trying to scare seniors by saying that he will take away the pension increase if an election is called?

● (1420)

Hon. Tony Ianno (Minister of State (Families and Caregivers), Lib.): Mr. Speaker, it is pretty curious that the party opposite, which has rarely spoken about our seniors, especially our low income seniors, is all of a sudden, as it is getting ready for the election, trying to score cheap political points at the expense of our low income seniors for whom the government has done a tremendous amount in the last year in ensuring that our low income seniors are given the dignity that they deserve.

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GOVERNMENT POLICIES

Mr. Monte Solberg (Medicine Hat, CPC): That took a little nerve, Mr. Speaker.

Oral Questions

When Justice Gomery looked at the Liberal Party's role in the sponsorship scandal he found dishonesty and a culture of entitlement.

Now, in the same vein, media reports tell us that the Prime Minister was not giving Canadians the real story when he said that soldiers would not get pay raises and seniors would not get benefits if we have an election in the next few days. It just was not true at all.

Instead of trying to scare seniors in nursing homes with blatant misrepresentations, why does the Prime Minister not just admit that the real reason that Liberals do not want to face the voters is that the only vision they have is the culture of entitlement for the Liberal Party?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, if the hon. gentleman wants to look at the record on senior citizens, this is the party and this is the government that removed the foreign property rule. We raised the RRSP limits. We are increasing the guaranteed income supplement. We are reducing taxes. We are removing 240,000 seniors from the tax rolls altogether. We have rendered the Canada pension plan actuarially sound for 75 years and we have indexed the entire tax system to protect seniors from inflation. That is a record to be proud of.

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, nobody was hurt more than seniors by the minister's bungling on income trusts.

Everything the government has been doing lately confirms that Justice Gomery was right about the Liberal Party's culture of entitlement. The Liberals are using the public treasury to make dozens of spending announcements on the eve of an election. They misrepresent the truth about the consequences of having an election and they give an untendered government contract to the Liberal campaign manager to write their election platform.

When will the Liberals admit that they think Canadians have so little self-respect that they will overlook Liberal Party corruption in exchange for more lolly from the public treasury?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, I was very interested this morning to watch the reaction of the opposition leaders to the news about the purchase by National Defence of some very important military equipment. They wandered off into a bunch of other subjects and asked where the announcements were on softwood lumber, on agriculture and on other things? In their very own words, they were demanding more.

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[*Translation*]

SOFTWOOD LUMBER

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, after waffling for three and a half years, word was leaked to the media that the Prime Minister will be introducing an aid package for the softwood lumber industry providing \$800 million in loan guarantees. However, this represents only 16% of the \$5 billion in countervailing and antidumping duties paid by companies over the past three and a half years.

Could the Prime Minister tell us whether the information leaked is founded or not? And if so, will he admit that \$800 million in loan

guarantees against \$5 billion in duties paid is grossly inadequate to help the softwood lumber industry?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, we do not comment on leaks. An announcement will be made in due course.

However, I can assure the leader of the Bloc Québécois that we are insisting on the Americans honouring their agreement and doing what they should have done from the beginning. If the Americans are not prepared to do so, we will stand behind our industry as long as necessary.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, they do not comment on leaks, but they orchestrate them. It would be interesting to hear the Prime Minister explain himself in the House. It is one thing to sound angry at the Americans, but actions speak louder than words.

Loan guarantees amounting to 16% of the losses suffered will not cut it. Is the Prime Minister prepared to get serious and grant loan guarantees to allow the companies to cope with the legal proceedings the Americans are slapping on the entire softwood lumber industry? We would like to hear his answer to that question. He should stop playing the angry politician and take action for once.

● (1425)

Hon. John McCallum (Minister of National Revenue, Lib.): Mr. Speaker, as the Prime Minister just said, we will be there as long as necessary to support the industry against illegal actions by the United States. That is the government's answer.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, according to preliminary information, this \$800 million loan guarantee program appears to be spread over five years, which will greatly reduce the already insufficient impact of the program.

Since forestry companies have already paid out more than \$5 billion in duties that are being held in trust, will the government admit that this \$800 million in loan guarantees over five years will not provide them with the necessary liquidity to operate properly?

Hon. John McCallum (Minister of National Revenue, Lib.): Mr. Speaker, I have a suggestion for the opposition, if it is serious about the problems of the forestry industry and not just engaged in petty politics. I have noted that, in the 38th Parliament, there has been not one opposition day on this issue. There is still one left, which is allocated to the Conservative Party.

[*English*]

The Conservatives have an opposition day on Thursday of this week. Would they like to devote it to the forest industry?

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, yesterday the minister claimed no member of the Bloc had ever contacted him about the loan guarantees, and this is incorrect. On October 25, my colleague from Montmagny—L'Islet—Kamouraska—Rivière-du-Loup and I wrote to the Prime Minister calling on him to put loan guarantees in place.

Oral Questions

Does the government not understand that, with a loan guarantee program spread over 5 years and covering only 16% of the amounts frozen in trust, it is sending a signal of weakness to the Americans in that it does not support the industry, a signal that clearly shows it can talk the talk but is not ready to walk the walk?

Hon. John McCallum (Minister of National Revenue, Lib.): Mr. Speaker, it seems that the opposition members have not accepted my invitation, so I guess they are instead engaged in petty politics.

We on this side of the floor are the ones who have worked for months on this. Members representing the Atlantic provinces, northern Ontario, Quebec, western Canada and British Columbia have been working on this for months. We will be making an announcement shortly.

[English]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, my question for the Prime Minister is on softwood. This morning the Prime Minister hauled out his favourite weapon on the issue, the broken record. He simply said, "It's time for the Bush administration to respect NAFTA". Then he threatened the United States with saying it again, if it did not. It is clear the Prime Minister's approach is not working.

When will the Prime Minister outline some consequences if the United States continues to show contempt for Canada through the Bush administration's position on softwood?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the government already has indicated that an announcement will be made. In terms of that announcement, we will stand behind the communities, we will stand behind the workers, and we will stand behind the industries.

If the Americans give us continued intentions not to honour the free trade agreement, they will find that the Canadian government will stand behind Canadian workers and Canadian industry until such time as this matter is settled in our favour.

* * *

AUTOMOBILE INDUSTRY

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the Prime Minister is standing so far behind the workers and the communities that he simply cannot be seen. That is the situation today. We see the same thing in the auto sector.

My question is about the news from yesterday. The Oshawa plant will close down. We have had 12 years without an auto strategy. We have had promises every time. We could be building green cars in that plant.

Will the Prime Minister stand up in the House and make a commitment that we will build a new model of vehicles in that Oshawa plant and produce the green cars that Canadians want to buy?

Hon. David Emerson (Minister of Industry, Lib.): Mr. Speaker, I do not know how much the hon. member knows about producing green cars or any other kind of cars.

I will put this for the hon. member as a question. If we do not have an auto strategy, if we have not succeeded in the automotive industry in the country, why have GM, Ford, Toyota and DaimlerChrysler

agreed in the last 12 months to invest over \$5 billion in Canada, in Ontario?

* * *

• (1430)

GOVERNMENT APPOINTMENTS

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, if the Liberal auto strategy was working so well they would not be firing thousands of people.

[Translation]

The government is telling us that it wants to fire Jean Pelletier from VIA Rail. At the same time, the Liberals are informing us that Jean Pelletier has proceedings before the Superior Court of the Province of Quebec and is asking for a huge severance pay. Moreover, because of the Liberal incompetence, he could get retroactive wages totalling \$400,000 for the period of 20 months between his first firing and his second one.

Why can the Liberals not fire their bandit friends without giving them money?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, did I hear the word "bandit"?

[English]

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, I will take another run at it and perhaps the minister will answer my question this time. Mr. Pelletier is currently suing the federal government and VIA for \$3.1 million. The Liberal bungling of his file now lets him claim another \$400,000 in back pay and benefits for 20 months because the Liberals did not fire him properly the first time. His potential pay out for this Liberal fumble is \$3.5 million, more money than many Canadians will make in their entire lifetime.

Why is it that when everyday Canadians lose their job, they have to rely on EI and their savings? When a Liberal loses his job in disgrace, it is like winning the lottery.

[Translation]

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, the member does not appear to be familiar with legal rules.

Mr. Pelletier is currently instituting proceedings before the Superior Court, but we are a very long way from a ruling. Once a ruling is made, we will see what the court has decided. However, it is neither for the member nor for me to anticipate the outcome of those proceedings.

At this point, no money has been paid to Mr. Pelletier and no money will be paid to him, unless we are forced to do so by the court.

Oral Questions

[English]

AUTOMOBILE INDUSTRY

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, while almost 4,000 Oshawa workers, up to 25,000 including spinoff jobs, are worrying about how they are going to pay bills, the Minister of Industry said yesterday, “there will not be any pink slips given out by General Motors in Canada”. It gets better. The minister then said to Sun Media that “It’s all being somewhat exaggerated” and treated it as a big blip.

The only people who deserve pink slips this Christmas are that minister and that sorry government. When will the minister admit that the Liberal policy failures will contribute to 25,000 pink slips in Oshawa and in Ontario?

Hon. David Emerson (Minister of Industry, Lib.): Mr. Speaker, the hon. member should have the courage to stand in the House and tell his constituents that if the Conservatives were in government today, there would not be \$5 billion of investments in the automotive industry in Ontario. Oshawa and the workers in Oshawa would be in serious trouble.

It is because of this government that the auto industry in Canada is the strongest auto industry in North America.

Ms. Bev Oda (Durham, CPC): Mr. Speaker, the government has promised an auto strategy. The government continually fails Canadians. Now we are losing almost 4,000 jobs in GM in Durham, my riding, plus the thousands working in the parts businesses. The minister’s response to GM’s layoffs was that it was an industry adjustment.

Mr. Speaker, minister, I ask you to speak to my constituents. What will you say to the families in Oshawa and Durham who are facing—

Some hon. members: Oh, oh!

The Speaker: The hon. member knows I do not speak to her constituents. I think she was addressing her remarks to the Chair, but may have inadvertently got her mind on to the minister instead. He may wish to respond to the question, if he has something to say. The hon. Minister of Industry.

Hon. David Emerson (Minister of Industry, Lib.): Mr. Speaker, I find it breathtaking that the party members think the only thing the economy needs, and I presume the auto industry needs, is a 2% reduction in the GST and happiness will follow. What kind of economics is that?

She should explain to her constituents that the auto industry would collapse under a Conservative government.

* * *

• (1435)

[Translation]

PUBLIC SAFETY

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, yesterday we asked the government about landings in Newfoundland by U.S. prison planes. The Minister of Public Safety told us that she had no information on that. Iceland knows, Spain knows, the European Union knows, Normand Lester from the daily *Le Journal*

de Montréal knows, and so do several other media, but the minister responsible for public safety does not know.

How do we explain the fact that the Minister of Public Safety is so ill informed and that, moreover, she refuses to ask Washington to provide explanations?

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I was very plain yesterday, but let me repeat for the hon. member. We have no information or reason to believe that any plane that has landed in St. John’s, Newfoundland and Labrador or elsewhere had anything to do with the practice of extraordinary rendition.

Let me underscore again for the hon. member that the country, this government, has never returned anyone to a country where they face a substantial risk of torture. We are in full compliance with both our domestic and international obligations.

[Translation]

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, will the minister commit to inquire?

Let us be clear. Can the Minister of Public Safety tell us if, indeed, aircraft *N221SG* and *N196D* did transit through Canada, and if they were carrying prisoners that the Americans call terrorists?

Can the minister at least get that information?

[English]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I have no information that any planes landed in St. John’s, Newfoundland and Labrador, or anywhere else, carrying passengers that involved the practice of extraordinary rendition.

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[Translation]

AGRICULTURE

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, the government claims to be in favour of protecting the supply management system, but tries to alter the Bloc Québécois motion by opening the door to a reduction in over quota tariffs and an increase in tariff rate quotas, while talking about mitigating the negative effects.

With its proposed amendment, has the government not just revealed its real intentions? Is it not about to create a serious breach in the whole supply management system, which is so essential to Quebec agriculture?

[English]

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food and Minister of State (Federal Economic Development Initiative for Northern Ontario), Lib.): Actually, not, Mr. Speaker. This party has stood behind supply management since its inception 35 years ago.

Hon. Ralph Goodale: We invented it.

Oral Questions

Hon. Andy Mitchell: We have invented it, as the Minister of Finance has just said. We have protected it for 35 years and we will do so in the future.

It is not a debate about supply management. The House has said time and again that it supports such a regime. It is a discussion about the best way of going about protecting it, and we are determined to do that as a government.

[*Translation*]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, how can the government claim to be committed to defending supply management at all costs and foolishly announce to the people it is negotiating with that it is already prepared to weaken supply management? Could the minister please explain that to me?

[*English*]

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food and Minister of State (Federal Economic Development Initiative for Northern Ontario), Lib.): Mr. Speaker, it is nothing of the sort. What we said as a government, and I think prudently so, is that we are working in the WTO to achieve an agreement that works for all Canadian producers, whether they are supply management producers or otherwise.

We believe the outcome must work for all Canadian producers. Our defence of supply management over the last 35 years has been second to nobody and it will continue to be as we go into the future.

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ROYAL CANADIAN MOUNTED POLICE

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, today again the Auditor General blasted the Liberal government, this time for the resource shortfalls and the mismanaged priorities in the RCMP federal policing.

Contrary to the misrepresentation of the minister, the RCMP vacancy rates are now as high as 25% in certain units, including drug interdiction and organized crime, the same units that they claim are used as an excuse to shut rural detachments.

The RCMP budget for contracting policing is shortfall, short-changed and that shortfall is made up by taking budgets away from units for terrorism and organized crime. Why should anyone believe the government is serious about fighting organized crime when it is under resourcing our—

The Speaker: The hon. Deputy Prime Minister.

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I guess I can do no better than quote Commissioner Zaccardelli when he was questioned at committee. He indicated that the commitment of the government to the resourcing of the Royal Canadian Mounted Police had been nothing short of remarkable over these past number of years. In fact, its budget over a relatively short period of time has gone from \$2 billion to \$3 billion.

The hon. member is talking about the Auditor General's report. Let me reassure the hon. member that the RCMP and my department have read the report and we accept the recommendations.

• (1440)

HOUSING

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, since 1999 the Liberal government has funnelled over \$1.1 billion into the national homelessness initiative. The minister has stated that since these programs we have had incredible results and recognizes that this good work must continue.

However, the Auditor General reports today that the national homelessness initiative does not have a system in place to measure the results of the program and some programs do not even target the homeless population. Since the Auditor General says that there is no way of knowing, how does the minister know if the program is working or not?

Hon. Joe Fontana (Minister of Labour and Housing, Lib.): Mr. Speaker, I am sure then that the other side and that member know that they have never supported funds for the homeless or for housing. Today, I have announced the renewal of SCPI and the renewal of RRAP which will give hope and housing to people, the most vulnerable in our society, low income seniors, low income Canadians, aboriginals and women in crisis. That is what we did today and we will continue to do so.

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EMPLOYMENT INSURANCE

Mr. John Williams (Edmonton—St. Albert, CPC): Mr. Speaker, the Auditor General confirmed today that Canadian workers have been forced to pay \$40 billion more in EI premiums than they have collected in benefits.

We all know that the Liberal government, which has no ethics, never found a dollar it could not spend and now it has changed the rules to say that it will not give the money back to the workers.

My question is for the Minister of Finance. On the eve of an election, why would taxpayers be gullible enough to vote for the Liberal government when it is stealing their money?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, when we came into office the premium rate was \$3.07 and it was headed to \$3.30. Today it is \$1.95. Beginning next year, it will be \$1.87. We have saved over \$11 billion in the premium rates.

During that period of time, we have also had the best job creation rate in this country and we have had the best participation rate in the G-7. The best solution is a good job for Canadians and this government delivers.

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ABORIGINAL AFFAIRS

Mr. Jim Prentice (Calgary Centre-North, CPC): Mr. Speaker, the Auditor General has again slammed the Department of Indian Affairs for bureaucratic bungling that fails aboriginal Canadians.

That department was supposed to help first nations in Saskatchewan and Manitoba convert their settlement lands into reserves. In the past 12 years the department has spent \$500 million, but there is still more than one million acres of land backlogged in red tape. The Auditor General says that the government has no plan and the department agrees that it has no plan.

Could the parliamentary secretary tell us today how much longer we have to put up with the rank incompetence of this minister?

• (1445)

Hon. Sue Barnes (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.): First, Mr. Speaker, I will start by thanking the Auditor General for her work. I think the diligence was there. We always learn from the work of the Auditor General. In fact, the department has already started to implement a number of the report's recommendations.

The settlement agreements are multi-party in nature, often involving municipal governments, provincial and territorial governments, first nations and other interested third parties. We will do our best and we will even do better.

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INDUSTRY

Mr. John Maloney (Welland, Lib.): Mr. Speaker, my question is for the Minister of Industry. The Canadian Steel Partnership Council is holding its inaugural meeting in Ottawa this afternoon. Could the minister tell us how this new initiative will help support Canada's steel industry?

Hon. David Emerson (Minister of Industry, Lib.): Mr. Speaker, I must say to my colleagues in opposition over there that the steel industry has learned something they have not, that is, when we work with this government as the automotive industry has done, and when we collaborate with industry, with labour and with academics, we can make progress in creating a globally competitive industry. That is what the Canada steel council is all about. We are going to create a globally competitive steel industry here in Canada, here in Ontario and across the country.

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HEALTH

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, the Copeman Healthcare Centre opened in Vancouver today, providing unhurried care for a membership fee. B.C.'s Minister of Health said he was concerned that this clinic violates the Canada Health Act. The head of the B.C. Nurses' Union said preventative care should be available to everyone, not just those who can pay.

Liberal Senator Michael Kirby has called for even more clinics like the Copeman. Will the minister tell us that Kirby's ideas are not those of the Liberal Party?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, we were prepared to work with the NDP on strengthening public health care. They ran to the lap of the Conservatives, the wreckers of health care, who wanted that Canada Health Act, and who want to end the federal role in health care. The NDP members need to ask the

question of themselves. Where do they stand on health care? We want to strengthen it. Do they?

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PARLIAMENT OF CANADA

Hon. Bill Blaikie (Elmwood—Transcona, NDP): Mr. Speaker, the only difference between the Liberals and the Conservatives when it comes to health care is that we have dishonest privatization and honest privatization.

My question is for the right hon. Prime Minister. Last night, Parliament spoke clearly and overwhelmingly in favour of an election call in January for an election in February. I am giving the Prime Minister, the man who said he would address the democratic deficit, the man who said he would have more respect for Parliament and the members of Parliament, one last chance to show that he means it. Will he respect the will of Parliament and abide by the resolution of last night?

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, what the opposition is suggesting is that it should be able to vote non-confidence in the government today and only have the consequences of that vote sometime in January.

As I said earlier, we are a parliamentary democracy. It operates on a principle that a government must have the confidence of Parliament. Parliament either has confidence or it does not. There is no halfway about it. It is not a compromise. In fact, it is a cop-out. It is the leader of the NDP trying to evade responsibility for causing an election during the holiday season.

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SOFTWOOD LUMBER

Mr. John Duncan (Vancouver Island North, CPC): Mr. Speaker, the government continues to abandon the forest industry, workers and communities. For three years, it sat on forest industry proposals asking for Export Development Canada backing during a prolonged softwood dispute with the U.S. Instead, this incompetent government plans to present a softwood package that it can never implement because it has run out of time.

Will the government just implement the EDC loan guarantee proposal, for which there is all-opposition party support, and do it today?

• (1450)

Hon. John McCallum (Minister of National Revenue, Lib.): Mr. Speaker, just before question period we had the rather sad spectacle of the separatists plus the Conservatives and their new-found NDP leader outside talking about forestry because they are trying to get political points knowing we are about to make an announcement.

If they are serious, I invite the opposition to devote its opposition day this Thursday to doing real work for Canadians on the subject of forestry rather than provoking an election that nobody wants.

*Oral Questions***TRADE**

Mr. Ted Menzies (Macleod, CPC): Mr. Speaker, the Minister of Agriculture and the Minister of International Trade are threatening to boycott crucial WTO meetings because of the upcoming election. In the last election, the Challenger was fired up for H el ene Scherrer and the Prime Minister jetted off to a G-8 meeting. What has changed?

The truth is that the Liberal government will not stand up for Canada's farmers, ranchers or forest industry.

Does the Prime Minister support this Liberal WTO boycott? If his ministers cannot be bothered to go, will he agree to send me in their place?

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food and Minister of State (Federal Economic Development Initiative for Northern Ontario), Lib.): Mr. Speaker, the hon. member was obviously not in the House this morning when I spoke specifically to this issue. I said clearly that the federal government will defend our producers and will defend our trade interests whenever and wherever we are required to do it.

I also made the point, and this cannot be forgotten, that if the House does vote non-confidence in the government, it will impair our ability to do that in Hong Kong and those members will bear the responsibility for it.

Some hon. members: Oh, oh!

The Speaker: Order, please. Perhaps members who would like to carry on a discussion between themselves across the aisle could do it in the foyer so that we can hear the questions and answers. There seems to be an inordinately large number of discussions going on in the House today.

The hon. member for Blackstrap has the floor.

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ABORIGINAL AFFAIRS

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, the Liberal government refuses to take action to protect the rights of aboriginal women. The government has failed to amend the Canadian Human Rights Act, failed to pass matrimonial property rights legislation, and has delayed funding the Sisters in Spirit violence prevention initiative. That delay saw more aboriginal women like Melanie Geddes and Amber Redman disappear, forcing the Federation of Saskatchewan Indian Nations to issue a warning about the potential risk of abduction.

This government's record of protecting aboriginal women is shameful. When will the Minister of Indian Affairs take responsibility for this?

Hon. Sue Barnes (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development and Federal Interlocutor for M etis and Non-Status Indians, Lib.): Mr. Speaker, this government has no lessons to learn from those opposition members.

Earlier this week, the government had a conversation with the president of NWAC and she was very happily in receipt of her Sisters in Spirit money. Our department continues to invest approximately \$17 million per year into the family violence prevention program, which provides funding for community based

projects aimed at addressing health and social problems relating to family violence.

The family violence prevention program funds operational funding to 35 shelters for women and children living on reserves. We have—

The Speaker: The hon. member for Edmonton—Spruce Grove.

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Mr. Speaker, last week the Minister of Indian Affairs and Northern Development stated that the first ministers meeting in Kelowna would be “dealing...very specifically” with the issue of violence against women in aboriginal communities, yet it is not on the agenda.

This is the most important meeting for aboriginal communities across Canada. Violence against aboriginal women is a matter of life and death. If the minister is truly committed to dealing very specifically with this issue, then why will he not commit today to putting it on the agenda?

Hon. Sue Barnes (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development and Federal Interlocutor for M etis and Non-Status Indians, Lib.): Mr. Speaker, the member's question gives me an opportunity to again point out a difference between that side and this side.

This side knows about inclusiveness and this side works with 19 different peoples, getting together and setting the agenda. Within that agenda of health, education, economic development and relationships, we will get all these issues dealt with in time. We are going to deal with these issues and we will do it with the cooperation of our first nations, M etis and Inuit people. That is the way to go.

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● (1455)

[*Translation*]

GOVERNMENT CONTRACTS

Mr. Beno t Sauvageau (Repentigny, BQ): Mr. Speaker, in November 2003, the Auditor General wrote a report on the management of surveys by Chuck Guit e's group. She found major problems, including contracts linking Earnscliffe to the Department of Finance.

Now that we know that the money spent on surveys tripled in nine years, that Public Works and Government Services did little, if any, quality control, and that several research firms contribute to the Liberal Party of Canada, how can the government say that there is no more cronyism within the Liberal Party?

[*English*]

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the Auditor General has in fact stated that public opinion research is generally “well managed” within the government. Furthermore, to strengthen quality, we are establishing an expert technical panel with Statistics Canada to help us develop appropriate benchmarks and standards for the government's public opinion research.

It is worth noting that the Auditor General has indicated that the average response rate for government surveys is more than twice the industry average for cost-shared studies.

[*Translation*]

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, the Auditor General also expressed her concern with the quality of the surveys. Having read the report, we could add that Public Works has been complacent toward survey providers.

How can the government still claim that it has cleaned house when nothing has changed since the Auditor General's incriminating report of November 2003?

[*English*]

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, once again, the Auditor General has stated that public opinion research is generally "well managed" within the government.

We are working, as are private sector firms, to strengthen public opinion research. We are working with Statistics Canada to do exactly that.

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RIDLEY TERMINALS

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, the transport minister's dithering and mismanagement of Ridley Terminals at the Port of Prince Rupert is threatening millions of dollars in future investment in northeast British Columbia.

For months I have expressed my concern to the minister regarding just how essential Ridley Terminals is to the long term viability of coal mining in my riding and to the communities and people this industry supports. Even cabinet now has belatedly requested that the minister review all options regarding the government's intended fire sale of Ridley Terminals.

Will the minister now confirm that he has canceled the sale of this terminal?

Hon. Jean Lapierre (Minister of Transport, Lib.): Not at all, Mr. Speaker, we are now studying a proposal from the province of British Columbia because it wants us to have fair and equitable access for all producers. We are now studying those issues, but obviously we are continuing. We want to divest Ridley Terminals. We will do it eventually.

Mr. John Cummins (Delta—Richmond East, CPC): Mr. Speaker, there is no obligation on the government to proceed with the Fortune Minerals deal, so why the hurry to sell Ridley for a pittance?

When those friends of the Liberal Party declared bankruptcy in 1983, it was reported as one of the largest insolvencies in Canadian history. In 1991, a judge found a reasonable inference of fraud or negligence with regard to the sale of shares of Doumet family companies

Why is the government prepared to sell off the future of northeast coal to its ethically challenged friends?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, I think those guys should get their act together. One says that I am

going too fast and the other one is saying that I am going too slow. Frankly, we are going to be looking at all options, but the government is committed to making sure that Ridley Terminals serves British Columbia and Canada well.

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HOUSING

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, while the opposition is busy playing games, this government continues to get on with the business of governing and delivering programs across Canada.

Today is national housing day. This government promised to improve affordable housing programs for Canadians.

Could the Minister of Labour and Housing tell the House what he is doing to meet the housing needs of Canadians?

[*Translation*]

Hon. Joe Fontana (Minister of Labour and Housing, Lib.): Mr. Speaker, today I announced \$260 million to extend the National Homelessness Initiative, which is the responsibility of SCPI, as well as the Homeowner Residential Rehabilitation Assistance Program.

[*English*]

These two foundation pieces of housing policy give hope for housing not only to the most vulnerable in our society but, more important, to the community organizations that each and every day help the people in our various communities deal with housing and social issues. We are committed to continuing to do that and more to help those communities.

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● (1500)

EDUCATION

Mr. Gary Goodyear (Cambridge, CPC): Mr. Speaker, the Minister of Finance's reasons for denying school boards in Ontario and Quebec the GST rebate that they legally won in court are wrong and, according to the Canadian Bar Association, completely unjust.

Now that the Liberals are clearly on their "please don't send us to jail" election tour and spending spree, will the minister tell the House if he has any intentions of doing the right thing and giving these school boards the money they were awarded by the court? The courts are right and the kids are right but that minister is wrong.

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, this is a matter that stretches back a number of years. The government has indicated what its policy is in support of various forms of education across the country. In some cases we support education through tax rebates, such as the 68% that is rebated to local governmental authorities. There is other support that is provided by other means and it is not a case of one size fits all.

*Oral Questions***FOREIGN AFFAIRS**

Mr. Paul Forseth (New Westminster—Coquitlam, CPC): Mr. Speaker, the Minister of Foreign Affairs has tabled his glossy report called “Global Partnership Program—Securing the Future”. He talks about security from terrorists getting nuclear material but not once does he mention the stated mission of Iran to get the bomb and follow the pledge of its prime minister to wipe Israel off the Earth. Just voting once a year at the UN for a motion that denounces human rights in Iran does very little.

Why has the minister failed to show leadership and lead a concert of nations to bring Iran before the UN Security Council over its nuclear weapons program?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, first, I think the opposition should acknowledge the leadership that this government has been playing at the United Nations. For the third year in a row we have been winning this resolution on the human rights abuse by Iran. This was an extraordinary achievement by our government last week at the United Nations.

On the nuclear issue, we have absolutely condemned the words of the Prime Minister of Iran on the wiping out of Israel. We have rejected that. We have condemned it. We are working with our allies, the United States and the European Union. I am one who believes that soon we will have to take Iran to the Security Council over this nuclear issue.

* * *

[Translation]

AGRICULTURE AND AGRI-FOOD

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, once again, Quebec's agriculture sector is paying the price for a federal program ill-suited to its needs. Although the Government of Quebec and the Union of Agricultural Producers have already done their share in the Colbex abattoir issue, the conditions set by the federal government prevent Quebec farmers from easily accessing the program.

How can the Minister of Agriculture and Agri-Food explain that, instead of helping farmers, the new requirements make it more difficult for them to access the program?

[English]

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food and Minister of State (Federal Economic Development Initiative for Northern Ontario), Lib.): Mr. Speaker, the program is not putting on new conditions. The program was in fact expanded. In cases where there is a producer owned operation, the increase has gone from 40% to 60% in terms of what the loan guarantee can provide. In terms of equity, we provided a specific program that will assist producers in putting equity into the plan. We provided additional assistance to help develop business plans and to do feasibility studies in terms of proposed plants.

We have a very vibrant, active and expansive program to assist with the development of new capacity.

ABORIGINAL AFFAIRS

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, first nations across Canada are increasingly developing plans for large scale commercial and industrial development projects. We now have Bill C-71, a first nations led initiative that would enable first nations to increase the number of major commercial and industrial projects on reserves.

Could the parliamentary secretary tell the House how Bill C-71 would improve the quality of life on reserve and help first nations communities build a brighter future?

Hon. Sue Barnes (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I would encourage all members in the House to actively engage in the movement of this legislation.

The first nations have worked in partnership with the government and have a very direct stake in the proposed legislation and are pursuing opportunities to improve economies and create jobs. The bill would mean more opportunities for well-paying, meaningful jobs on reserve, along with better education and skills training, and a brighter first nations community across the country. I encourage the House to move rapidly.

* * *

● (1505)

HEALTH

Mrs. Bev Desjarlais (Churchill, Ind.): Mr. Speaker, on April 27, 2004, the health minister admitted that the Liberal government was open to the public paying for private health care. The use of private for profit companies for nurses, surgery and diagnostic testing increases the costs to the health care system. This also goes against what Canadians want, which is a quality, accessible, not for profit, universal health care system.

Would the Minister of Health explain why the Liberal government is supporting private for profit health care?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, the fact is that we have strengthened public health care. We have provided more resources. We are training more doctors. We have more residencies across the country for international medical graduates.

The fact is that it is the NDP that walked into the lap of the Tories who actually want to destroy health care. Now the leader of the NDP is doing the work of the Conservatives in trying to call an election which is unnecessary and no one wants.

POINTS OF ORDER

SUPREME COURT VACANCY

Mr. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, I read a report today that a Supreme Court vacancy may be filled before the federal election.

Order in Council appointments, on my reading of our conventions, should not be made when there is a question of confidence by the House in the government.

I would refer you, Mr. Speaker, to Pierre Trudeau's minority government in the 1970s when he was advised by the Privy Council Office that during the period of time when there was a question of confidence in his government that had not been settled definitively by the House that he not make order in council appointments.

However I also noted in the report today that the justice minister spokesperson said that the government not only had the legal right to do so when there was a question of confidence but that it had the legal right to appoint a Supreme Court judge during the election period.

I believe that clearly there is a question of confidence in the government today and certainly by next week there will be a question of confidence in the government and we will likely be into an election period. Therefore, Mr. Speaker, I would ask that you consider this a point of privilege in the House that order in council appointments not be made during this time and especially not during the election period.

[Translation]

ORAL QUESTION PERIOD

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, I rise on a point of order.

During question period, in reference to the former president of VIA Rail, Mr. Jean Pelletier, the member for Port Moody—Westwood—Port Coquitlam used, most likely unintentionally, the word “bandit”.

Even if we are disputing how he did his job, no criminal charges of any kind have been laid against Mr. Pelletier.

I want to give the hon. member the opportunity to withdraw his completely undignified remarks.

[English]

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, I did use the word “bandit” in French, which of course means thief, but I was not specifically describing Jean Pelletier. However, if I did use language that was unparliamentary I withdraw it.

The Speaker: I believe we will treat that matter as complete.

With respect to the first point of order raised by the hon. member for Wellington—Halton Hills I am sure he is aware that the Speaker of the House does not decide whether motions before the House are matters of confidence or otherwise. What is more, the Speaker has nothing whatever to do with order in council appointments.

While the hon. member has made a representation that I am sure the Minister of Justice was fascinated to hear, I do not believe it is a

Supply

matter that either constitutes a point of order or a question of privilege for the Speaker to make any decision on.

I appreciate the opportunity to say so, but I am afraid there is nothing more I can say on that subject.

GOVERNMENT ORDERS

• (1510)

[English]

SUPPLY

OPPOSITION MOTION—WORLD TRADE ORGANIZATION NEGOTIATIONS

The House resumed consideration of the motion.

The Speaker: When the debate was interrupted for question period, the hon. member for Selkirk—Interlake had the floor and he has six minutes left in the time allotted for his remarks.

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, I wish to reiterate that I am splitting my time with the hon. member for Central Nova.

Just to bring some clarity back into the discussion, I want to reiterate that the Conservative Party has 24 members here who are farmers or who have been involved in farming. I am one of those individuals who knows that having a successful WTO is going to be vital to the success of my family farm operation.

I also have experience in the dairy industry. I used to be a cattle buyer and used to buy cattle out of dairy farms. I saw how well the dairy industry succeeded because of supply management. We want to ensure that it continues, but there is no doubt that we have to have a successful conclusion to the World Trade Organization talks in Hong Kong. Talks may slide into next year, but we have to see this come to a successful resolution.

What we are saying here today is that Canada has to be a leader in this issue. We are the third largest agricultural exporter in the world and yet we are not sitting at the table. The mini-ministerials, the countries directing this discussion, are actually made up of five countries: the U.S.A., the European Union, Australia, Brazil and India. Canada is absent.

We are not there advocating for our farmers. We need to be there advocating that we need sensitive commodities protected where supply management fits in, and that we have to have a successful sensitive commodity definition. We have to have a successful guideline set out as to what percentage of commodities in any given country are allowed to be filed that way and we are not advocating that. We are doing it all through back doors, but we are not being up front and open about it.

We also have to talk about our grains and oilseed producers, our ranchers and hog producers, who need to have increased opportunities from the World Trade Organization. As we heard here in the House today, and we talked about it often throughout this session, the farm income crisis is the worst in history.

Supply

The reason that the minister can stand up and say that the government has delivered so much money into farm hands over the last two years is because the crisis is so bad. Even with the money that has been coming out as support payments, we are still in negative margins. Farmers are not making any money.

We have to have a World Trade Organization result that will address the trade and production distorting subsidies that exist in other countries. That is why we have to be at the table with the European and the Americans to ensure that their trade distorting subsidies are removed.

We have to bring down their domestic support to a level that is comparable to what we have here in Canada. We have to ensure that their export subsidies are eliminated, that food aid is only used for actual food aid and not used to dump commodities into other markets like we see around the world and hold back development in those countries.

More important than anything else, we have to have market access. We have to ensure that our producers can access markets that are more profitable, so that we can sell commodities that we grow here and can export. Unfortunately, the motion does not address it. I would love to see the motion amended, so that not only are we committed to supply management but to all of agriculture.

As we stated earlier, only 10% of agriculture in Canada is dependent upon supply management and 90% is dependent upon access to foreign markets. We are exporters of 90% of what we produce, whether it is corn, wheat, barley, beef, pork or bison, we have to have those open markets. We have to ensure we have a successful WTO negotiation.

That is why we have to ensure that we provide direction to our negotiators, have an official Canadian position, and that the position should be that, first, we are supportive of supply management and we want to see it protected under sensitive commodity. Second, we are going to open markets, reduce subsidies and tariffs, and ensure that the rest of agriculture succeeds.

With that type of motion, 100% of agriculture would be taken care of and we would be addressing the entire issue that we want to see as a successful conclusion to the Doha round.

• (1515)

One thing we need to be concerned about, and this was reported today in the *Ontario Farmer*; is that back in July 2004, during WTO negotiations, there was already an agreement signed by the government that threatened overall supply management in egg, dairy and poultry producers. It committed Canada to reducing tariffs in proportion to reductions made by other countries.

What is said in the *Ontario Farmer* is that a 10% quota cut is coming down, which is essentially 10% more market access. Combine that with the 12% that we have already lost in imports because of poorly defined definitions out there in things like butter oils and caseinates. We are losing market share in those industries all the time. We have already lost 10% plus 12%, so it is already at 20% access to the supply managed industries. We need to find the tipping point.

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, I listened to my hon. colleague's speech and certainly value his input, both at the agriculture committee as well as during this debate.

He indicated in his speech that there were 24 farmers in his caucus and I respect that. We do not have 24 farmers in the Liberal Party. I would like to ask my hon. colleague, during the Conservative convention earlier with the 24 farmers, why did it take an Ontario delegate to put forward a motion, not only to support the goals, but also to support the concept of supply management?

Mr. James Bezan: Mr. Speaker, I recognize that my hon. colleague is a great contributor to our agriculture committee and that she brings her farming background and experience to the committee's work at all times. I want to read what the Conservative Party passed as a resolution that came out of our meeting. It states:

The Conservative Party believes that it is in the best interests of Canada and Canadian agriculture that the industries under the protection of supply management remain viable. A Conservative government will support supply management and its goal to deliver a high quality product to consumers for a fair price with a reasonable return to the producer.

We are 100% behind supply management. We have definitely benefited from the quality food products that are brought forward. I know, from experience, that the product price in the marketplace in Canada versus the United States is very similar. It has done a great job in ensuring that consumers are receiving a quality product at a reasonable and fair market value.

Hon. Rob Nicholson (Niagara Falls, CPC): Mr. Speaker, I want to congratulate my colleague for once again restating the Conservative Party's commitments to farmers, to agriculture, and to the supply management system. I have to give kudos to the member of the Liberal Party who pointed out that this was recently reaffirmed at our policy convention. This is Conservative Party policy and I am delighted that she highlighted that for us.

I want to come back to something the hon. member said, which was the importance of support for our country's position at the World Trade Organization and our support in the international arena for our farmers and agricultural products. He indicated that he believes the federal government is absent from pushing Canadian farm and agriculture issues in the international sphere. I wonder if he would agree with me that there has been an absence of leadership domestically, within Canada.

Let me give an example. We have had three budgets in this country in the last eight months. I defy people to have a look at any of those documents and come away with any inkling that agriculture is a priority with the Liberal Party. I listened to the third budget here within the last week. I did not hear anything about the government's commitment to agriculture or support for any of these things. I do not think anybody heard anything and that is a shame.

We have been pushing for changes to the CAIS program. We want support for the supply management system in this country. We would have liked to have seen changes in federal excise tax as it applies to the wine industry, but we did not hear any of that sort of thing. I wonder if the member would agree with me that not only is there a lack of leadership in the international arena but there is a lack of leadership at the domestic level as well.

Supply

Mr. James Bezan: Mr. Speaker, there is no doubt that farmers have felt abandoned over the last number of years.

We have had three budgets brought forward in the last eight months and not one gave any more money to agriculture. The last two did not even mention it. We have a situation where farmers feel that they have been completely forgotten. They wonder why there is not any support coming. They wonder why there is not any leadership at the WTO.

As the third largest agriculture player in the world, we should be sitting at the table on those mini-ministerials laying out our position, advocating for farmers, and ensuring that we have a position where they are adequately protected and represented. That is not happening. Instead, we want to go behind closed doors and have little private discussions.

We cannot expect the Europeans, Americans, Brazilians, or Indians to say that Canada wants this and that they should bring that forward. That is not going to happen. If we are not at the table negotiating and advocating for our farmers, we will never have the opportunity again. We are abandoning our farmers by not being more active, more aggressive, and ensuring that we have a position where we are going to get the best for our producers.

• (1520)

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, I want to begin my debate by acknowledging the wonderful remarks of my colleague from Selkirk—Interlake and the practical hands-on knowledge he brings to this debate. As a rancher, as someone who grew up working in the ag sector, my hon. friend knows of what he speaks. He has put before the House and before Canadians via broadcast a very practical and common sense approach that we should be pursuing.

Sadly, that has not been the record of the government. Somehow, common sense does not enter into the equation. What we are seeing now is the shameless pre-election posturing that has had a detrimental impact not only on this issue, but on so many others.

I am pleased to take part in this debate because it is so timely. It speaks to the importance of our supply management sector and the negotiations that are under way at the World Trade Organization.

The motion unfortunately does not deal with the other agriculture sectors that also have a clear and a vested interest in the WTO negotiations. I should acknowledge as well the work of my colleague from Ontario, our critic in this area, who has done yeoman service in presenting the very legitimate concerns of the ag sector. There are differences. This is perhaps one of the most diverse areas of the economy and also one of the most challenged. This debate nor any debate on this subject should not pit one sector versus another.

Supply management as we all know is based on three pillars: market based pricing, production quotas and border controls. Producers only produce enough product to respond to the consumers' demands. This promotes stability in price and in the market. Prices are negotiated with buyers in order to receive fair market value, fair market returns.

Border controls which include high tariffs on supply managed products prevent imports above the agreed level of market access.

The dairy, chicken, turkey, and egg producers under supply management provide Canadians with high quality and affordable food in an efficient manner. In many cases it is the envy of other sectors. Canada's supply managed farmers do not subsidize and 100% of the producers' revenues come from the marketplace. Canadian consumers have had access to high quality products at reasonable prices as a result.

Survey after survey has shown that Canadian dairy products are actually cheaper than those found in the United States. That points to the efficiency and the innovation of Canadian farmers. They deserve a great deal of credit. This is not about government policy or management; this is about a tribute to those farmers who are actually working the land, working with animals and producing high quality products for consumers.

Dairy, poultry and egg farmers contribute a net \$12.3 billion to the Canadian GDP, generate more than \$7 billion in farm cash receipts, sustain more than \$39 billion of economic activity and employ more than 214,000 Canadians. Canada's 18,000 dairy farmers create 50,800 jobs directly on the farm. Another 25,200 jobs are created through the provision of goods and services to dairy farmers. According to the Dairy Farmers of Canada, their farms provide as many jobs on the farm, that is over 50,000, as Alcan, which is a very large employer in this country.

Central Nova is home to some of the hardest working and most efficient farmers in the country. Last November Bernie MacDougall, president of the Nova Scotia Dairy Farmers, and Jack Ferguson from Pictou County visited me here on the Hill to emphasize the need to push the federal government to protect the interests of the supply managed sector at the trade talks. Almost half of the farms in Nova Scotia are under the supply management system. They also briefed me on the challenges that are facing the dairy industry with respect to the use of modified milk ingredients and the problems facing dairy farmers with respect to the BSE crisis in culled cows.

I know from speaking to the McCarron family, and Mary McCarron in particular, that this remains a concern and has hurt the industry significantly. It was not just beef producers as my colleague would attest. Dairy farmers as well took a big hit as a result of the BSE crisis and the mismanagement the government displayed in how that was handled.

Unfortunately, the Liberal government over the past 12 years has not stood up for farmers and has had to be pushed each and every time when it came to a crisis. When a crisis hit the agriculture sector, the needs of farmers unfortunately did not seem to register with the government.

• (1525)

I recall one minister of agriculture who proudly stated that supporting our farmers meant no further cuts to the agriculture programs. Lo and behold, somehow, somewhere the Liberal government forgot that the ability to produce our own food in a safe and efficient manner is one of the very fundamentals of a safe and secure country.

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The current WTO negotiations on agriculture could have a huge impact on the supply managed producers as well as our export oriented producers. Much of the debate at the WTO focuses on how to address the huge amounts of subsidies that are being paid to United States and European Union farmers. Canadian supply management does not receive government subsidies. It is vitally important that our government aggressively makes that point at these talks.

Canadian farmers have suffered from poor ministerial representation in the past at WTO negotiations and it appears that this year will be no exception. An example of Liberals shirking their duties to Canadian farmers was the absence of both the Minister of International Trade and the Minister of Agriculture at the mini ministerial meeting that took place in Kenya on March 2 to 4 this year.

At that meeting member countries discussed their commitments to the Doha round. The international trade minister and the agriculture and agri-food minister were not at the meeting at all, because they were attending the Liberal convention. That speaks volumes. Once again they were putting political partisan priorities ahead of the interests of farmers and Canada's national interests.

Under the rules of the mini ministerial meeting, without a minister present no other representative of the country was able to speak. They were not allowed to be officially present. My colleague from Macleod suggested that he would like to go in the place of the minister if the Prime Minister decides to opt out, but unfortunately that cannot happen.

The Liberals have done such a poor job of showing up and participating at other conferences that other countries are looking at Canada and beginning to seriously wonder about our commitment to supply management. Canada's supply managed sectors ought to be setting an example at the WTO negotiations. The proof is that many other countries believe that supply management is purely a government subsidy program. We have to show up and forcefully make the case that it is not.

The ministers' poor showings at the WTO imperils the livelihood of farmers in Canada. In an already volatile situation, their absence hurts our farmers directly.

Canada is the third largest agriculture exporter in the world. Given that two of the ministers have given mixed messages at the WTO in the past and other member countries as well, this breeds confusion. It is not surprising that Canada is losing credibility among WTO country participants. I do not know which is worse, showing up with a confused position or not showing up at all. Either way, the Canadian ag sector is paying the price for ministerial incompetence or absence.

Former Liberal international trade minister Roy MacLaren went on the record recently in a *Globe and Mail* article on November 8 saying, "Canada has mysteriously disappeared from the global trade arena". That is a scathing condemnation from an individual who was once very prominent in Liberal circles. He also stated:

Canada's current policy of ambivalence—offering little in terms of liberalization, free-riding on what others negotiate, and implicitly protecting our preferential access to the U.S. market by not pushing for an ambitious global deal—may buy short-term political peace.

Former Canadian trade negotiator Bill Dymond, now with the Centre for Trade Policy and Law here in Ottawa, stated, "Canada has become essentially marginalized".

Last Friday Nova Scotia Premier Hamm and agriculture minister Chris d'Entremont met with farm groups. Minister d'Entremont said, "We're looking at being caught out by the tide as certain decisions are made. We need to be very firm on what our stance is and have that plan put forward". Premier Hamm also has committed to attend the WTO meetings in Hong Kong next month to remind the federal government and to push it to stay on course.

Producers have a right to worry. In the July 2004 WTO negotiations the Liberal government signed an agreement that threatens supply management in the egg, dairy and poultry sectors. That July 2004 WTO agreement commits Canada to reduce tariffs in proportion to the reductions made by other countries. The Conservative Party supports all sectors of farming, including supply management. We believe that one sector should not be pit against another which has been a common trend among the Liberal government. Rather than make a decision, it causes confusion and breeds seeds of dissent within the industry itself. This should not be pursued.

● (1530)

Last March at our policy convention in Montreal, we reaffirmed our traditional support for agriculture. Our policy statement is clear. It states:

The Conservative Party views the agriculture industry to be a key strategic economic sector of Canada. We recognize that various regions of Canada and sectors of the industry hold competitive advantages in the agricultural production. National agriculture policy will reflect our belief that one size does not fit all.

Agriculture policy must be developed only in consultation with the agricultural producers.

I conclude my remarks by reiterating the Conservative Party's support for supply management. We specifically passed a motion at that same convention in support of supply management. We are ready to stand up for Canadian farmers at the World Trade Organization when the Liberal government is replaced with a new Conservative government.

I seek the unanimous consent of the House to move the following amendment to the motion that is currently on the floor. Mr. Speaker, I believe you will find there is unanimous consent. There has been consultation among the parties.

The amendment reads as follows: "That the motion be amended by replacing all the words after 'quotas' with 'and also ensure an agreement that strengthens the international marketing position of Canada's agricultural exporters so that all sectors can continue to provide producers with a fair and equitable income'".

The Speaker: Does the hon. member for Central Nova have the unanimous consent of the House to propose this amendment?

Some hon. members: Agreed.

Some hon. members: No.

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I rise on a point of order. I would like a clarification about the amendment moved.

Since it is a Bloc Québécois opposition day, if an amendment is made, is it not only the support of the party moving the amendment that is needed for the amendment to be in order and therefore debated? I would like the Chair's interpretation of the Standing Orders on this point.

The Speaker: The Chair has determined that the question must be put to all the members, because the hon. member for Central Nova asked for the unanimous consent of the House prior to moving his amendment. This was denied. Pursuant to the Standing Orders, the party that moved the motion may agree to move the amendment in the House, but that was not the request that the hon. member for Central Nova put to the Chair during his speech. Perhaps the parties would like to discuss this amongst themselves for a few minutes.

In the meantime, we will continue with questions and comments on the speech by the hon. member for Central Nova.

• (1535)

[*English*]

Mr. Peter MacKay: A point of order, Mr. Speaker.

The Speaker: Before the point of order, I wonder if we could deal with some questions or comments while some discussions take place to settle the issue. The hon. member for Bruce—Grey—Owen Sound.

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, the comments of the hon. member for Central Nova certainly showed his knowledge of this issue.

I would like to acknowledge the work that the Conservative Party agriculture critic has done. The Conservative Party's support for supply management is common knowledge in the farming community. It is second to none.

Although it was reaffirmed as little as eight days ago by the Minister of Agriculture and Agri-Food and also the Minister for International Trade that everything is being protected and that the government is standing strong for everything that is in supply management, I have been getting vibes in recent days that that is not the case.

Does the hon. member for Central Nova think that supply management is being protected in the strongest form possible in looking after Canada's farmers?

Mr. Peter MacKay: Mr. Speaker, the member is absolutely right, and he is on to something. I believe he would agree that over the last 12 years the government has started to whittle away Canadian government support for supply management. There are many telltale signs out there, including the government's ambivalence about its position going into the talks, which support that position. It is gradually retreating. Like water that has been evaporating, its support for supply management seems to be weakening by the day. That has caused a great deal of alarm in the supply managed sector.

The farmers who will be most directly affected, are extremely concerned. I know my colleagues on this side of the House have been getting nothing short of panicked calls from those who will be most affected because of the government's sowing of seeds of dissent and uncertainty and its withdrawal for an unequivocal, straightforward, forceful position that it will go to these negotiations and make

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Canada's case to support ongoing supply management for our country, and support and stand up for our agriculture sector.

Mr. Gord Brown (Leeds—Grenville, CPC): Mr. Speaker, as the hon. member knows, my riding of Leeds—Grenville relies heavily on the supply managed sector in our agricultural community. We have many farmers who are dependent, whether it be dairy or others. We have one of the largest agriculture producers in Canada in our riding.

We often hear about the government's support. The government continues to say that it supports supply management, yet time and time again at these trade negotiations it lets our farmers down. This is why I get calls almost every day from farmers. In fact, this weekend I am to meet with many of our supply managed farmers.

While the government talks a good game, why is it not standing up for our farmers?

Mr. Peter MacKay: Mr. Speaker, I could surmise all kinds of theories as to why the Liberal government would be so disingenuous. We have seen the Liberals on so many occasions say one thing publicly and then negotiate away the interests of Canadians on another. We have seen so many occasions where they have made outright bald-faced statements on the eve of elections, like cancelling helicopter contracts, promising to do away with GST and promising to rip up the free trade agreement. Then 12 years later we still have GST and we still have free trade, a Conservative cornerstone that has helped the Canadian economy thrive and be more competitive.

What we get from a Liberal on the eve of an election is a deathbed repentance on all kinds of public policy: promises to fight crime, to cut taxes, to help farmers, to put more emphasis on protecting the environment. It is all pre-election posturing. Perhaps one of the reasons is in the Liberals' shameless pursuit to cling to power, in their absolute obsession with keeping their hands on the level of power, they will say and do anything. They will promise anything. Liberals with power are a bit like puritans with sex. They claim to loathe it, but they absolutely cannot live without it.

When it comes to pre-election promises, we can expect to hear anything in the run-up to this campaign. The Liberals will say and do and commit to everything under the sun, but it is really all about perhaps a plan to have everybody move to the big cities where they will vote for Liberals and they will be able to cling on to power above everything else.

• (1540)

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I will be sharing my time with the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

It gives me great pleasure to speak to the motion by my colleague from Richmond—Arthabaska. I am pleased to support it. I will—

Supply

[*English*]

Mr. Peter MacKay: Mr. Speaker, I rise on a point of order. Have we moved on to debate or are we still on questions and answers? I have an amendment that I would like to put forward. There have been some discussions. You may have been absent from the chamber when the Speaker gave a ruling, but there is an amendment that the Conservative Party, in consultation with the Bloc, would like to put on the floor.

[*Translation*]

Mr. Pierre Paquette: Mr. Speaker, I want to say that, if we have an opportunity to bring back the amendment that our colleague from the Conservative Party wanted to introduce, the Bloc will bring it back, unless another party does so. I wanted to mention that we were in favour of the amendment that the Conservative Party was going to introduce, and perhaps we will be able to bring it back ourselves.

I will repeat the Bloc motion, because its wording is extremely important:

That, in the opinion of the House, the government should give its negotiators a mandate during the negotiations at the World Trade Organization so that, at the end of the current round of negotiations, Canada obtains results that ensure that the supply management sectors are subject to no reduction in over-quota tariffs and no increase in tariff quotas, so that these sectors can continue to provide producers with a fair and equitable income.

In the proposal, we are extremely precise concerning the conditions necessary for supply management to be maintained, to continue not only to be viable, but also to develop. In this sense, the first two lines are very important to us.

I am happy that we seem to have reached an understanding with the Conservatives and the NDP that it is essential to include in the motion these two elements, namely that tariff quotas will not be increased and that there will be no reduction in over-quota tariffs. Without that, indeed, the pious wishes of the Liberal government are no more than hot air. If we are unable during the World Trade Organization negotiations to maintain the conditions that permit supply management in our domestic market, and if we are unable to hold a very firm line in these negotiations, we will be saying one thing and doing the opposite.

That would be nothing new, people will tell me, for indeed, that often happens with the Liberal party and the Liberal government. One can cite the example of softwood lumber. Now, the Prime Minister is turning up the rhetoric and ministers are saying that they are shocked at the situation. The Americans must abide by the NAFTA decision. And yet the softwood industry in Quebec and in Canada is not being given the resources to make it through this crisis.

The program that is emerging is not encouraging. Yesterday, in fact, we saw the leaks in the press. This is one more signal to the Americans. Despite the fact that the rhetoric has increased, we are not serious in our strategy of support to the industry to achieve a settlement that is satisfactory to the Canadian and Quebec softwood lumber industries on the basis of the decisions of the NAFTA tribunal, and nothing less than that. Here, too, we are in exactly the same situation.

We know that there will be a meeting in Hong Kong in mid-December and that the Canadian government must renew its

mandate to its negotiators. In the context of these mandates, we are starting to get a number of elements on the table. We have undoubtedly found that the Americans and the Europeans have tabled an offer and that the Group of 10 has made a proposal, which is perhaps of the greatest interest to Canada. There are also the developing countries, such as India and Brazil. As far as Brazil is concerned, that was expressed again at the most recent meeting of heads of state and government at the Summit of the Americas.

The proposals are on the table. We need an ironclad guarantee that the Canadian negotiators fully understand their mandate, namely that there should be no reduction in over-quota tariffs and no increase in tariff quotas. Overall—and this is important—we need to be able to maintain a supply management system in Quebec and in Canada that first and foremost ensures a reliable supply to processors and consumers. This ensures a high-quality supply at a competitive price. We can see this, for example, in the case of Canadian milk. On average over a lengthy period, it has been retailing at a much cheaper price than American milk. We also find that the system gives agricultural producers a fair and equitable return for their work, their families and their investments.

● (1545)

In that sense, it is extremely important to remind our WTO partners that supply management does not cause any trade distortion on the international market. It is designed exclusively for our domestic market, and there are hardly any exports. I know that federations under supply management are prepared not to export in order to maintain the conditions necessary for this system. This ensures not only fair and equitable income for producers, but also a human-scale agricultural model.

As long as producers know how much they should produce and how much processors will buy and at what price, it is possible to maintain human-scale farms. There is no need to move toward industrialization, like the United States and many other western industrialized countries are doing. This is a societal choice that has to be respected.

However, to do so, the mandate given to our negotiators at the WTO has to be very clear. There is no leeway. That is why it is important to be very specific in terms of the motion.

There have been discussions at the Standing Committee on Agriculture and Agri-Food, as well as the Standing Committee on Foreign Affairs and International Trade. I attended these committee meetings, and discussions will continue on Thursday. These discussions were on the Canadian position and on whether it would appear too uncompromising to our partners. That is not being uncompromising; it is the only mandate that is consistent with the will of this House as a whole. Hon. members will recall that a motion was put forward by the hon. member for Montcalm, saying that no compromises should be made where supply management is concerned. Everyone was unanimous.

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If we want to be consistent, the motion that will hopefully be passed this evening has to include these two lines. That is the crux of the problem. If the government will not support that, it means that, essentially, in the negotiations in Hong Kong and post-Hong Kong negotiations, it is prepared to compromise on quotas and over-quota tariffs.

Tonight, if the Liberals and the Liberal government vote against the motion brought forward by the Bloc, especially as it will be amended by the Conservatives, their cards will be on the table for everyone to see. Farmers in supply managed sectors in Quebec, in Ontario and elsewhere in Canada will know that everything that was said by the Prime Minister, the Minister of Agriculture and Agri-Food and the Minister of International Trade was nothing but hot air, that they intended all along to negotiate in the current round of multilateral negotiations and that they were always willing to make concessions that will seriously jeopardize our ability to maintain this system which, may I remind my colleagues, is a societal choice.

I call upon the government and those ministers to follow up on what they said in the last election campaign as well as during the debates that were held in this House over the last few months with regard to supply management, and to support the Bloc Québécois motion as it will be amended later on.

We also want to include in this motion the fact that our exporters of agricultural products must be able to have a fair and equitable income. In this regard, the Bloc Québécois, unlike the Liberal government, never intended to rob Peter to pay Paul, or should I say to rob Paul to pay Peter. Therefore, I urge the government to be reasonable and to support this motion so that all our trading partners know that Canada and Quebec will maintain a firm position with regard to supply management in these WTO negotiations.

• (1550)

[*English*]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, while I was very impressed with the hon. member's speech, in terms of the international negotiating stage, Canada is sitting in its underwear at the strip poker game not having much left to put on the table without seriously embarrassing ourselves.

It seems perfectly clear now that the government is putting over-quota tariffs on the table and that this is being discussed. That is what we have heard. We are being told that to somehow protect supply management, the government will be taking our supply management marketing and putting it into this sensitive product regime. We estimate at least 11% of our market would need to be protected. The U.S. is saying that the maximum we could protect is 1%.

The question coming forward at the WTO is how much of our market are we willing to trade away? Is it 50%, or 75% or 80%? Once we lose over-quota tariffs, we will no longer be able to maintain supply management. What does the hon. member think about the feasibility of the government's proposal of stripping away over-quota tariffs, getting rid of our domestic quotas and putting our entire supply management system of dairy, poultry and eggs into this sensitive products regime?

[*Translation*]

Mr. Pierre Paquette: Mr. Speaker, I would like to thank the member for his question. He and I see things in exactly the same way.

We are obviously speaking about supply management. Since the beginning, there have not been any solid, satisfactory answers from the government, that is to say from the ministers involved or the Prime Minister, to the concerns voiced by farmers and members of the opposition parties.

In my view, the hour of truth is here. The more the negotiations continue, the greater the pressure will be. Our partners have to know how far we are prepared to make concessions and at what point we will stop.

In regard to the two things needed to save the foundations of supply management, we must be very clear and say to the world that there will be no concessions in these respects. We are prepared, however, to negotiate other things.

Unfortunately, the member is completely right: Canada is a pee wee when it comes to international negotiations. It is true at the WTO in the case of supply management, as in everything else, including bicycles.

The Canadian International Trade Tribunal recommended a tax on the import of bicycles, especially from southeast Asia, of about 30% this year, 20% the next year, and finally 10% to help this sector, which creates hundred of jobs, get through this difficult transition period.

The tribunal sent its recommendation to the Minister of Finance more than two months ago, but nothing has happened. Whom are they afraid of frightening? The Vietnamese? They are important partners of ours, but what kind of reprisals could they take?

If they are afraid of using the tools that the international rules make available to us in this case—because Vietnam is a large exporter of bicycles to Canada—imagine how they would react to the Americans. There is softwood lumber, but I spoke about it earlier and do not want to repeat myself.

In the case of milk, though, Australia, New Zealand and the Americans attack us constantly before the WTO tribunals, the WTO panels.

Canada has never used the means available to it to demonstrate that there are tremendous subsidies in the United States, as everyone knows. Why? They are afraid of offending the Americans. So what do we look like all this time?

Since everyone else challenges our supply management system and we never challenge the Americans' subsidies for their exports or just their internal supports for their farmers, we are considered the international "bad guys". It is a losers' strategy, as the Minister of Foreign Affairs would say. Oh yes. The Liberal government has a losers' strategy in international trade, and I could talk about clothing and textiles or about furniture.

We manage to be afraid of being afraid. So what happens ultimately? There are job losses and doubt is cast on the social choices we make. It is totally unacceptable.

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• (1555)

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am pleased to be able to speak today in this debate. I have been a member here for 12 years now, and if there has ever been a debate on which there should be unanimity, this is it.

There are farmers of all political stripe: supporters of the Conservatives, the Liberals, the Bloc, or another party. There are farmers in every province. All of them have managed to get by because of a system that has provided them with a decent living, one that has consolidated the agricultural sector here and at the same time kept prices to the consumer at a reasonable level.

The motion proposed by the Bloc today is simply intended to ensure that, in future international negotiations, that situation will not be destabilized. This is the new reality as far as the economy is concerned, the agricultural economy in particular. A decision to be made in Hong Kong this December might destabilize every community in my riding. It is not only the interests of the farmers that are jeopardized, but also the best way we have to stabilize the rural economies of Quebec, Ontario and everywhere else the system applies.

One need only look at how the American farmers are faring to see how much security we have given ours while at the same time having prices that are acceptable to the consumers. It is therefore important that this motion be adopted today.

There has already been one motion adopted here in favour of supply management. Now, as the negotiations come closer, it is most disquieting to see that the majority of the Liberal members are not prepared to vote in favour of this one. They are refusing to ensure our farmers of the protection they are asking for. This protection is not a subsidy; it complies with the international agreements. All that would be necessary is for the Canadian government to take a firm position and to guarantee that this is the direction it will take in the negotiations. I will read part of the resolution:

—that the supply management sectors are subject to no reduction in over-quota tariffs and no increase in tariff quotas—

This wording may sound quite technical, but we essentially want the rules to be clear when foreign products in supply managed sectors are imported to Canada. We want to ensure that existing quotas are not exceeded. If some of these products are imported along with those that are accepted, the tariffs currently in effect would be paid, and there would be no reduction.

Why did the Bloc Québécois table today's motion? It is because a Canadian government negotiator publicly said, during an interview, that some concessions will have to be made. This is like opening the door.

I am particularly calling on Liberal and Conservative members from Ontario, whose producers are also governed by this system, and on all Liberal members from Quebec. It is absolutely critical that all elected members of this House set aside their political differences and support this motion to send a message directly to the federal government's senior bureaucracy. For the past several years, the government has had a tendency to say that letting the rules of the marketplace come into play was the best way to go, and that if we

have to make concessions in one sector, this would allow us to be better in others.

However, there are areas for which we cannot accept such concessions. As we saw, the cultural sector raised its voice and got a specific agreement. The food sector deserves the same kind of support. We must provide adequate protection to our producers.

I want to illustrate my point with the situation that exists where I come from. In my riding, there are some 60 municipalities with a very large number of milk producers, but also chicken, turkey, hatching egg and table egg producers. All these people have developed strong family operations in which generations succeed one another, and which also help the regional economy.

Back home, as everywhere in Quebec or Ontario where the system is in place, hardware stores have a financial base thanks to agricultural producers. If we remove that security, if we remove that type of support, we will revert back to the system that existed 50 years ago. Producers will have no security as to how their market will operate. So, we must not take risks.

• (1600)

The House of Commons absolutely needs to send a clear message to the government, the Minister of Agriculture and the Minister of International Trade because during the negotiations in Hong Kong there will be some exchanges. The Minister of Agriculture will need to feel like he has clear support behind him. This support must come from the House of Commons so that when he has to deal with the Minister of International Trade or the Prime Minister himself, no concessions will be made since we have voted in favour of a motion to protect supply management.

If the Liberals still want to sit on the fence and not pass today's motion, they will only cause the farmers to be even more concerned. That is why the motion absolutely must be passed. If we can find a way to have the Conservative amendment adopted, we are prepared to accept it because we find it is an improvement to our motion and makes it clearer. We think that we do indeed need the unanimity of the House on this position.

In the work that we do as MPs, we have the responsibility to pass the best legislation possible. However, today, we also have the responsibility to ensure that the international agreements reached between countries do not harm our market. That is something quite new in the time that I have been here. We have learned our lesson. We saw it with the opening of the textile, clothing and furniture markets and now we have the opportunity to be proactive, to go ahead and adopt a measure to guarantee that the government, if it respects the will of the House of Commons, cannot make concessions that would undermine the system we have developed.

I am not just talking about money and budgets, but people I know personally, families who have spent their lives in farming and continue to do so. We are sending a message to our young people in agricultural schools, in La Pocatière at the Institut de technologie agroalimentaire, by saying that yes, there is a future for you in farming. You and your family will be able to earn a living from farming. We cannot send them the wrong message.

We must ensure that the message we are sending corresponds to reality, that we will be able to provide services so that these people will want to keep farming, if they have sufficient guarantees. Supply management is not a subsidy program nor an undue aid program. In the current negotiations between the major international agricultural players, the United States and Europe keep putting the ball back in the other's court, with each side saying that the other is providing substantial subsidies.

In my opinion, the Prime Minister of Canada was a bit out of line when he said that the Americans are not so bad and that the Europeans are behaving badly and should make further concessions. We need to be careful that this kind of statement does not draw the ire of people who, with one fell swoop, will eliminate our supply management program when it is not a subsidy program. Because of statements like that, the House of Commons needs to take a firm stand and tell all the negotiators, be they politicians or senior bureaucrats, that the House of Commons has adopted a motion to that end.

We all know that there is a very good chance that there will be an election soon, that these negotiations will take place in early December and that, if the Government of Canada ever fails to support supply management by agreeing to unacceptable conditions, it will pay the political price. Its commitment starts today. The Liberals and the government must pass our motion, because this is what we need to ensure sufficient protection for this tried and true system developed in Quebec and Canada. The agricultural community is listening and it hopes to see unanimous support for the Bloc Québécois motion.

• (1605)

[English]

Hon. Mark Eyking (Parliamentary Secretary to the Minister of International Trade (Emerging Markets), Lib.): Mr. Speaker, I have a question for the Bloc member. How can we negotiate a better deal for our Canadian farmers at the WTO when the opposition parties are shutting down the House? It diminishes our political presence in Hong Kong and, with the motion they put forward in the agriculture committee yesterday, it really ties the hands of our negotiator to make a better deal for our farmers.

[Translation]

Mr. Paul Crête: Mr. Speaker, I am somewhat surprised by the question because those who prevented the election from being called in January and allowing us to work here until December are the Liberals.

Yesterday, we passed a motion in this House asking that an election be called on January 5 and only one party opposed: the Liberal Party of Canada.

If there is diminished Canadian presence in Hong Kong it is because of the Liberal Party of Canada, not the opposition parties. I did not make this up. We voted on this yesterday. The motion was debated in this House and passed.

The Liberals still have a choice. Today, during question period, they were again asked to accept this deadline that will allow for better representation. Without this commitment, this gesture by the Liberal government, let us at least minimize the chances that the

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negotiators representing us in Hong Kong will have their hands tied and let us make sure the system is well protected.

We are getting the same message as yesterday. Yesterday the Liberals refused the January election call and today they are refusing to protect the supply management system.

That is a heavy burden to bear in the coming weeks and months. That is my message for the members of this government.

[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I want to thank my colleague from the Bloc for choosing this topic for today's opposition day. I think it is very fitting that in these twilight days of the 38th Parliament we are seized with the issue of trying to protect our Canadian farmers and producers.

I want to register one point of fact that I think we should be aware of and concerned with. Last year, 11,000 farmers on the three prairie provinces abandoned their farms and gave up farming. That is partly because of the lack of support that our producers get from the federal government in its international relations with the WTO and in the deals it signs.

I want my colleague to comment on one point that he raised. One of our chief negotiators confided in members of Parliament at a briefing that the sensitive products basket really needs a duty protection of about 11%. The Americans want that reduced to 1%. He advised our colleagues that the negotiators would probably settle somewhere in the middle. In other words, even before they have gone to the negotiating table, he has already conceded that he is going to cut the level of support by about 50%. What kind of negotiator is that?

If I were in a trade union bargaining relationship and had to tell the membership of my union that the employer wanted a \$2 wage cut and we probably would be able to reduce it to only half of that and thus take a \$1 cut in pay, the membership would hang me from the highest tree. I would be dragged into the streets and shot.

Who is representing us if our negotiators have given up before they have even started?

[Translation]

Mr. Paul Crête: Mr. Speaker, this is a very interesting question because, six months ago, the Minister of Agriculture and Agri-Food sent a letter to all the members of the House, admitting that he had had to compromise more than he had expected. That was already an admission, one which the negotiator has repeated.

That is why, today, the Bloc Québécois motion states, "that the supply management sectors are subject to no reduction in over-quotas and no increase in tariff quotas".

Rumour has it that a change in that respect is already being negotiated. I think this is not the place today, and neither was it last week. This is a practice of this government, which seems to have been established by the Prime Minister himself. It consists in taking a relatively weak position in front of the Americans, basically telling them before even getting to the negotiating table that we are prepared to give in.

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The real negotiations will be starting in a few days in Hong Kong. Canada's negotiators have to get there with a strong and firm position, ideally a position unanimously voted by the House of Commons and put forward by the government. That is the contribution the BLoc Québécois is hoping to make with this opposition day motion.

• (1610)

[*English*]

Hon. Mark Eyking (Parliamentary Secretary to the Minister of International Trade (Emerging Markets), Lib.): Mr. Speaker, I will be splitting my time with the member for Lambton—Kent—Middlesex, who is a true champion for the whole agriculture industry. We are proud to have her in our caucus. She stands up for farmers every day.

It is an honour to rise in the House this afternoon to contribute to this very important debate about Canada's supply management system and to outline Canada's negotiating position as we move closer to the WTO conference in Hong Kong.

As many members have stated previously, supply management is a critical part of Canada's agrifood industry. Since the 1970s, it has helped producers and processors alike achieve stability and prosperity and ensure that their customers, domestic and international, have had access to high quality, value added Canadian food products.

The government strongly supports supply management and will continue to defend the ability of our producers to choose how they market their products, including through orderly marketing structures such as supply management.

At the same time, these negotiations offer the promise of fundamental world agriculture reform. They are our best opportunity to address foreign subsidies and tariff barriers that hinder our ability to compete in foreign markets.

More broadly, the WTO and this round of multilateral trade negotiations are critical to Canadian prosperity. Across all sectors, Canadian producers, importers, exporters and consumers stand to gain enormously from a successful Doha outcome.

I think all members recognize the importance of these negotiations. The WTO is essential to Canada because international trade, equivalent to more than 70% of Canada's GDP and linked to one in five jobs, is essential to our country's prosperity.

We need to be at the table because our interests are very much at stake. Protectionism, especially in major economies like those of the United States and the EU, costs Canadians dearly. That is why, from the start, Canada has been actively working with our partners to push these negotiations forward.

I applaud the efforts of the Minister of International Trade and the Minister of Agriculture and their officials, who have worked tirelessly to defend Canada's interests and toward securing a positive outcome in global trade. The member opposite should be ashamed of degrading our negotiator.

I should also point out that from the start Canada's negotiations have been a cooperative effort, one that is built on strong and continuing input from the five supply managed industries, provincial

and territorial governments, and a wide range of agrifood stakeholders.

For three years before the agriculture negotiations began in 2000, the government consulted extensively with provincial governments and the entire agrifood sector to develop Canada's initial negotiating position on agriculture. Because of this close partnership, Canada has been able to put forward strong, credible ideas and approaches throughout the agriculture negotiations.

Likewise, the government has also strongly supported the efforts of agrifood industry representatives, including those from supply managed industries, to meet with foreign governments and their industry counterparts around the world to present their views on the agriculture negotiations.

We are putting forward a united front. Together, we are making very clear Canada's priorities for the upcoming WTO conference in Hong Kong next month.

Canada is committed to a truly open and competitive trade environment, one with a level playing field where the deciding factor is not the size of nations' treasuries but the quality, price and availability of their products. In agriculture, this means eliminating all forms of export subsidies as quickly as possible. It means substantial reductions in trade-distorting domestic support. It means making substantial improvements in market access for our agriculture and food products.

We are also fighting for real improvements in market access for non-agricultural goods and services, enhanced trade rules and stronger disciplines for trade facilitation to reduce red tape at borders.

Throughout, we cannot lose sight of the fact that from its inception the Doha round has been a development round. Canada is committed to keeping it on track.

• (1615)

The gains we make will benefit the world, especially the developing countries. The hardships suffered by African cotton producers are a case in point. Cotton subsidies alone cost African producers between \$100 million and \$400 million a year in exports. That is why Canada is a firm supporter of the call made by African members in the WTO to phase out domestic support and export subsidies to cotton as quickly as possible.

The best way to help African farmers is to create a level playing field that allows them to compete fairly for global market share.

As the negotiations have progressed, agriculture has become something of a linchpin in the negotiations. It can no longer be negotiated in isolation. Especially over the last few weeks, we have seen greater linkages between agriculture and other negotiating areas, such as market access for non-agricultural goods and services.

Supply

For instance, the EU has recently stated that it will not make further concessions on agriculture until it sees progress in other areas such as non-agricultural market access and services, so we can see that some of the directives the opposition members are offering to our negotiators are not that simple.

Similarly, Brazil and India have indicated that without increased movement on agriculture, especially from the EU and the United States, they will not make significant concessions of their own in these core areas. This means that Canada's position, especially as it pertains to supply management, is coming under renewed scrutiny.

Nevertheless, we will continue to argue for flexibility in how market access improvements are made, to reflect different domestic policy approaches around the world. Like Canada, most countries in the negotiations have some sensitive products, so the WTO members need to work out approaches that recognize those sensitivities while still providing for real, equitable market access improvements.

That is why Canada will continue to defend the ability of Canadian producers to choose how they market their products, including supply management and the Canadian Wheat Board. From Canada's perspective, the pressure remains focused squarely on the EU to move further in agricultural market access to maintain momentum in these negotiations. Without this movement, the chances for an ambitious outcome at Hong Kong are very uncertain.

Despite the challenge, I am encouraged by the commitment expressed at the APEC leaders' summit in Korea this week to keep up the pressure to ensure an ambitious outcome to the WTO round of talks. I am also encouraged by the assurances by Minister of International Trade and the Minister of Agriculture that Canadian negotiators are working around the clock to build the solutions for success and achieve as much as possible in the remaining crucial weeks.

The world has much to gain from an ambitious outcome at these negotiations. In these last critical weeks, our government will continue to strongly promote our national priorities and defend our national interests as we cooperate with the world to secure an ambitious outcome for all trading nations.

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, the Parliamentary Secretary to the Minister of International Trade is an egg farmer who has been involved in the supply management industry for quite some time. We are hearing here today that supply managed industries do not feel that the government has done enough in protecting their interests.

You sit in the Liberal caucus, so I am just wondering if you—

The Deputy Speaker: I will just remind the hon. member to address his comments through the Chair. Thank you.

Mr. James Bezan: I am sorry, Mr. Speaker. I know you are not involved in egg production, coming from B.C., but I know that the parliamentary secretary has been involved in egg production. I just want to know if he feels that the Liberal government has addressed the issue of protecting supply management in the WTO talks.

Why does he feel that there is so much concern being raised here today? The Bloc motion is addressing the considered shortfall that is going to occur because supply management access to market here in Canada is being given away. I want to make sure that the

parliamentary understands this. He has a vested interest in the supply management industry. I would ask whether or not the government has defended his family's interests on the family farm.

• (1620)

Hon. Mark Eyking: Mr. Speaker, I am glad the member asked that question because it gives me a little opening here.

Yes, my family is in the agriculture business and we have supply management. My father was one of the founding farmers who started supply management in the early 1970s, so I know how important it is for farmers. I know what it was like for farmers before we had supply management.

However let us talk about how we are working with the industry and the stakeholders. This government meets with members of the SM5 on a continuous basis. We were in Geneva with them. They are involved in the negotiations and in the talks. The comments made here today were that the SM5 was totally disappointed with the way we were dealing with this, which is far from the truth. They never said that publicly. They are as concerned about what is happening in Hong Kong as we are and we are working closely with them and with our negotiators to ensure we have a good deal for our farmers right across this country.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I have two questions arising out of the hon. member's speech.

First, he praised the fact that agricultural trade has never been higher. However the fact is that farm gate revenues in Canada have never been lower and farm debt has never been higher. It seems that no matter what we put on the table there is no indication that the EU or the U.S. will substantially reduce the massive trade distorting subsidies. Therefore, at the end of the day, for all the international trade we have managed to develop in agriculture, our farmers are worse off than ever.

I would like to follow up on something else he said. He talked about Africa, about the developing world and about the need to work with them. We have a government that has basically written agriculture off. The Liberals do not know how to spell it. It is not in any of the mini-budgets they have brought forward. They have come forward with no substantive action in terms of agriculture with one exception. The government has approved the terminator gene patent that has made Canada an international pariah. We know there is great concern in the third world among domestic farmers about the World Bank and IMF pushing terminator technology. While the Canadian government has basically been the terminator of farm revenue across the country, it is going after the very seeds in the ground.

Could the member tell me why the only thing the government has to stand on in terms of international trade and agriculture is its recent decision to adopt this very destructive technology?

Supply

Hon. Mark Eyking: Mr. Speaker, calling people terminators in the House is very unparliamentary language. I sometimes call the governor of California the terminator but we just cannot throw that term around loosely. It is very disrespectful.

This government is behind farmers. Last year we put \$5 billion into the agriculture industry. At the end of December it will be up to \$6 billion, \$1 billion more. That is not chicken feed.

These guys are saying that we are writing agriculture off. We meet with the stakeholders on a continuous basis. They know who set up this supply system. It was the Liberals, not the NDP. The Bloc was not even around then, and we know where the Conservatives stood.

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, I am pleased to participate in the debate today on the opposition motion on the topic of supply management.

Canada's supply management system matches production to Canadian demand and allows farmers to receive a fair price from the marketplace without relying on taxpayer dollars. Supply management eliminates major fluctuations in prices at the farm processing or distribution level and ensures an efficient and secure food supply that respects Canadian safety and health standards.

The dairy, poultry and egg industries are important to Canada as together they contribute a net \$12.3 billion to the GDP, generate \$6.8 billion in farm cash receipts, sustain more than \$39 billion of economic activity and employ more than 215,000 Canadians throughout the country.

Supply management empowers farmers while benefiting processors, consumers, government and taxpayers. It exchanges the boom and bust cycles with a stable and orderly market without costing the government or taxpayers a dime.

Supply management is a valuable system that not only benefits Canadian farmers but also consumers throughout Canada. That is why the Government of Canada and the Liberal Party remains committed to defending the supply management framework and defending the ability of Canadians to choose how to market their products.

In Canada, pricing mechanisms are based on farmers collectively negotiating minimum farm gate prices for milk, poultry and eggs. By acting together, farmers can negotiate a fair price for their food based on what it costs to produce that food. In other countries without similar pricing mechanisms, an even smaller portion of the price paid by consumers is received by farmers.

The multilateral trading system embodied in the WTO has contributed significantly to economic growth, development and employment throughout the past 50 years. We are determined to maintain the process of reform of trade policies to ensure that the system plays its full part in promoting recovery, growth and development.

With the upcoming WTO meeting being held in Hong Kong, I am particularly concerned about the agriculture negotiations. Canada must reinstate our position in regard to global trade and demonstrate that Canadian farmers have lived up to their obligations and insist others do the same.

As a major agricultural exporter and importer, Canada has a fundamental interest in further strengthening the international rules governing agriculture trade, eliminating trade subsidies and significantly improving market access opportunities. Further, agricultural trade reform will provide Canadian producers and processors with a more level international playing field and encourage a more rules based, stable, predictable and secure environment within which they can compete.

Canada needs to continue to fight for the elimination of all export subsidies as quickly as possible, maximum possible reduction or elimination in domestic support that distorts trade or production, real and substantial improvements in market access for all agriculture and food products, and securing new disciplines on export taxes and export restrictions.

We need to level the playing field. International subsidies are preventing this from happening. There are major differences between countries and between commodities in the provision of market access opportunities, the level and type of domestic support and the use and magnitude of export assistance. Global trade distortions have had and continue to have a major impact on Canadian farm incomes.

Whereas Canada in 1993 converted its article XI protections to declining tariff rate quotas, other countries with simple quotas saw theirs remain static. This must be addressed in this round. Those with simple tariffs should be required to provide the same 5% minimum access as does Canadian agriculture and access should be a zero tariff as is ours.

The Canadian government needs to go to the negotiations with the strongest negotiating mandate possible. We support the objectives of the Doha round, but we cannot put Canadian agriculture on the table when no other country is willing to do the same.

At the beginning of the current round, Canada developed a balanced negotiating position that included a proposal to achieve an equitable clean-up of market access. Canada proposed that all WTO member countries offer market access levels of 5% of current domestic consumption on their agricultural tariff rate quotas. The 1994 modalities suggested this but, as it was only a guideline, most countries ignored it and offered significantly lower levels of access.

In July 2004, a framework was agreed to by the WTO negotiating group. This framework brought about the creation of a category called sensitive products that would permit selective products to be treated separately from products subject to the general reduction in overall tariffs.

● (1625)

A reasonable number of products would be eligible for sensitive treatment. Their treatment would have to result in significant market access improvement. It would be achieved through a combination of tariff reduction and market access expansion.

Supply

Canada was instrumental in ensuring that the access improvement would occur on a product basis rather than on a tariff line basis, as originally proposed. This was an important achievement for Canada as it afforded an opportunity to advance the Canadian position on supply management.

The wording of products made it possible to bring both in-quota and over-quota tariff lines under sensitive products treatment. Canada could maintain having met the obligation of access improvement by the elimination of all in-quota tariff, bringing in-quota to zero, and not be required to reduce over-quota tariffs or increase access beyond a common minimum access of 5% of domestic consumption. Canada will still pursue the goal of requiring all countries to increase the minimum required market access for all agricultural products under TRQ.

Unfortunately, the possibility for Canada to pursue such a strategy has been significantly eroded since July 2004. Since then, the U.S. and the EU have been able to negotiate sufficient flexibility within the general tariff reduction to make the sensitive product category less important for them. The U.S. and the EU can accommodate significant reductions in most over-quota tariffs by reducing domestic support prices and supplementing farmers' incomes through direct government payments, considered green by WTO.

The U.S. and the EU have retained the ability to offer no new access into their markets. At the same time, they have sought to limit the use of the sensitive products category for other countries and force new access for these products. In other words, only products in the sensitive product category will have to increase the guaranteed level of access under in-quota tariffs. We cannot accept this smoke and mirrors when farmers' lives, rural communities' existence and countries' abilities to feed their people are at stake.

The Canadian concept of having a rule requiring all countries to offer a required minimum access has been abandoned. Supply managed commodities were willing to give a required minimum access of 5% as long as this minimum would be required of all countries. The level playing field being sought is no longer possible.

Export subsidies must go. It is not good enough to agree to a formula reduction. They must disappear entirely if we are to make it a fair trading environment. For too long, the EU and the United States have bought market share with their export subsidies at the cost of Canadian producers. We can no longer afford to put our producers at risk to the benefit of their competitors.

The current state of agriculture in Canada is dismal. As a result, Canada needs to maintain a strong position and not commit to any trade-offs with other countries at the upcoming WTO meeting. We need to protect our farmers and in order to do that we must ensure that the rules apply equally to all countries.

The beauty of rules is that the countries must follow them. Guidelines, on the other hand, permit individual interpretation, and this is what has happened. The creative interpretation of the guidelines by both the U.S. and the European Union introduced a new concept, now known as "dirty tariffications" and "dirty access offers". What countries actually agreed to was what they respectively submitted in their schedules whether or not it reflected the application of the guidelines.

The issue, therefore, is not that countries do not meet their commitments. They do. The real issue is that the commitments of the various countries are unequal, inequitable and unfair. Therefore we must insist that rules are in place which require all countries to meet the same commitments to eliminate the possibility of further misinterpretation.

A uniform methodology, one set of rules to be followed by all countries, is necessary for future considerations. This should be Canada's goal at this year's WTO meeting and we should not downgrade this position.

Also, we are supporting this motion because no one supports supply management and the benefits it provides to Canadian farmers more than the Liberals. However we need to be aware of some of the implications of this approach. It will be very difficult to attain this at the end of the day. It goes against the commitments taken by all WTO members in the framework agreed to in July 2004. It goes against the official position held by supply managed commodities, which is to provide improved access through expansion of tariff quotas to a common minimum end point of 5% of domestic consumption. This is part of the platform and can be found on the website as well.

• (1630)

It has implications for Canada's efforts to gain meaningful improvements in market access for other commodities provided by the 90% of Canadian producers that are tied to foreign markets. Beef, for example, is the most sensitive product for most other countries in the world. The possibility of an outcome that includes no improvements in market access for the products of one country will not likely be acceptable to other members of the WTO.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I thank the hon. member for her once again fine defence of rural Canada. She has stood up many times in defence of farmers. I commend her for her commitment to rural Canada.

I want to make sure I heard correctly that she and her party would be supporting the motion. Is that what I heard?

• (1635)

Mrs. Rose-Marie Ur: Mr. Speaker, I can assure the hon. member that supply management came into being when the Liberal government was here 35 years ago. The Liberal government would not walk away from supply management.

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, I congratulate the advocacy that my hon. colleague from across the way has constantly brought forward in the House in serious debates on agriculture, and also at the agriculture committee. She has been extremely knowledgeable. Often on issues of agriculture, her views were opposite to the beliefs of people in her party. She always advocated what she felt was best for the producers in Canada and in her riding.

Supply

The member went on in detail about how important these trade talks were. In her riding she has many producers who are involved in the grains, oilseeds and livestock sectors. Does the member believe the possibility exists that the WTO will bring forward a resolution that will benefit 100% of agriculture in the ongoing talks that have been taking place over the last few months and with the stonewalling of the European Union the last few weeks?

Mrs. Rose-Marie Ur: Mr. Speaker, I have the utmost respect for the two gentleman who have asked me questions.

As to my concern, I can share this with the hon. member. I had a great opportunity this summer to be in Australia with the minister at the Quint meeting, which included Australia, Canada, EU, Japan and the United States. While we were there discussing WTO concerns, and that was my first stand at that, I was totally impressed with the respect held for our chief negotiator, Steve Verheul, by those countries present. Every country that spoke at the session spoke very highly of Canada. I was strongly encouraged from what I saw that our Canadian farmers will be respected at the WTO hearings.

Hon. Robert Thibault (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, it is a good day and it is a sad day. It is a good day when we hear a speech like that and we receive the experience of a member who has been in the House for quite some time. She has done an admirable job of representing the interests of agriculture and of rural Canada. Being from a rural riding, I look up to her and use her work as a guide.

It is regrettable that it is the last little while for the member. I understand she will not be returning. However, I thank her for all her work. We all hold her in high regard and admiration.

Supply management is important to me in two senses. One is that my riding has a lot of supply managed interests in dairy, poultry and egg production. Second, it is important to me as a consumer. It amazes me we can have a system that works, a system in which I pay less for milk than I pay for water. I think I need something like six litres of water to make a litre of milk. I pay less for the milk and the farmer can still earn a good living, sustain the farm and that rural family business. I would like the member to discuss perhaps the challenges facing our negotiators.

Other producers in my riding, pork producers, grain producers, want a level playing field. In the meantime, we want to protect our supply management. Could the member perhaps talk about the challenges facing the negotiating team?

Mrs. Rose-Marie Ur: Mr. Speaker, I thank my hon. colleague for those kind comments. It will be a pleasure to go back to my rural roots whenever the opposition decides. All kidding aside, the team will have its work cut out for it. As I indicated earlier, I have full respect for the negotiating team.

About a year ago, some Australian members of parliament came here and met with all parties. We had a good meeting at that time. However, when the hon. colleagues from Australia started to speak on supply management, they started by saying that the government had a lot of money in supply management. That was why we had to be very careful at WTO because the money, it was trade distorting and all the rest.

We perhaps need to educate 147 other countries about supply management. There are no government dollars in supply management. It provides high quality, abundant, and I hate to use the word, cheap food for consumers. I hope consumers will recognize that before it is too late.

• (1640)

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 Cumberland—Colchester—Musquodoboit Valley, Public Service Commission; the hon. member for Langley, Human Resources and Skills Development; the hon. member for Windsor West, Canada-U.S. border.

[*Translation*]

Resuming debate, the hon. member for Chicoutimi—Le Fjord.

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, I will be splitting my time with the hon. member for Lotbinière—Chutes-de-la-Chaudière.

I am pleased to speak today on agricultural supply management. I will also give a brief overview of the situation for farmers in my riding of Chicoutimi—Le Fjord, and in my region.

My congratulations to the hon. member for Richmond—Arthabaska for his excellent work for our party on this issue for which he is the critic: agriculture.

The context at this time is a difficult one. A number of Quebec farmers and producers are concerned with the federal government's attitude at the WTO. We sense a certain lack of resolve to defend supply management. The federal government needs to instruct its negotiators to adopt a firm position and to indicate that supply management is untouchable.

Given this lack of will on the part of the federal government, one can sense that the farmers and producers of Quebec are extremely worried about the future of our supply managed sectors.

In Quebec there are 14,600 men and women engaged in milk, egg and poultry operations generating an economic activity of \$8.75 billion. This is not a trifling amount and the government needs to do everything it can to protect the agricultural sector.

For the Bloc Québécois, supply management is a fair model for agriculture, and one that it is important to maintain. The government must defend the people of this country.

Providing consumers with local products is vital. It allows us to preserve our heritage and our unique nature while employing locals. Agriculture is an inherent part of our values and our customs, to the same extent that language and culture are. That is why the Government of Canada must firmly reiterate its support for supply management, which we believe is an essential and equitable agricultural model.

Supply

Canada's agricultural supply management policy is essentially based on two main types of intervention by the state in the market. First, it involves the implementation of planning and administrative control over pricing, marketing, and the quantity of agricultural products available, particularly through quotas. Second, it is based on the existence of customs tariffs high enough to prevent imports of foreign products. With such measures, the state ultimately ensures a loyal clientele for Canadian and Quebec farmers.

I want to take this opportunity to talk about the problem facing the agricultural industry in Saguenay—Lac-Saint-Jean and give a brief overview of job cuts in other sectors of the economy.

Coming from a region where numerous producers and farmers are concerned about this, I can understand the importance of protecting supply management.

If the Government of Canada is willing to compromise on supply management during the upcoming negotiations, there will be significant job losses in my region and my riding. Already, there have been too many jobs lost in my region. Businesses have closed over the past year. There was the Port-Alfred plant, and Produits forestiers Saguenay closed in La Baie recently. In my region, too, Alcan closed a smelter and is threatening to cut more jobs in the short term. Jobs cuts throughout the forestry and softwood lumber industry are also hurting the Saguenay—Lac-Saint-Jean region.

In my region alone, one in eight people works in agriculture. To be more specific, 15,800 people work in the bio-food industry. This is 12% of all jobs in the region.

Furthermore, the main livestock operations in the region are, in order, milk, beef, eggs and poultry. With the exception of beef, three of them are supply-managed sectors.

• (1645)

It goes without saying that the region would be greatly affected by a change in supply management. We cannot take any more. We have had enough of job losses in my region.

I would like to point out that the Saguenay—Lac-Saint-Jean region has a very large agricultural area. In August 2003, there were 1,222 farms with 135,673 hectares under cultivation that brought in \$182 million in gross agricultural sales.

Take milk production, which is the mainstay. There are 420 farms with 23,000 milk cows producing 15,917 kilograms of milk a day, which generates \$95 million in sales.

The government must therefore protect agriculture in the regions because it is a key social good and a major economic engine in many regions of Quebec and even of Canada.

Agriculture is a critical sector that cannot be subjected to the uncertainties of the pure free market. Supply management is a system that has proved itself, and the Government of Canada must not make any concessions on supply managed sectors.

The government must understand that fairer agriculture will have obvious effects on the development and vitality of agricultural regions.

Farmers are waiting. Some fear that the WTO's next international meeting in Hong Kong in December could result in compromises that undercut the supply management system in Quebec and Canada.

The federal government must stand up for our agriculture. The government is aware of the dangers that lower tariff barriers could pose to our farmers. It would be very difficult then for our farmers to compete with the heavily subsidized products from other countries, especially the United States.

For example, Quebec and Canadian producers of milk, poultry and eggs do not receive any income-support subsidies. If we had the American policies for our farmers, the average milk producer in Quebec would receive \$76,000 in subsidies, while in France he or she would receive \$54,000 in financial assistance under the new common agricultural policy. Our farmers in Quebec and Canada are not asking for subsidies. All they want is that we keep the supply management system.

The government must know that milk, poultry and egg producers create more than 60,000 jobs and account for nearly 40% of agricultural income in Quebec. They can be found everywhere in Quebec and contribute to the economic vitality of the region.

All groups in Quebec are united in saying that it is important to have a strong agricultural sector and a prosperous food industry. For this to happen, it is essential to keep the supply management system.

I am therefore asking the federal government to confirm as soon as possible a resolution unconditionally supporting supply management in order to reassure farmers in Quebec and Saguenay—Lac-Saint-Jean.

• (1650)

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I listened to the debate on and off throughout the day. I did not have the opportunity to make a long speech, because the time available today is limited. Many members of my party also want to express their support for supply management. I know that one of my colleagues will do so in a few minutes.

I just want to raise a particular issue, namely the production of eggs in Canada. There is a problem in this supply managed sector that I did not mention earlier today, but I want to do so now. I am referring to the huge importance of over-quota tariffs.

Currently, foreign products account for 5% or 6% of the total production of eggs. However, the problem is the increased value of our currency. Because of this, over-quota tariff protection has diminished. Moreover, if pressure is exerted to reduce the tariffs that are left, that is the over-quota tariffs, we could lose one of the pillars of supply management.

This is why it is important to support maintaining over-quota tariffs at their current level for egg production, in addition to all the other sectors that were also mentioned.

Supply

Mr. Robert Bouchard: Mr. Speaker, I see that the member agrees with me, since he supports supply management. He made an interesting and valuable point on egg production, which is supply managed.

I also think that we must have customs duties that are high enough to protect our egg producers.

The supply management system is based on three things: price determination, quantity and quantity control, and, of course, exports and the imposition of customs duties to allow our producers to maintain their prices and to know at the beginning of a year what their income will be during that year.

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I thank my colleague for his sensitive remarks about the well-being of our Canadian producers. Again I want to compliment the Bloc for bringing the motion forward today. It is so fitting that in the twilight days of this 38th Parliament we are talking about the well-being of our farmers, our dairy producers and our egg producers, et cetera.

The issue of subsidies and tariffs comes up frequently yet is rarely debated in the House of Commons by legislators who actually have some direction and control over it. What has always irritated me is that the international community has agreed that we must do something to eliminate subsidies and tariffs, yet Canada seems to be the only one that has unilaterally and voluntarily begun to roll these back.

Does my colleague believe that Canadian negotiators in this coming WTO round should be given the mandate to hold fast to the system of supply management that we have today and not yield to the pressure that is already being applied to our negotiators to buckle and crumble and systematically dismantle the supply management regime we enjoy?

•(1655)

[*Translation*]

Mr. Robert Bouchard: Mr. Speaker, I thank my colleague for his question.

The government ought indeed to issue firm instructions to its negotiators to the WTO meeting in Hong Kong this December, mandating them to keep the supply management system intact. Those are the instructions the government ought to give to our negotiating team for the next round of negotiations in Hong Kong.

Mr. Odina Desrochers (Lotbinière—Chutes-de-la-Chaudière, BQ): Mr. Speaker, I am pleased to speak in this House on a subject that is particularly dear to me, and one I have doggedly defended since I was first elected in June 1997: supply management.

When I first arrived in the House of Commons in the fall of 1997, the creation of the WTO was under discussion. This new trade organization was going to settle every issue. Supply management was a matter of months only. Here we are now in 2005, and still waiting for the federal government's response on that.

The motion I am defending here today, which comes from my party, is particularly apt at this time. Agriculture is the focus of the current round of WTO negotiations. What is more, a number of the proposals being discussed at this time place supply management in a

dangerous position, since some of the WTO members want to see Canada put an end to it and open up its borders.

Over the years, our party has always staunchly defended the supply management system, which has a double advantage. It makes it possible for our milk, egg and poultry producers to have a decent income, while also providing border measures against subsidized farm products from other countries.

If we constantly bring this issue up in this House, it is because the Liberal government will not make a firm commitment to our farm producers to support supply management. The current Minister of Agriculture and Agri-Food is serving up loads of rhetoric about Canada playing a leadership role in this round of negotiations and wanting to eliminate export subsidies, among other things. But at the same time, in spite of a motion unanimously passed in this House last April, he continues to refuse to state that, as far as Canada is concerned, supply management is not negotiable and will not be compromised on in this round of negotiations. That is the reality.

If the minister does not grasp the importance of maintaining the supply management system for our farm producers in Quebec, I will give him the example of my riding to show him that this system is vitally important to the economy and development of our region.

In the Lotbinière component of my riding, where dairy production is very important, the total farm income is \$233 million, or nearly 20% of the total farm income for the entire Chaudière-Appalaches region. Some 818 farms make up 45% of the total area and 46% of the agricultural zone, which accounts for 98% of the territory. In addition, according to the Canadian Federation of Agriculture, more than one-third, or 36%, of goods-producing jobs in my riding are actually agrifood jobs, and the GDP generated by the agrifood industry in my riding totals \$173 million. These figures speak loudly and show how important it is to maintain the supply management system.

Statistics like these ought to open the eyes of the Minister of Agriculture and Agri-Food. As has been said, he needs to not only defend the supply management system at the WTO, but also to consider it a non-negotiable item. I would, moreover, like to refresh his memory on the Bloc Québécois motion passed unanimously last April in this House. It read as follows:

That, in the opinion of the House, in the current World Trade Organization negotiations, the government should not agree to any concession that would weaken collective marketing strategies or the supply management system and should also seek an agreement establishing fair and equitable rules that foster the international competitiveness of agricultural exporters in Quebec and Canada.

Obviously, given this government's lack of a firm position on supply management, our agricultural producers are getting more and more worried. Moreover, in October I was with a dozen or so producers from my region. These included Bernard Fortier, mayor of my home town of Joly. He inherited the family farm and now is getting ready to pass it on to his two sons. This demands a great deal of sacrifice from a farmer as all the measures we have been calling for for intergenerational transfers have been turned down.

● (1700)

Now to give you some information on GO5, this is a coalition of close to 30,000 members, not only farmers but also business, financial institutions, consumer associations, unions and municipal, provincial and federal politicians, as well as private individuals. In short, this is a coalition of all people and organizations with a belief in a strong agricultural sector and a prosperous food sector in Quebec.

The Liberals need to understand that all parties in this House must support our motion today. It is vital for all regions of Quebec, including the riding I represent, Lotbinière—Chutes-de-la-Chaudière.

In order to demonstrate its importance, I would like to propose an amendment, reading as follows:

That the motion be amended by replacing all the words after "quotas" with "and also ensure an agreement that strengthens the market access of Canada's agricultural exporters so that all sectors can continue to provide producers with a fair and equitable income".

This amendment is seconded by the hon. member for Chicoutimi—Le Fjord with the consent of my colleague, the hon. member for Richmond—Arthabaska.

The Acting Speaker (Mr. Marcel Proulx): Did I understand that the hon. member for Richmond—Arthabaska agrees?

Mr. André Bellavance (Richmond—Arthabaska, BQ): Yes.

The Acting Speaker (Mr. Marcel Proulx): The motion is in order. We will proceed with questions and comments. The hon. member for Lambton—Kent—Middlesex.

[English]

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, I want to thank my hon. colleague from the Bloc for his comments this afternoon. I also had the pleasure of working with him at the agriculture committee and miss him at the agriculture committee as well.

I realize how important supply management is to my hon. colleague, to his province, and to all of Canada. Our agricultural sector has had great difficulty in making consumers understand how important farmers are to its well-being, whether it is health or the environment.

We see huge subsidies given to European farmers by the EU. Does the hon. member feel that perhaps the EU farmers have earned the respect of consumers because they have experienced hunger, and therefore they do not want that to happen again? It is a history lesson that they have not forgotten and I hope our Canadian consumers learn from the European experience.

Supply

Does my hon. colleague feel that this is a reason why the EU has such high subsidies for their farmers?

● (1705)

[Translation]

Mr. Odina Desrochers: Mr. Speaker, I want to thank my colleague opposite for her comments. I have enjoyed working with her as well and I know that if there is an election we will not see her here in this House again, since she has decided to retire. It will be a loss to Ontario because she has always defended the rural regions so well. In any event, that was in this morning's papers.

To answer her question, it is quite simple. I have always asked the Canadian government to show leadership. When it decided to decrease export subsidies and domestic support and let the Europeans and the Americans carry on with their large subsidies, that created imbalance. We have been saying that from the beginning. I find that if the Canadian government wants to show leadership then the Minister of Foreign Affairs and the Minister of International Trade should have the courage to sign this letter openly saying that the government promises to defend supply management. All we ever get for now is a verbal promise. I want something in writing. Then, when we have it in our hands and we know that the federal government will support supply management, we will be in a better position to tell the Americans and the Europeans to lower their subsidies because that is not fair practice in a free market.

[English]

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, I appreciate the work of the member from the Bloc on the agriculture committee. His support for supply management and this amendment go to support all sectors of agriculture. We have to ensure we do that in all parts of Canada.

We have all been led to believe that the government is standing up to protect supply management in all sectors of agriculture when it comes to the WTO. Yet, leaks seem to be taking place very recently that indicate contrary to that.

Is the hon. member's confidence level, in what the government is actually doing to protect supply management and other sectors of agriculture, starting to wane a little bit, as is mine?

[Translation]

Mr. Odina Desrochers: Mr. Speaker, I have always had doubts about the Liberals, this for obvious reasons.

Let me explain. In my remarks, I mentioned that, in October 1997, in my maiden speech in this House, I talked about supply management. Not long after, I took part in the proceedings of the Standing Committee on Agriculture and Agri-Food. At that time, we were told that the issue would be settled quickly and that the World Trade Organization was the essential instrument to arrive at a solution.

Again, for the benefit of the ministers of Foreign Affairs and International Trade, what is needed is a page with something written on it and two signatures, in other words, something concrete. What I have heard on supply management since I have been here is just rhetoric. Now, I want something concrete, a written document. Then, I might trust the Liberals.

Supply

• (1710)

[English]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, it is an honour to rise in the House once again and speak on a matter of grave importance for all Canadians, particularly to constituents in my riding of Timmins—James Bay, which is the issue of supply management.

I would like to commend the member from the Bloc who brought this forward because something very important is happening here. If we were to get all parties to agree on a very simple set of negotiating principles that we will stand by supply management, it would send a message, not only internationally but on our domestic front.

People across rural Canada are worried. We have seen a disintegrating rural economy. We have seen the disappearance of opportunities right across rural Canada. We see our young people leaving rural Canada because they believe there is no hope.

I have met farm leaders who tell me that they believe that rural Canada has been abandoned by the government. Now we are going into a very crucial stage in the WTO talks. We believe, as the New Democratic Party, in the need to end the price distortions that have come from heavy subsidization by the EU, and the U.S. in particular. We believe that markets have to be opened up, but we are looking at this in a very pragmatic light.

When we go to the WTO, what else can Canada put on the table? What is on the table for us now? There is the Wheat Board, supply management with over-quota tariffs, and the 5% *de minimis*. There is not much else we can give in order to cut into the EU and U.S. subsidies. We know that even if we put all of this on the table, there will still not be any significant change in the distortion happening in commodity prices because of the heavy subsidizing.

The question is, where do we stand in order of supporting our domestic rural economy? We need to send negotiators a firm message that we are backing a system that works. Supply management works. The rural economy of Canada is broken right now.

Our producers right across the board are suffering, but one area that works is supply management. It does not distort prices. It is not based on subsidies. The New Democratic Party will stand by the right of farmers to choose the means that they choose in order to market domestic products in a fair and equitable manner, and no foreign body will tell us and our farmers how to market their products.

We also stand by the right of any nation to have a fair system to feed their own domestic markets. Unfortunately, that is not happening with the EU and the U.S. right now. I will use the example of Jamaica. It was forced to open its dairy markets under liberalization regimes brought in, not by the WTO, but by the World Bank and the IMF. The member for Lambton—Kent—Middlesex mentioned earlier about the memory of hunger. Well, we are seeing how hunger is being caused by the EU's targeting of third world countries.

In Jamaica, 67% of the milk going into Jamaica or being bought in Jamaica now is from the EU, which is the most heavily supported

agricultural regime in the world. In fact, it is paying \$4.9 million U.S. each year to subsidize milk going into the Jamaican market. In the last 10 years Jamaican farmers have seen their market share of local milk slip from 24% to 4.2%, and in 20 years Jamaica has gone from 4,000 farms down to 100 farms.

The EU and the U.S. were found guilty for anti-dumping, but the Jamaican government was not able to stand up for its farmers because it thought it would take a bigger trade hit. So in a larger sense this is what we are seeing in Canada. We are seeing our government not giving very clear instructions that it will stand up for our domestic economy because we know that it wants concessions from the EU and the U.S. in other areas.

We have a system that works. Yet, we have not had from the minister a clear enough signal that he will stand by a very simple principle, that when it comes to supply management, we will not trade away our over-quota tariffs because they are one of the fundamental principles of supply management.

We have been told that this will move into the sensitive products box. That sensitive products box will have to hold about 11% to 14% of the rural economy and who is kidding whom? The U.S. will never put up with us moving 11% to 14% of our economy into a sensitive category. The U.S. is offering us 1%.

• (1715)

Even before we get to the negotiating table, we already are establishing the principle that we are willing to trade away. If union negotiations are held and the union leadership says something will have to be given up so it will give up between 10% to 90% of its rights, we know that negotiations will collapse. This has been pretty much the Canadian basis up to now. We are musing out loud about what we are giving away.

What we are doing here tonight in Parliament is sending a signal to the world and to our farmers that Parliament and the Canadian people are standing resolute. We are standing up for supply management and we are going into the next round of the WTO sending the firm signal that our farmers have the right to choose the means to domestically market their own products.

[Translation]

The Acting Speaker (Mr. Marcel Proulx): It being 5:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. Marcel Proulx): I declare the amendment carried.

The next question is on the main motion. Is it the pleasure of the House to adopt the motion as amended?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Marcel Proulx): All those in favour will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. Marcel Proulx): In my opinion the yeas have it.

And more than five members having risen:

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

● (1750)

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 183)

YEAS

Members

Abbott	Ablonczy
Adams	Alcock
Allison	Ambrose
Anders	Anderson (Victoria)
André	Angus
Asselin	Augustine
Bachand	Bagnell
Bains	Bakopanos
Barnes	Batters
Beaumier	Bélangier
Bell	Bellavance
Bennett	Benoit
Bevilacqua	Bezan
Bigras	Blaikie
Blais	Blondin-Andrew
Boire	Boivin
Bonin	Bonsant
Boshcoff	Bouchard
Boudria	Boulianne
Bourgeois	Bradshaw
Breitkreuz	Brison
Broadbent	Brown (Oakville)
Brown (Leeds—Grenville)	Brunelle
Bulte	Byrne
Cannis	Cardin
Carr	Carrie
Carrier	Carroll
Casey	Casson
Catterall	Chamberlain
Chan	Chong
Christopherson	Clavet
Cleary	Coderre
Comartin	Comuzzi
Côté	Cotler
Crête	Crowder
Cullen (Skeena—Bulkley Valley)	Cullen (Etobicoke North)
Cummins	Cuzner
D'Amours	Davies
Day	Demers
Deschamps	Desjarlais
Desrochers	DeVillers
Devolin	Dhalla
Dion	Dosanjh
Doyle	Drouin
Dryden	Duceppe
Duncan	Easter
Emerson	Epp
Eyking	Faillie
Finley	Fitzpatrick
Fletcher	Folco
Fontana	Forsyth
Frulla	Gagnon (Québec)

Gagnon (Saint-Maurice—Champlain)
Gallant
Gaudet
Godbout
Godin
Goodale
Graham
Grewal (Fleetwood—Port Kells)
Guay
Guimond
Harris
Hearn
Hill
Holland
Ianno
Jean
Johnston
Kadis
Karetak-Lindell
Keddy (South Shore—St. Margaret's)
Khan
Kotto
Laframboise
Lapierre (Outremont)
Lastewka
Lavallée
LeBlanc
Lemay
Lévesque
Loubier
Lunn
MacAulay
MacKenzie
Malhi
Marceau
Marleau
Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)
Matthews
McDonough
McGuire
McLellan
Ménard (Hochelaga)
Menzies
Miller
Minna
Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)
Murphy
Neville
O'Connor
Oda
Pacetti
Paquette
Parrish
Perron
Pettigrew
Picard (Drummond)
Plamondon
Poirier-Rivard
Prentice
Rajotte
Redman
Reid
Robillard
Rota
Russell
Sauvageau
Savoy
Scheer
Schmidt (Kelowna—Lake Country)
Sgro
Silva
Simard (Saint Boniface)
Skelton
Smith (Kildonan—St. Paul)
St-Hilaire
St. Denis
Strahl
Szabo
Temelkovski
Basques)
Thibault (West Nova)
Thompson (Wild Rose)

Supply

Gagnon (Jonquière—Alma)
Galloway
Gauthier
Godfrey
Goldring
Goodyear
Grewal (Newton—North Delta)
Guarnieri
Guergis
Hanger
Harrison
Hiebert
Hinton
Hubbard
Jaffer
Jennings
Julian
Kamp (Pitt Meadows—Maple Ridge—Mission)
Karygiannis
Kenney (Calgary Southeast)
Komarnicki
Kramp (Prince Edward—Hastings)
Lalonde
Lapierre (Lévis—Bellechasse)
Lauzon
Layton
Lee
Lessard
Longfield
Lukiwski
Lunney
MacKay (Central Nova)
Macklin
Maloney
Mark
Martin (Esquimalt—Juan de Fuca)
Martin (LaSalle—Énard)
Masse
McCallum
McGuinty
McKay (Scarborough—Guildwood)
McTeague
Ménard (Marc-Aurèle-Fortin)
Merrifield
Miller
Mitchell
Myers
Nicholson
Obhrai
Owen
Pallister
Paradis
Patry
Peterson
Phinney
Pickard (Chatham-Kent—Essex)
Poilievre
Powers
Preston
Ratansi
Regan
Ritz
Rodriguez
Roy
Saada
Savage
Scarpaleggia
Schellenberger
Scott
Siksay
Simard (Beauport—Limoilou)
Simms
Smith (Pontiac)
Solberg
St. Amand
Stoffer
Stronach
Telegdi
Thibault (Rimouski-Neigette—Témiscouata—Les
Thompson (New Brunswick Southwest)
Tilson

Private Members' Business

Toews
Torsney
Ur
Valley
Vellacott
Volpe
Warawa
Watson
Williams
Yelich

Tonks
Tweed
Valeri
Van Loan
Vincent
Wappel
Wasylycia-Leis
Wilfert
Wrzesnewskij
Zed — 288

NAYS

Nil

PAIRED

Nil

The Acting Speaker (Mr. Marcel Proulx): I declare the motion carried.

[*English*]

It being 5.50 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*]

CANADA LABOUR CODE

The House resumed from October 17 consideration of the motion that Bill C-380, An Act to amend the Canada Labour Code (pregnant or nursing employees), be read the second time and referred to a committee.

Mr. Réal Lapierre (Lévis—Bellechasse, BQ): Mr. Speaker, as I indicated in my previous remarks, working women are a source of skilled labour who deserve our respect and our full attention. Those who set out on the great adventure of procreation should enjoy a status appropriate to the valuable task they are undertaking.

Unfortunately, they often feel penalized because, upon returning to their careers, they do not always return to the same working conditions they had before they left when pregnant. In particular, when they have to leave early as a precaution, either because of the workplace or because of the mother's health or that of the fetus, the professional insecurity experienced by these mothers-to-be is understandable.

That is not how it should be. And it is incumbent upon us, in this House, to change things. If we come to an agreement, Bill C-380 should allow us to take a few steps forward.

I repeat that pregnant women whose work is under federal jurisdiction and who need to leave their jobs earlier than expected to prevent pregnancy-related problems could opt for their provincial or Quebec legislation, instead of the federal code, in order to maximize their benefits under the system best suited to them.

Quebec's workplace health and safety commission, the CSST, allows an employee to receive her regular salary during the first five working days after stopping work. Then, for the next 14 days that would normally be worked, she is entitled to 90% of her net salary, which is paid by her employer who, in turn, will be reimbursed by the CSST.

We would like all working women to benefit from these conditions. I am talking about workers subject to the Canada Labour Code and who are not, therefore, entitled to conditions set by the CSST.

Bill C-380 is an excellent opportunity for us to correct this situation. It is clearly better to get 90% of your salary instead of the 55% provided under the EI program. It is also fairer and provides greater security. Finally, these workers would not lose a single week of vacation or parental leave because they had to go on preventive withdrawal, as they do now under the Canada Labour Code.

So I am asking the House to support Bill C-380, so that these measures benefit rather than penalize pregnant women.

I ask too that the pilot project, under which the necessary adjustments between the CSST system and the Canada Labour Code system could be made, be extended, because it was an equitable solution with regard to preventive withdrawal due to a pregnancy.

Women regulated by the Quebec or provincial labour code could chose between getting partial EI payments while receiving preventive withdrawal benefits, or only receiving the latter in order to save their EI benefits and be entitled to a longer maternity or parental leave.

Without this program, these women will not have this option. I am asking not only that it be extended, but that it be made law without further delay.

• (1755)

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I am pleased to have this opportunity today to speak to the members of the House of Commons on Bill C-380.

The protection of Canadian working women, particularly pregnant and nursing employees, is a matter the government takes extremely seriously, as I do myself.

I wish to reassure the hon. member for Shefford, Quebec and to tell him that we share his concerns for the health and well-being of pregnant and nursing women in workplaces all over Canada.

While we do share the same interest in protecting pregnant and nursing employees, we believe that the changes proposed to the Canada Labour Code in Bill C-380 are somewhat premature. This is a complex aspect of social policy and one that addresses not only occupational health and safety legislation but also workplace standards, the judgment of health professionals and personal decisions by all the women involved. If one takes into account the way federal, provincial and territorial jurisdictions over labour matters are divided, along with broader national interest, the problem becomes even more complex.

Our commitment on this as a government is clearly set out in the Canada Labour Code. We need to look particularly at Parts II and III. As hon. members are already aware, Part II addresses workplace health and safety, while III addresses labour standards.

Some hon. members: Oh, oh!

Private Members' Business

• (1800)

[*English*]

The Acting Speaker (Mr. Marcel Proulx): Order, please. May we ask the hon. members who want to carry on private conversations to do it outside the House, please. I also must remind the hon. members that cellphones are definitely not acceptable within the House whether the House is in debate or whether the House is waiting for a vote.

[*Translation*]

Hon. Marlene Jennings: Mr. Speaker, thank you for calling the members of this House to order.

Under the recent amendments to part II, an employee under federal jurisdiction who is pregnant or nursing is entitled to remove herself from the workplace, even before she has obtained a medical certificate, if she believes that her employment constitutes a risk to herself, her fetus or to her child, if she is nursing.

Such women are entitled to all the benefits and compensation attached to their employment until they obtain a medical certificate in support of their application.

Part III of the Code, which deals with labour standards, provides additional protection. A pregnant or nursing employee is entitled to be reassigned to another job or have her duties modified from the moment she knows she is pregnant until 24 weeks after the birth of the baby. The worker's employer cannot reduce her salary because of a reassignment or a change of employment.

Part III also provides that a pregnant or nursing worker is entitled to paid leave from the time she requests a change of employment until the time the change takes effect or until she is unable to accept it for health reasons. If no reassignment or change of job is possible, the employee may take leave. During this time, the employee is also entitled to employment insurance benefits, supplemented by private insurance.

The Canada Labour Code covers a full range of measures designed to ensure a healthy, safe work environment for all pregnant or nursing mothers. In addition, it provides for leave and financial assistance to any pregnant or nursing mother who believes she is at risk at work.

We firmly believe that parts II and III of the Canada Labour Code provide adequate protection to pregnant and nursing mothers in the work place.

I assume that the concern of the hon. member for Shefford arises from the difference between employment insurance payments and the benefits provided by the Quebec system, which differs from the federal system.

The practical effect of Bill C-380 would be to create a separate system for employees under federal jurisdiction, but who are working in Quebec, and those under federal jurisdiction who are working in other regions of the country.

It would have the effect of creating regional disparities. It would, in fact, give rise to an imbalance between the possibilities granted to women working under federal jurisdiction in all parts of the country.

The Constitution and the case law establish a precise demarcation between federal and provincial jurisdiction in the field of employment.

The 14 jurisdictions in Canada determine their respective statutes and regulations after having made an evaluation of the impact and the ramifications of the existing legislation and possible changes.

Imagine the confusion that would reign between these borders if, as this bill proposes, employees or employers could decide under which jurisdiction they could choose to be protected.

The labour laws and regulations do not lend themselves to such a choice. It is up to the government, after consulting the parties to whom the laws and regulations apply, to determine the conditions that prevail in their field of jurisdiction.

The federal government obviously participates in this process insofar as part III of the Canada Labour Code is concerned. This part of the code has a direct effect on the rights and obligations of employees and employers in regard to the issue at stake in this debate.

It is certainly reasonable to expect the commission to submit its report and recommendations before we proceed with an amendment like the one proposed by the member for Shefford in his Bill C-380.

For these reasons, I really cannot support Bill C-380.

• (1805)

I want this to be clear for the House. I have carried a pregnancy through to term in my life and had a daughter. I have had the privilege of benefiting from the Quebec system, thanks to the CSST, the Quebec workplace health and safety commission. In fact, I had an occupational accident during my pregnancy, and my doctor gave me preventive maternity leave. In the end, three weeks later, the doctors had to do an emergency caesarian. So I am familiar with the Quebec system and I think that it is outstanding.

However, we are talking about a federal jurisdiction because we are talking about employers and employees who work in an area under federal jurisdiction. We cannot create regional disparities, as this bill would do.

I cannot support this bill, therefore, because I want to wait for the report of the commission, which is conducting consultations. I want to know what this commission's recommendations are on the issues that we are debating now. I do not think that it is healthy for the members of this House to rush the commission's report and recommendations by supporting this bill.

I strongly encourage my colleagues on both sides of the House to study the issue seriously. If this amendment is passed, it would create regional disparity and the employees in some regions could be privileged to the detriment of those in other regions.

Private Members' Business

The worry and concern voiced by the member for Shefford are certainly praiseworthy. I believe, though, that parts II and III of the Canada Labour Code provide attractive and, most importantly, equitable protection for all pregnant or nursing women who are currently working. If changes are made to the current system on the federal level, there should be prior consultations with all the stakeholders. Who are they? They are the employees and employers who are subject to federal labour legislation.

[English]

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, it is amusing to listen to my colleague opposite, the party of asymmetrical federalism, arguing strenuously that we cannot have regional disparity. That is exactly what asymmetrical federalism is. Maybe the member should be consistent in the principles that she tries to enunciate.

This afternoon we are debating a private member's bill, Bill C-380, put forward by my colleague from the Bloc Québécois, the member for Shefford.

The purpose of the bill is to amend the Canada Labour Code to allow a pregnant or nursing employee to avail herself of provincial occupational health and safety legislation. The purpose of this bill is to make sure that working conditions for pregnant or nursing women are healthy and safe both for the woman and for her unborn child.

Of course, we support the intent of this bill. It is very important to Canada that the next generation has the best possible start in life. Also, we are a country that recognizes that our birth rate is not quite keeping up with replacing our population. We have a special need and a special appreciation of families and women who are bringing forward the next generation and we want to assist them all we can.

There are two difficulties with this bill. Others have pointed them out, but I want to also lay them before members of the House.

The first difficulty with this bill is that it would give benefits to pregnant women that are not available to everyone in this country. It has a built-in inequity just because of the way the legislation is different across the country. The second problem with the bill is that it would bind the federal government without the federal government having a say in the terms and conditions it has to pay for.

This bill, as I understand it, would only apply to 10% of women. That is something we should consider.

The intent of the bill is that if a pregnant woman's employment puts her into unsafe proximity, say, of chemicals or biological agents, or puts her in physical conditions that would be a danger or a health hazard to herself as a pregnant woman or to her unborn child, that woman could ask for reassignment. The intent is also that if the woman could not be reassigned by the company that she works for, she would have some kind of recourse to leave her employment for a period of time but still would have some benefits.

Under Quebec law, women have very generous benefits in this situation and I applaud Quebec for that. It is very far-sighted and very progressive of Quebec to look after women and unborn children in this way. But the Quebec benefits are only available to provincial workers. There are women in Quebec who work under the federal labour code and the Canada Labour Code is not nearly so generous

to pregnant women in regard to both the choice to be reassigned or to leave employment that is deemed to be unsafe, or to other health and safety regulations.

• (1810)

My colleague would like to see the same benefits that are available provincially applied to women who work in the federal area under the federal Canada Labour Code. On the face of it, that would seem to be very reasonable. The problem is no other province has the kinds of benefits available to pregnant women, allowing them to be reassigned or allowing them to leave their employment or other health and safety benefits, that are available to workers in Quebec. If we adopted the bill, only women in Quebec who work under the federal Labour Code would benefit from it.

One might ask what is wrong with that, at least somebody would benefit. The difficulty is Parliament would be passing an act which would not address the need to ensure better safety and health conditions for pregnant women and their unborn children. As members of Parliament, we have a duty to all Canadian women, not just a certain segment of women who happen to have available to them a remedy that is only available in one province.

It would be much better if Parliament amended the Canada Labour Code so all women who work in the federal sector and are subject to the code would have more generous benefits and more inclusive protection. That is something we need to discuss. That is why we would like to see the bill go to committee so amendments could be made that perhaps would benefit all Canadian women.

The government's argument is that the Labour Code is being reviewed. In our judgment that review is not wide enough or complete enough to address the issue of pregnant women who may need to have some special consideration to preserve their health and safety and the health and safety of their unborn children.

We might say that the bill would at least help a few, and that is the case. If we could help everybody by amending it, then I am sure the mover of it bill would be even happier with moving in that direction. What I would recommend is that when it goes to committee, and I hope it will, this expansion of the ambit of the bill be considered.

The second problem with the bill is the federal government would have to match the benefits available, in this case, in the province of Quebec, but it would have no say in those benefits. It would still have to pony up the money. This would be subject to some negotiation, but clearly there would have to be a match or the whole point of the bill, to bring parity to all workers, would be lost.

This is a problem in principle. It forces one level of government to live by the decisions of another level of government, in this case the provincial government, without having any say in exactly what it has to live up to even though the federal government has jurisdiction in its own area. That has been a concern. Even though this only would affect 10% of workers, who happen to be in the province of Quebec, under the Labour Code, it still in principle is a concern and that needs to be addressed also by the committee

Private Members' Business

• (1815)

We definitely want to see better protection and enhanced measures to ensure the health and safety of pregnant women and unborn children in Canada. I would urge the committee to take the bill and address the two issues I have raised and the concerns others have raised. Perhaps when it comes back, it will be a bill that really assists all women across the country, which would be what this Parliament would want to see.

• (1820)

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I want to applaud the member for bringing this issue before the House and giving us an opportunity to talk about issues around equality for women and their unborn children.

The NDP supports the intent of the bill to amend the Labour Code to allow a pregnant or nursing employee to avail herself of provincial occupational and health and safety regulations.

When I talk about it being an equality issue, I am going to go back to the royal commission report of 1984 on equality in employment to talk about the fact that this does remain an equality issue in Canada for women. It is important to understand that when we talk about a definition of equality, then Judge Abella, now Justice Abella, said, "sometimes equality means treating people the same despite their differences and sometimes it means treating them as equals by accommodating their differences".

She goes on to say:

Ignoring differences and refusing to accommodate them is a denial of equal access and opportunity. It is discrimination. To reduce discrimination, we must create and maintain barrier-free environments so that individuals can have genuine access free from arbitrary obstructions to demonstrate and exercise fully their potential. This may mean treating some people differently by removing the obstacles to equality of opportunity they alone face for no demonstrably justifiable reason.

This is very much an issue for women who are either pregnant or nursing in the workplace. There should not be barriers to their participation in whatever way that they are able in the workplace. When they need to withdraw from the workplace, they must be able to access adequate support systems that allow them to have a liveable kind of condition.

Justice Abella goes on to say, and I think this is a really fundamental piece of this:

For women, equality in employment means first a revised approach to the role women play in the workforce. It means taking them seriously as workers and not assuming that their primary interests lie away from the workplace. At the same time, it means acknowledging and accommodating the changing role of women in the care of the family by helping both them and their male partners to function effectively both as labour force participants and as parents.

That quote gets to the heart of this bill.

In our country we talk about the importance of children. If we are talking about the importance of children, we must be talking about the importance of their mothers. It seems when we have systems set up that do not look toward protecting pregnant women or women who are nursing their children, we have systems that are failing the children and families of our country.

One of our challenges, and I am sure this is part of the reason this has come forward, is we have an employment insurance system that fails many women. Significant numbers of women no longer qualify

for employment insurance as a result of changes in 1995. We have fewer and fewer women who can even qualify for regular benefits, let alone maternity.

We have a shameful condition in our country where no matter what the unemployment rate is in any given area, women still need 600 hours of insured employment to qualify for maternity benefits. This precludes a number of women from accessing a support system when they are most in need of it.

We have provincial areas that provide a much more generous approach. We have heard others talk about regional disparities and how this somehow would not be fair. It seems to me that what we really need to be talking about is ensuring that all women have access to the kinds of progressive systems available in some of our provinces, such as Quebec.

I have heard members talk about getting the bill to committee. This would be an opportunity at committee to ensure, when we look at the bill, that we talk about all women in all provinces having access to those kinds of supports.

One thing we know is that when women are pregnant or nursing, they are very susceptible to a variety of environmental conditions and these are very important to a child's development. We often put too much pressure on women to change their behaviour in terms of pressuring them to stay in a particular job or in a particular workplace, with little attention to ensuring they have clean air to breathe and clean water to drink and that they are not exposed to pollutants that not only impact them but also their unborn children, or to have access to mothers' breast milk.

• (1825)

As well, in the workplace we often find employers would rather women look to leaving the workplace rather than changing the environment to make it safer for them. Women should not have to face a financial penalty for needing to withdraw from dangerous work while they are pregnant.

The Canada Labour Code does not go far enough on these issues. Although we are hearing about a commission that is examining the Canada Labour Code, we need to move faster than that. We often wait for these commission reports and then they gather dust somewhere without any substantial changes to what is happening in the actual workplace.

Although I applaud the member for Shefford looking for an alternative and seeing that many provinces have better protection for pregnant and breast feeding workers, it really raises the question about what is happening in other provinces and why women do not have access to the kinds of protections afforded in the province of Quebec.

That is why I appreciate the provisions in the bill that would provide women with almost a full replacement wage if they are pregnant or breast-feeding after pregnancy so they will not be forced to leave their jobs and suffer those financial consequences.

Private Members' Business

This brings up another subject. Many workers are not covered if they are self-employed or contract workers. Quebec is certainly moving ahead in this vein to ensure that self-employed workers do have coverage. However, currently nowhere in the rest of Canada, under the existing employment insurance system, do self-employed workers have access to maternity and paternity benefits.

The Women's Network of Prince Edward Island has been doing an extensive amount of work on this issue, closely looking at the Quebec model. Parental benefits and before that maternity benefits were never a good fit with the unemployment insurance system or as it is now called, employment insurance. Having a baby is not like losing a job or being laid off. Every parent knows that being a parent is a full time job.

Today, when we emphasize more and more the importance of early days in child development, it seems less and less sensible not to fully support parental leave for all Canadians, not just those who have met the strict eligibility requirements for employment insurance.

We have been hearing from women from all over the country about what it means for them to not have that safety net when they become pregnant. It seems to me it is a failure in the system to address this very critical need. Again, I suggest that we look to Quebec for its progressive model around providing wage replacement to self-employed workers.

The Women's Network of Prince Edward Island recommends that we extend eligibility for maternity and parental benefits by allowing self-employed individuals the option to pay into the employment insurance program. Although the Women's Network of Prince Edward Island is suggesting that it would be optional, many people feel it should not be optional and it should be part of the requirement so all women who are self-employed have access. It also recommends that the federal government extend eligibility for maternity and parental benefits by enacting a 360-hour qualification requirement regardless of regional unemployment rates.

I spoke earlier about the fact that so many women are shut out of the employment insurance system despite the fact that they pay into the system. We have women paying into a system from which they cannot collect. Many would argue that these women who are often part time seasonal workers are subsidizing the full time full year workers. They pay in but have no way of collecting.

The Women's Network of Prince Edward Island also has asked that eligibility be extended by allowing an option for parents to reach back hours over a three to five year period prior to the birth of a child.

These are all extremely important steps to take. They show, as the bill of the hon. member for Shefford does, that working women still need some action to ensure that there is equity in the workplace.

Earlier I mentioned equality and equity. I would like to close on that note. We have so many items that demonstrate women still have not achieved equality in our country. Women are still fighting for pay equity. They are still not eligible for the employment insurance benefit. We see this disparity when we talk about women who are pregnant or breast-feeding.

Equity does not mean that all people are treated the same, but that accommodations ensure that all workers have the same opportunity in the workplace. I urge all members of the House to support the bill and send it to committee for a fuller discussion.

● (1830)

[*Translation*]

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Thank you, Mr. Speaker, for the opportunity to speak on Bill C-380 concerning preventive withdrawal.

First, I would like to commend my colleague, the hon. member for Shefford, for introducing this excellent bill. As we know, he is an experienced unionist, a man sensitive to the interests of the workers, both men and women. He has taken it upon himself to introduce this bill to make the lives of pregnant or nursing employees easier.

In Quebec, we have a situation that does not make any sense. We have two categories of female employees. There are those covered by the Quebec labour code, who account for 90% of all female employees, while others work for enterprises under Quebec jurisdiction and are entitled to benefits from the CSST, Quebec's occupational health and safety commission, when they are pregnant and working in an inappropriate environment for them or their child to be. On presentation of a medical certificate, the organization takes steps to reassign the employee, which is the thing to do. When that is not possible, which unfortunately happens far too often, a complete mechanism is set in motion to ensure that this difficult, painful and unfortunate situation has as little impact as possible on the employee.

In Quebec, the government, in cooperation with the CSST, has put in place a mechanism to ensure that these employees start receiving immediately and with no waiting period 90% of their salary for as long as necessary. That does not prevent them from taking advantage of parental leave benefits for a total of 65 weeks.

Some 90% of workers in Quebec are in this situation. Furthermore, 8% of workers are subject to the Canada Labour Code. They work for banks, airline companies, in ports, airports and telecommunication companies. Unfortunately, they have no mechanism to avail themselves of should they end up pregnant in an inadequate work environment. They receive employment insurance benefits, go through the two-week waiting period, and receive only 55% of their salary up to a maximum of \$413 a week.

To punish them further, every week of their preventative withdrawal is subtracted from their 65 weeks of maternity or parental leave. That is not much of a benefit. What do you suppose happens? There are women who, financially speaking, cannot afford such a pay cut or a two-week waiting period because they had the nerve to work in an environment that was not healthy for them, their baby or their fetus.

Private Members' Business

It was for those reasons that the Bloc Québécois, through the hon. member for Shefford, introduced Bill C-380. This is not the first time the Bloc has presented this: this is the fifth time it is introducing this bill in this House. We are doing so because we truly do not want there to be two types of workers in Quebec; we want all of them to have the exact same quality of work and the same quality of family life. This absolutely must be advantageous to all women. It is not right that this difference has existed for so long. It is easy to imagine how discouraging and frustrating it must be for these women who are exposed to situations that are unhealthy to them, their baby or their fetus.

I have most certainly noticed that our NDP colleagues will support this bill. I also see that our colleagues from the Conservative Party will vote in favour of it. I am quite disappointed, however, to see that the Liberal government is going to oppose this bill for the rather odd reasons it has provided.

• (1835)

If the trend continues, there is a strong possibility that we will not be sitting in this House next week. If we had all voted in favour of this bill today, it could have been passed quickly. This is what we should have done, this is what the Liberals should have done. However, they decided to oppose this legislation. The vote will take place tomorrow.

The Liberals could have done a good deed and extend a helping hand to pregnant workers. It would not be that complicated because, in its present form, the bill provides that pregnant workers in a province, such as Quebec, would simply have to avail themselves, after an agreement is reached between the federal and provincial governments, of the existing remedies, if applicable. So, the Liberals could have done a good deed and extend a helping hand to female workers.

It is difficult for the Liberal government to display something it does not have, but still it could have tried to show some sensitivity towards female workers and do a good deed. It could have stopped showing contempt towards them. It could have been sensitive to the difficult situations of people who are not rich and who have limited means. Unfortunately, the government prefers to vote against this bill, under the pretence that, some day, it will amend part III of the Canada Labour Code.

The government will try to win votes by saying that it is sensitive to families, and that it has programs to help them. But if the government had really wanted to do something to help them, it would have voted in support of this bill. Today, tomorrow and the day after, women who are only getting 55% of their salary could have received 90%, like women in Quebec, where this provision is already in effect, and where we do not have to reinvent the wheel. We are not asking for changes coast to coast. We are only asking that there be no differences in Quebec—or that these differences be eliminated—so that all female workers can enjoy the same benefits. That is not very complicated.

On the eve of an election campaign, one wonders how the Liberal government can continue to claim to help families, women and workers, when it will not even support this bill. This government could straighten out the situation of working women by quickly reaching an agreement with its Quebec counterpart.

[English]

Mr. Russ Powers (Ancaster—Dundas—Flamborough—Westdale, Lib.): Mr. Speaker, I am pleased to rise in debate on Bill C-380. I must, however, disagree with the provisions of the bill.

The member of Parliament for Shefford is suggesting an amendment to part II of the Canada Labour Code, related to pregnant or nursing mothers. The section being amended, section 132, relates to a pregnant or nursing mother who believes that continuing in her job poses a risk to her health and that of her fetus or child. In effect, the member for Shefford is suggesting that such an employee should be able to opt for coverage under the occupational health and safety legislation and related programs of the province where she works.

Certainly we know there are possible challenges facing pregnant women and nursing mothers in workplaces across Canada. There are existing protections under the current provisions of the Canada Labour Code. Part II and Part III of the Canada Labour Code already provide pregnant and nursing employees with generous benefits and strong safeguards.

For example, if a pregnant or nursing worker believes there is a risk to her health or the health of her fetus or child, she can stop work and take the necessary time, with full pay, to consult her doctor to determine if she is really at risk. If the risk is indeed of concern, the employer must modify the job or reassign the woman to another job. If the job cannot be changed or reassignment is not possible, the woman is entitled to unpaid leave with the right to return.

Let me remind the House that part III has very generous maternity provisions. An employee gets 17 weeks of maternity leave and is entitled to 37 weeks of parental leave, up to a maximum total of 52 weeks. Her benefits are fully protected and she has the right to return to the same job or a comparable one.

So it appears that Canadian women are well served by these benefits and safeguards in the workplace; however, the government is not standing pat in its evaluation of the current provisions of the Canada Labour Code. The government has agreed to study not only this issue but an entire raft of subjects that are commonly grouped together under labour standards legislation.

As members of the House know, this government is deeply committed to helping all Canadians succeed in the 21st century economy. Improving labour standards is an important part of that commitment. That is why our labour minister recently launched a full review of part III of the Canada Labour Code. This is our first sweeping review of Canada's labour standards in 40 years.

This review is a great opportunity to engage unions, employers and ordinary Canadians in addressing some of the most important issues of the day, including work-life balance, productivity, and employment relationships. With this review, we want to start a wide-ranging national conversation about what Canada's workplaces should look like in the 21st century. We want to reach out to all Canadians and hear about the workplace issues that matter most to them, their families and their communities.

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Issues such as the protection of pregnant and nursing workers will certainly be carefully considered during this review. That is why I believe amending the Canada Labour Code now would be premature. It would be short-sighted to go ahead with this kind of amendment before we have a chance to review the commission's report and its recommendations.

One of my chief concerns is that this amendment seeks to short-circuit the whole policy-making process. When it comes to creating social policy in Canada, we need to take time to consider all the facts and all the views and we need to study our options before deciding on a course of action.

We need to consult broadly with all of our stakeholders, including Canadian employers and unions, labour experts, and the provinces and territories. That is how we can ensure that the deliberations in Parliament are effective in deciding the evolution of labour laws in our country.

The bill raises difficult constitutional questions and would introduce a dangerous precedent in the administration of labour law in this country. Federally regulated employees comprise 10% of the Canadian workforce in sectors of key importance to the Canadian economic infrastructure. They include, among others, workers in banks and in Canada's transportation and communications sectors. This means that 90% of Canadian workers are governed by provincial or territorial labour legislation.

● (1840)

In this complex world, the bill would introduce a precedent. An employee subject to the Canada Labour Code could opt for the provincial program in the province where she works if she deemed it to be more generous. Let us consider the type of world this would create, and the type of precedent this would create in the laws and regulations in federal, provincial and territorial jurisdictions.

Imagine a country where individuals or employers for that matter could cherry-pick and choose the jurisdiction and its laws that would apply in their particular case. One could imagine the scenario, "I pick this provincial law for this protection". However, tomorrow the person could say, "In this case, I choose the federal jurisdiction because it is better for me".

That is certainly no way to run a federal country. This bill would provide employees with the right to choose their effective jurisdiction. Would we then allow the same option in other areas? That is the question that must be considered. I think not. Let us think of the ramifications. Serious evaluation moves us to reject this course of action.

In short, I think all Canadians would benefit if we took more time to examine the issue as we are planning to do. Let the commission that is reviewing part III of the Canada Labour Code do its job and report back to Canadians.

Once we have listened to the views of all Canadians and have the facts in hand then we can move ahead and take action. Protecting pregnant women and nursing mothers in the workplace is a top priority for all Canadians. As parliamentarians it is our job to take the time to study this important issue. It is our job to do it right.

● (1845)

[*Translation*]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, I congratulate the hon. member for Shefford for presenting Bill C-380.

I followed with great interest the first hour of debate on this bill. Once again, we were all able to see that the Liberal government will oppose Bill C-380. Frankly, I do not understand why this government continues to object to these essential changes to the Canada Labour Code. This attitude is unacceptable, because the bill is—and I think we clearly showed it—a significant improvement over the current situation. It simply allows pregnant or nursing workers, if they so wish, to avail themselves of the provincial legislation, instead of the federal one, so as to enjoy the benefits that best suit their needs. Currently, in Quebec, the provincial legislation is clearly the more appropriate one.

The federal government's position on this bill shows once again a distinct lack of sensitivity and political will regarding the rights of workers. I am not only thinking of the government's position on the bill before us today, but also of how it rejected many other measures that would have benefited workers.

Many examples come to mind. I am thinking, among others, of the bill on replacement workers, which was introduced by the hon. member for Saint-Bruno—Saint-Hubert and defeated last spring. There is also the bill introduced by the hon. member for Terrebonne—Blainville to prevent and stop psychological harassment in the workplace, which was also defeated on October 5. The same thing happened with Bill C-278, introduced by the hon. member for Trois-Rivières.

In conclusion, I think this bill can improve the plight of female workers in Quebec, and I am asking the House to support it at second reading.

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, first, I want to thank my NDP and Conservative colleagues, who are supporting my bill on preventive withdrawal for working women. I want to respond to the government members. They are saying that people should trust this government because part III of the Canada Labour Code is going to be amended. Right now, I have zero confidence in this government.

We know where trust has led us with this government. It has led to the Gomery commission. How are we supposed to trust it when it talks about amending part III of the Canada Labour Code? Such amendments would ensure that pregnant workers could go on preventive withdrawal just like such workers in Quebec, instead of being in a different category.

With regard to preventive withdrawal, I heard earlier that part III of the Canada Labour Code states that, if there is a risk to a worker, supported by a medical certificate, she must be paid. They are talking here about a few days or a week. Let us not forget: a pregnancy lasts for nine months. As for modifying job functions, there is no cause for concern. An employer will not wait six months before acting because he has to pay the worker in the meantime. So he will find her a job that she can do right away, if he can, within the plant or place of work.

We must not forget, either, that we are not just talking about women working in banks. Some women are workers regulated by the Canada Labour Code, working with heavy trucks or all kinds of trucks for all kinds of transportation, be it canned food, lumber or whatever. Truck vibrations may mean that pregnant workers need to stop working right from the first day of pregnancy. So, in this particular case, there is a problem because reassignment is not possible.

Let us be clear on what preventive withdrawal means for a pregnant worker. If the employer cannot assign that worker to another position, she goes home without pay. The only pay she can get is the 25 weeks of salary that do not kick in until 15 weeks before her due date. From the first day the worker knows she is pregnant until she has her baby, she has no salary except for two or three months just before she delivers.

Do you think it is right that a worker has to take leave at her own expense to have children? This government says that we should be having a few more children and that it will help families have children. I do not think this is the right approach. I do not believe in having two people working in the same province or in the same region with two different systems. There should be one equal system for all women working in Quebec.

Let us look at the 600-hour requirement to qualify for EI. Have you ever thought that it takes half a year of work to become entitled to receive benefits for a certain period of time? We are not talking about 52 weeks nor any specific number. If a person has worked only half a year, she is entitled to just what EI allows, which is next to nothing. The government has cut back on EI so much that, today, only 46% of workers are able to qualify. It has slashed employment insurance and no one qualifies any more.

If this government were at all interested in the middle class—the people who are working—I think there would be social legislation to clearly demonstrate the government's desire to help them. I have been here a year and a half without hearing anything about that. The only thing I have heard anything about is cuts, and about giving nothing to the workers, although they are the economic motor of all business.

Yet there is nothing complicated about this. In order to regularize the situation between the two categories of women workers in Quebec, the only thing needed is political will, which would translate into the signing of an agreement with Quebec.

• (1850)

There is already an agreement with Quebec for all workers coming under the Canada Labour Code as far as work-related accidents are concerned. Anyone who has a work-related accident benefits from

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the agreement the federal government has entered into with the provincial government, and it pays for the work-related accident.

It would be just as easy to have a new agreement for pregnant workers. This would just require a bit of political courage, but that is not something to be found on the other side of this House.

The Acting Speaker (Mr. Marcel Proulx): It being 6:52 p.m., the time allocated for debate has expired.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Marcel Proulx): All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Marcel Proulx): Pursuant to Standing Order 93, the division stands deferred until Wednesday, November 23, 2005, immediately before the time provided for private members' business.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

The Acting Speaker (Mr. Marcel Proulx): The hon. member for Cumberland—Colchester—Musquodoboit Valley not being present to raise the matter for which adjournment notice has been given, the notice is deemed withdrawn.

HUMAN RESOURCES AND SKILLS DEVELOPMENT

Mr. Mark Warawa (Langley, CPC): Mr. Speaker, I appreciate the opportunity to ask the government a question on compassionate care.

As a brief history on the compassionate care program, it has been with us now for about three years. I became involved a year ago when I had a constituent by the name of Sue. Sue is not her real name but to protect the privacy of the family I will use the name Sue. She was a 43 year old woman who was taking care of her 73 year old mother. Sue became sick and was diagnosed with a terminal cancer. She was given about six to eight weeks to live.

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She did not have a husband or children, so she now needed care, along with her mother. Her sister came down from the Okanagan in British Columbia to take care of Sue. The sister had permission to leave her job and went to Langley to take care of Sue.

To help her sister with her bills, as she had a mortgage to pay, she applied for the compassionate care benefit. The compassionate care is there to help families to take care of a dying loved one in the last days. Her sister was denied the benefit for compassionate care. That seemed so outrageous that she approached my office and that is when I became involved.

Since January, we have heard a number of other sad stories. Olga Petrik from Ontario who went to Richmond to take care of her dying sister was also denied the compassionate care benefit. Neil Cohen from Manitoba was denied the compassionate care benefit to take care of his dying brother. I also heard another story of a daughter-in-law wanting to take care of her mother-in-law. There was no one else to take care of the dying mother-in-law but the daughter-in-law was not under the definition of compassionate care.

I spoke to the previous minister and the new minister. I prepared a brief and presented it to them saying that we should let the people who are dying to choose who their compassionate care provider will be. It was very frustrating waiting so long. These families were suffering and being told that a sister cannot take care of a sister, a brother cannot take care of a brother and a daughter-in-law cannot take care of a mother-in-law. It was very restrictive.

The budget for the compassionate care program was \$250 million. After many people were denied the compassionate care benefit, the government reduced the budget to \$11 million. I am pleased to hear now that the government has accepted our recommendation. The brief that I presented to the minister was followed up on and together we are doing the right thing, which I appreciate.

Will the government provide retroactive benefits to those who have been denied benefits but should have received it and would have qualified? I hope so because I think it is the right thing to do.

I spoke to the minister a month ago. She liked the idea and was going to consider it but, unfortunately, I have not heard from her yet. Hopefully we are going to get some good news.

• (1855)

Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development and Minister responsible for Democratic Renewal, Lib.): Mr. Speaker, I am pleased to respond to my colleague. I again welcome the fact that he has asked for an adjournment debate on the question of the compassionate care benefit. The government is committed to helping ensure that Canadian workers do not have to choose between their jobs and providing care for a dying family member.

Let me remind members that Canada's compassionate care benefit was introduced as recently as January 4, 2004. It was designed specifically to provide temporary income replacement for those Canadians who need to leave their jobs for a period of time in order to care for a gravely ill child, parent or spouse who is at significant risk of dying.

I would emphasize that Canada is one of the few countries in the world to offer compassionate care benefits to workers. Unlike Canada, most countries that do have compassionate care programs restrict them to parents caring for sick children.

The design of this benefit was based on research and analysis indicating that family members are key caregivers and, in particular, that the vast majority of Canadians facing these situations are caring for a child, a parent or a spouse.

The Canada Labour Code was amended to provide the necessary job protection for compassionate care benefit claimants, up to eight weeks, which allows for the two week waiting period under EI and six weeks of paid benefits. The six weeks of benefits can be shared among eligible family members or can be taken by one eligible family member. This gives families more choice in providing care to gravely ill relatives.

A full evaluation, part of the government's commitment to reviewing the provisions of the benefit after its first year of availability, is under way. I have to point out to my colleague that good public policy requires that. If we are going to make changes, we have to make them based on the benefit of real experience. We now have one year of real experience.

This evaluation of the program, with results expected soon, will provide a better understanding of the benefit's performance and identify possible areas for improvement that might increase access to the benefit. It is important that evaluations of government programs be founded on careful analysis of program data in order that the conclusions drawn and solutions proposed address the experience of clients.

Recently a policy review was undertaken to identify early opportunities to improve the benefit within existing policy parameters. Based on experience gained in the first year of the program, the government is already looking into expanding the definition of those who qualify for the benefit.

I should also point out that the benefit is only one tool for supporting caregivers. We must be sensitive to the fact that some individuals look elsewhere for the means of helping sick relatives. We are exploring a wide variety of comprehensive caregiving strategies.

This government is committed to the principles of fairness and equity for all Canadians. Accordingly, making improvements to the compassionate care benefit in a timely manner is a priority for us, as I know it is for my colleague opposite. I would like to thank him again for his work on this issue.

• (1900)

Mr. Mark Warawa: Mr. Speaker, with only one minute to follow up, I am hoping for an answer to my question. Will the government provide retroactive benefits?

The parliamentary secretary has read from a prepared script. I appreciate that he is here and that he has made himself available to answer my questions, but this is very important to these families and I am very frustrated that it is taking forever to get a response.

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Will these families that were denied going to be able to get a retroactive benefit? They should have received it and they did not. I ask the member to please answer that question. Will the government provide retroactive benefits to those who were denied?

Hon. Peter Adams: Mr. Speaker, we already know that the vast majority of Canadians who care for seriously ill people are currently covered by this program, but we are sensitive to the fact that certain individuals do not qualify for it. The government, as I said, is looking into expanding the definition of those who are able to qualify for the benefit.

I have to point out there have been no funding cuts to the program. EI expenditures are determined entirely by the number of qualified applicants.

My colleague opposite already knows that regulatory changes take effect the day they come into force. While the government sympathizes, and so do I, with those who cannot access the benefit due to their individual situations, the benefits cannot be applied retroactively.

CANADA-U.S. BORDER

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a privilege to ask a question today in the chamber about the western hemisphere travel initiative. The issue is important for the future of tourism in our country, as well as other industries and individuals who need to traverse across the border between Canada and the U.S.

This initiative, which was introduced by the U.S. Department of Homeland Security, will require every American citizen to have a passport as well as every other citizen entering the United States. The problem with that is the gridlock it will create. It will also dissuade individuals from visiting Canada or visiting the United States and it will hurt industry. Certain individuals who cannot acquire a passport will no longer be able to participate in, for example, truck driving and other types of commerce back and forth across our border.

I note that it has been very difficult to get the government to act on this initiative. This was brought forward in the industry committee over a year and a half ago. I brought it in front of the Tourism Bureau when it came before our committee. This initiative will be implemented by 2008. It was only going to allocate \$40,000 for a study for one of the most significant changes, culturally, socially and economically between ourselves and the United States.

Passports cost money and they require planning. Most Canadian and American citizens do not carry passports. It will have a significant consequence on the activities we do on a regular basis in our daily lives when this document is required.

I immediately objected to the fact that the Tourism Bureau would not put the proper resources into the study. However it increased the funding for the study to approximately \$200,000 and the study was completed.

However, because it thought the United States would not move ahead with this, it shelved the study and quietly posted it on its website in July. What it showed was that the initiative would cause significant economic damage. We know that from 2005 to 2008 it will result in a loss of 7.7 million inbound trips from the United

States and will cost the Canadian tourism industry \$1.7 billion, and that is just one industry.

I have asked a number of questions of the government and have written several times to ask it to object to this initiative. For heaven's sake, there has to be an alternative. What we heard was deafening silence from the government side. Although the date for submissions loomed near the end of October, the government and the Prime Minister did not and, to this date, still have not spoken out strongly on this initiative.

I contrast that to the fact that the Federation of Canadian Municipalities; the Canadian Chamber of Commerce; Gary Doer, the Premier of Manitoba; Hillary Clinton, the senator from New York; Governor Pataki from New York; the Council of State Governments, Eastern Regional Conference; which had a conference on this; the CAW; the North Dakota governor; as well as a whole slew of other individuals; have said that this is nonsense and that there has to be an alternative.

We finally convinced the government to have a take note debate at the 11th hour, the witching hour, to obtain an official objection and it received the unanimous support of the House. However what is the government doing as its next step?

I have rolled out a couple of new initiatives with relation to passports for Canadian citizens. We have to stop this if we can. We need to have a better alternative. We cannot fight the war on terrorism by killing our tourism industry.

There seems to be unanimous support to try kill this initiative. I would like to know what the government is going to do about this. First, what is the specific strategic plan to stop this from happening and, second, what is the back-up system for our tourism industry and our other industries that are dependent upon crossing the border on a regular basis?

● (1905)

Hon. Raymond Simard (Parliamentary Secretary to the Minister of Internal Trade, Deputy Leader of the Government in the House of Commons, Minister responsible for Official Languages and Associate Minister of National Defence, Lib.): Mr. Speaker, I rise in response to the question put to the House by my hon. colleague, the member for Windsor West, regarding the United States western hemisphere travel initiative. I have a lot of respect for my hon. colleague. Given the location of his riding, I know he takes particular interest in border issues and follows these files very closely.

The western hemisphere travel initiative is of concern to us as well as to U.S. politicians. Canada and the U.S. have agreed on an approach to protect North America from terrorism and other threats. Canada supports the development of new initiatives to ensure that travellers who would threaten our security are denied access to either country.

The Canada-U.S. border relationship is a special one. Security and prosperity for both countries depends on getting it right. In this context, requiring a passport or a passport-like document as the only way for legal travel across a shared land border will impact historic and vital relationships.

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To truly enhance our shared security, we believe that both countries need to better enhance and secure the kinds of foundation documents upon which our passports or any travel documents would be based. Canada will continue to collaborate with the U.S. to strengthen the foundations for establishing both identity and citizenship in our respective document and passport issuance processes and implement a meaningful and practical solution for improving our border security.

The Canadian government has actually gone through a very extensive process. On October 31 the Government of Canada submitted its official comment on the proposed western hemisphere travel initiative to the United States government. The comment is a result of extensive and thorough consultations among federal departments, provinces, territories, businesses and associations.

We are aware of the problems this can cause. We are very conscious of that and we are acting accordingly.

• (1910)

Mr. Brian Masse: Mr. Speaker, I appreciate the fact that on October 31 we did make the submission, which was literally at the witching hour as that was in the final days for a submission. It came about from a debate in this chamber. I would ask that there be a more active and assertive progression of this file instead of waiting for the next possible announcement from the homeland security department.

What other strategies will the government support? I have written to the Minister of International Trade to support my initiative. I would like the government to support my initiative that veterans would get free passports. I would ask the member to support this. I have asked about seniors getting their passports at half the normal

cost of passports. We could lower the costs and the burden which could happen on this front in the future.

Those are reasonable proposals that do not cost a lot of money. They are proactive and deal at the front end to ensure that we do not have a crisis, for example, that veterans are not able to travel across the border. Veterans are some of our best ambassadors.

I would encourage the government to adopt such a strategy. It is proactive. We should also roll out other proposals to deal with the situation because the crisis is still there.

Hon. Raymond Simard: Clearly, Mr. Speaker, the government is committed to collaborating with its U.S. neighbours to realize the security benefits intended by the western hemisphere travel initiative.

We are working with our American counterparts to ensure that we are able to collaborate on a solution to address legitimate security concerns and that any resolution does not constitute a barrier to the facilitation of the movement of low risk goods and travellers who wish to cross the land border between our two countries.

The government is committed to getting this right and collaborating with the U.S. to implement a meaningful solution which will improve security at our land border.

[*Translation*]

The Acting Speaker (Mr. Marcel Proulx): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 7:12 p.m.)

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