



House of Commons Debates

VOLUME 133

NUMBER 183

1st SESSION

35th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, April 4, 1995

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Tuesday, April 4, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

[*English*]

PETITIONS

HUMAN RIGHTS

Mr. Janko Peric (Cambridge, Lib.): Mr. Speaker, I have two petitions. The first one is on human rights. It bears 50 signatures and was forwarded to me by constituents of my riding of Cambridge.

The petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way that would tend to indicate societal approval of same sex relationships or homosexuality.

BOVINE SOMATOTROPIN

Mr. Janko Peric (Cambridge, Lib.): Mr. Speaker, the second petition concerns BST. It bears approximately 25 signa-

tures and was forwarded to me by constituents of my riding of Cambridge.

The petitioners are concerned about drinking milk from cows injected with BST because BST is known to be a health hazard to both humans and cows. The petitioners call on Parliament to ban the use of BST and not accept dairy products from countries where BST is used to treat cattle.

OFFICIAL LANGUAGES

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present two petitions from constituents in my riding of Comox—Alberni.

The first petition contains 97 signatures. The petitioners request that Parliament enact legislation providing for a binding referendum to accept or reject two official languages, English and French, for the government and the people of Canada.

RIGHTS OF THE UNBORN

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, the second petition contains 209 signatures. The petitioners request that Parliament immediately extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to the unborn.

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QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am answering question No. 143 today.

[*Text*]

Question No. 143—**Mr. White (North Vancouver):**

With respect to the unemployment insurance program, for the past five years, (a) how many cases of fraud were reported each year, (b) how many convictions for fraud were secured each year, and (c) how many frauds were there as a total of overall claims?

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Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the response is as follows:

	1989/90	1990/91	1991/92	1992/93	1993/94
Number of penalties*	157,193	140,830	130,081	151,130	131,237
Number of prosecutions authorized	3,192	1,608	1,369	1,238	948
Penalties and prosecutions authorized	160,385	142,438	131,450	152,368	132,185
Number of convictions	3,591	1,717	1,017	739	718
Claims adjudicated (initial and renewal)	3,290,535	3,825,794	3,889,890	3,628,432	3,300,925
Penalties and prosecutions as percentage of initial and renewal	5%	4%	3%	4%	4%

* Penalties are an administrative remedy under the UI legislation but are considered as fraud.

[*English*]

Mr. Milliken: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—AGRICULTURE

Mr. Jean-Guy Chrétien (Frontenac, BQ) moved:

That this House denounce the government for reducing the general budget of the Department of Agriculture by 19 per cent and milk subsidies by 30 per cent and for converting grain transportation subsidies into direct subsidies to Western farmers, thereby enabling the latter to diversify and enjoy an unfair competitive advantage over farmers in Eastern Canada.

He said: Mr. Speaker, I take great pleasure this morning, as agriculture and agri-food critic, to start the debate on this opposition day on agricultural issues because we in the Bloc Québécois believe that these matters must get all the attention they deserve.

(1010)

With the cuts it set in motion, the federal government recently gave the impression that the agricultural sector is of secondary importance.

I would like to thank my colleagues who agreed to speak today in the course of this opposition day on agriculture. They are the hon. members for Joliette, Champlain, Mégantic—Compton—Stanstead, Shefford, Matapédia—Matane, Kamouraska—Rivière-du-Loup, Lotbinière and Québec—Est.

You will note, Mr. Speaker, that, with the exception of the hon. member for Québec—Est, all of them represent ridings with a high percentage of farm producers and a wide variety of farm types. Therefore, should you take the time to listen carefully to all the speeches, you will be fully versed, by the end of the day, in Canadian agriculture and, especially, in Quebec agriculture.

Accordingly, with the motion we are putting before this House today, which you have just read, we are strongly criticizing the cuts the government is preparing to make on the backs of farmers. In addition to slashing in the agricultural sector, the federal government is wielding an axe there, completely indiscriminately.

I will take the liberty of reading word for word the motion tabled in the House today by the official opposition: “That this House denounce the government for reducing the general budget of the Department of Agriculture by 19 per cent and milk subsidies by 30 per cent”—this is a direct attack against the 12,000 dairy farmers of Quebec—“and for converting grain transportation subsidies into direct subsidies to Western farmers, thereby enabling the latter to diversify and enjoy an unfair competitive advantage over farmers in Eastern Canada”—and, of course, farmers in Quebec.

We denounce not only the cuts, but the Liberal government’s lack of long term vision for this sector. I see the Minister of Agriculture across from me. I salute him and invite him to spend the entire day in the House to discover what Quebec MPs think of his recent budget and his vision for agriculture in Quebec and Canada. All he is succeeding in doing is throwing the market off balance with inappropriate compensatory measures.

It looks like a wind of concern is blowing through the Liberal camp. They are trying to target the agricultural sector by waving the spectre of the catastrophes that will befall us when Quebec achieves sovereignty. We will therefore take this opportunity to set the record straight.

Of all the spectres being waved by the federalists, milk quotas are, by far, the one most often hauled out of moth balls to frighten the farming community. Just recently the paper, *La Terre de chez nous*, and the daily, *La Presse*, described in length the disasters awaiting farmers in a sovereign Quebec, according to an agronomist.

(1015)

Also in *La Presse*, a columnist said that sovereignty is dangerous because, if Quebec voted yes in the referendum, its supply management system would be dashed to pieces.

The Council for Canadian Unity has made milk quotas the cornerstone of its campaign of fear targeting the farming sector. It says that if Quebec separates, it would lose its milk quota for sales to Canada immediately—not tomorrow or the next day but immediately. That hits home harder and is scarier.

Seriously now, is that really the no side's strategy? The conclusion to be drawn from this line of argument from federalists is that they have no idea how the dairy industry in Canada and Quebec works.

What saying that sovereignty would be catastrophic for Quebec's dairy industry shows most of all is that federalists have found no other way of scaring our farmers. The biggest myth going around is that Quebec's industrial milk quota would be cut at least in half—that hits home even more—forcing many dairy farms in Quebec to close. We all know that Quebec producers have 48 per cent of the industrial milk quota while 25 per cent of Canada's population lives in Quebec. Now, several farmers from Quebec, who have gone to the trouble of coming here to listen to us today, are in the gallery facing me.

The Acting Speaker (Mr. Kilger): Order. Since it is an opposition day and the agriculture critic is leading off the debate, I would simply ask the House to maintain the spirit of debate that prevails at all times. Although there are no specific rules regarding the mention of the presence of certain people in the gallery, I would ask all hon. members from both sides of the House to co-operate during this debate on agriculture, a very important issue affecting all Canadians.

Mr. Chrétien (Frontenac): Mr. Speaker, I will comply with your instructions willingly and I would like to stress that I always send my salutations along with the Speaker's to the dignitaries who are acknowledged in the gallery behind me.

I was saying just before you intervened that the links between Quebec and Canada would be cut if Quebec voted yes in the referendum. Trade between Quebec and Canada—get a load of this, my friends across the way—is over \$80 billion per year. This economic integration alone is justification for maintaining some kind of economic tie between Canada and Quebec or Quebec and Canada. Isolating the case of milk quotas to show that Quebec would lose its exports, and that the opposite would not take place, is pure bunk.

(1020)

Quebec dairy farmers play a leadership role in the present supply management system. With about 48 per cent of industrial milk quotas, Quebec is the main supplier of dairy products for the whole of Canada. For example, did you know, hon. colleagues, that 40 per cent of Canadian cheese consumed by the rest of Canada come from Quebec? It is with this in mind that we must consider the future.

We will soon have to make a decision regarding the future of Quebec. I strongly believe that no matter what we decide, it is in the best interest of the rest of Canada, as well as of Quebec, to co-operate in order to preserve the dynamism of our agricultural sector. On Wednesday, March 29, we had very concrete proof that this co-operation goes way beyond the political level. This did not happen a century ago, this was last week. Dairy farmers in Quebec and Canada signed a memorandum of agreement integrating the marketing of industrial and consumer milk in six eastern provinces. I would like to name them: Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward

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Island. I would remind you that Newfoundland is not part of the supply management system.

An agreement was signed to create a common market between these six provinces. Under this agreement all farmers in these provinces will receive the same amount of money for their milk and will have a common quota. You have to understand that an unfair practise had existed for years. A farmer who had an industrial milk quota sold his milk for up to 10 per cent less than what he could have gotten for consumer milk. If two identical cows had been branded, one for consumer milk and the other one for industrial milk, the farmer would have gotten less for the production of the latter.

In less than 18 months, this inequity will have disappeared. We had this distortion, and it was not in Central America or in Central Africa, but here in Quebec. We had two different prices for the same milk, depending on whether it was to be processed or consumed as such. The six provinces now party to this agreement account for 85 per cent of the Canadian industrial milk quota. This integration will allow them to put in place a single system of milk marketing. In the medium term we can even see the total elimination of interprovincial barriers to milk supply.

The lesson to be drawn from this agreement is that even in a referendum year dairy farmers in Canada demonstrated that they are willing to integrate economically with Quebec. Why should they take the risk of signing this kind of agreement at the present time? Surely because they know that following a yes vote in the referendum, Canada will keep its economic union with Quebec in order to protect its own interests.

(1025)

This proves that economic reality is stronger than emotional considerations.

Federalists raise another important issue, namely what will happen to customs tariffs with the U.S.? When renegotiating NAFTA, the U.S. will probably try to get a better deal than they already have, which will not be any different from what is happening right now. Just as Canada does at the present time, Quebec will answer that tariffs are protected by GATT, which is what the agriculture minister tells us every time we ask a question in this House regarding the sugar negotiations, wheat exports, and the tariff issues raised by the U.S. the day after New Year. This very minister invariably answers that GATT agreements take precedence over NAFTA. If this is true in his case, it should also be true for Quebec.

The real threat against the dairy industry and Quebec agriculture does not come from Quebec's possible sovereignty, but from the federal government opposite which is increasingly neglecting Quebec agriculture, and especially the dairy industry. It comes from a total lack of planning on the part of the government opposite and, above all, from the lack of fairness of the budget measures proposed by the Liberal government.

February 28 was a sad day for dairy producers in Quebec and Ontario. On that day, the finance minister announced, in his

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budget, a 30 per cent reduction over two years of the federal subsidy for industrial milk. Since Quebec farmers alone produce 48 per cent of the industrial milk quota, it is obvious that they are the ones who are the most unfairly affected.

Mr. Speaker, I do not want to use props, but there is in Ontario a farming magazine called *Farm and Country*. It is the equivalent of Quebec's *La Terre de chez nous*. Every farmer at least flips through it from cover to cover, if they do not actually read all of it. This week, there is a cartoon on the front page, showing a beautiful Holstein cow and, sitting on a small stool, a farmer who bears a striking likeness to our finance minister. He is milking the cow. His pail is empty. The teat is full of scars. When he squeezes it, all he gets is one lonely drop of milk. This is the kind of future this government is shaping for dairy producers.

Also, last week, Mr. Laurent Pellerin, president of UPA and a great advocate of Quebec farmers, whom I salute today in this House, estimated that the 30 per cent reduction in industrial milk subsidies will cost producers \$4,485 over two years. If you allow me, I will take a few seconds to explain how he reached this figure. I would like the agriculture minister to listen very carefully because there is something I want to point out.

(1030)

Dairy farmers will not receive any financial compensation for these cuts, unlike western wheat and grain producers, who will receive \$1.6 billion in non-taxable funds, which is the equivalent of \$2.2 billion. But there is absolutely nothing for Quebec and Ontario.

A farmer who produces 2,500 hectolitres of milk per year and who buys 71 tonnes of mash every year to feed his cows will be hurt because, as you know, the feed grain transportation subsidies have also been cut in the East. The Maritimes will be hit hard. The subsidy on 2,500 hectolitres has been cut by \$5.43 per hectolitre times 2,500, or \$5.43 less 30 per cent or \$1.51.

Dairy farmers face cuts of 15 per cent this year and 15 per cent next year for a total of 30 per cent for every hectolitre produced. Next year, they will lose \$1.51 per hectolitre. A farmer producing 2,500 hectolitres per year faces a \$3,775 cut.

To this must be added the cuts to the feed grain transportation subsidies. The resulting increase for farmers is estimated at \$10 per tonne. Farmers will be asked to do their share to correct the past mistakes of successive federal governments that accumulated huge deficits. A farmer buying 71 tonnes at \$10 per tonne would add \$710 to the \$3,775 cut and end up with a \$4,485 contribution to deficit reduction.

As you know full well, what will happen in August is that dairy producers will ask the Canadian Dairy Commission to increase milk prices, and I hope that their request will be granted. Dairy producers are not stupid. They do not have to suffer such a major drop in income. The Canadian Dairy

Commission will allow them to raise their prices, I hope, to compensate for cost of living increases and the losses incurred.

As a result, consumers will pay much more for powdered milk, butter, cheese, yogurt and ice cream. This is called hidden taxes. *Farm and Country*, the Ontario magazine I referred to earlier, estimates that every dairy farmer contributes \$56 per cow to deficit reduction.

Surprisingly enough, not a single Liberal member rose in this House to denounce the 328,000 flights. As we read in the newspaper last week, these trips cost nearly \$1 billion in travel expenses. I have the newspaper article in front of me: the 328,000 flights taken between April 1993 and March 1994 cost taxpayers \$275 million so that Canadian Forces members and senior officials, in particular officials at the Department of Transport, could travel.

In closing, I urge dairy farmers in Ontario and Quebec to look out for the ordeal that this government will inflict on them in the next 24 months.

(1035)

[English]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I am very glad to have the opportunity to participate in this discussion about the 1995 federal budget, particularly the impact of that budget upon agriculture and agri-food.

It goes without saying that I profoundly disagree with the conclusions that have been drawn so far in this debate by the member for Frontenac. I would suggest that his analysis is incomplete, entirely negative in its focus and, with the greatest respect, his analysis is wrong.

To support what are clearly his separatist objectives he seeks to sow the seeds of division in a narrow and partisan manner. He seeks to pit region against region, province against province and farmers against farmers. It is indeed sad to see this rather destructive approach, but coming from the Bloc Québécois it is no surprise. Their objective is not to build this country up; their objective is to tear this country down. So I am not surprised by the motion today from the BQ.

What is perhaps surprising is the similarity in approach that is taken by the BQ and the NDP. Two weeks ago the NDP and the Bloc Québécois joined together in a rather bizarre alliance in this House to block speedy passage of vital government legislation to restore services in the Canadian railway system. Until they recanted and belatedly changed their position, the NDP lent aid and comfort to the Bloc Québécois in inflicting totally unnecessary damage upon the entire Canadian economy, particularly upon agriculture.

The work stoppage in the rail system could have been ended and full service could have been restored within perhaps no more than 48 hours. However, the Bloc made that impossible

and the NDP helped them in doing damage to Canada. The rail dispute lingered on for more than a week and the cost of that delay was very expensive.

In the Canadian grains industry alone, that one lost week represented a loss of revenue from grain sales in the order of \$100 million, plus the delay caused by the Bloc Quebecois and the NDP damaged Canada's international reputation as a reliable agriculture and agri-food supplier to world markets. It is truly impossible to fathom why the NDP would give credibility to the Bloc by supporting the BQ in stalling the legislation to bring the work stoppage in the rail system to an end.

But the rail dispute is not the only example of a similarity between the NDP and the BQ. They also have similar approaches when it comes to an analysis of the federal budget, which is the subject of the motion today. Both of these parties, devoid of any national vision, without a serious commitment to Canada as a whole, resort to the small and petty politics of fostering regional divisions. Each of them in their own way try to make the case—the erroneous case—that their region has been unfairly treated and some other region has been given some unwarranted advantage.

The BQ claim unfairness toward Quebec and they attack western Canada. The NDP claim unfairness toward the west and they attack Quebec. Both of them are absolutely dead wrong.

The 1995 federal budget has in fact been very well received across this country, and significantly in all parts of this country, for three reasons. First, it launched a genuine and concerted attack against the horrendous problem of government debt and deficits. This budget is for real. It is not smoke and mirrors. It sets the government on a true and definitive course toward achieving our deficit reduction targets as promised in our 1993 red book platform. What we are doing in this budget is what we committed ourselves to do in the last election. We are bringing the annual deficit down below 3 per cent of gross domestic product over three fiscal years.

(1040)

Consider the problem of debt that we inherited when we came to office in November 1993. The annual deficit at that time was running in excess of \$40 billion a year. That was about 6 per cent of the country's gross domestic product. Think of this. The agriculture and agri-food sector of the Canadian economy, all included, amounts to about 8 per cent of our GDP. So the deficit, at about 6 per cent of GDP, was eroding three-quarters of the economic value of the entire agriculture and agri-food sector.

The total accumulated federal debt was running, when we came to office, at something in excess of \$500 billion. Interest costs were approaching \$45 billion or perhaps even \$50 billion a year. That works out to \$850 million every week, or \$120 million every day just to pay the interest. In fact, if we were to add together all the net incomes of every single farmer in

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Canada for the next ten years, we would barely have enough money to pay the interest on the national debt for one year. That indicates the magnitude of the problem. The problem is huge, it is urgent, and in that last budget it demanded swift and decisive action.

We have acted. We have met and exceeded our deficit reduction requirements for 1993–94. We have met and exceeded our deficit reduction targets for 1994–95. We will continue to meet our objectives with respect to the deficit in 1995–96 and in 1996–97. We will bring the deficit down below 3 per cent of gross domestic product within three fiscal years, as we promised to do. Beginning in 1996, for the first time in a long time, Canada's debt—not just our deficit but our overall debt-to-GDP ratio—will also begin to come down.

Yes, the budget is strong medicine. Yes, it is tough. However, Canadians have supported it because they know it is necessary to deal with the horrific debt and deficit problem that this government inherited.

The second reason the budget has broad and general support is that it is fair and balanced. It tries very hard not to single out sectors or regions. The toughness in the budget is evenly distributed everywhere.

There are two kinds of measures in the budget to deal with the deficit. On the one hand we have reduced the overall level of government spending; on the other hand we have increased the level of government revenues. For every dollar raised in new revenues there are nearly \$7 in spending reductions. That, of course, is consistent with what Canadians told us to do: focus on reducing spending.

When we add together the combined impact of all the budget measures, the spending cuts plus the revenue increases, and then analyse how that impact is distributed across the country, we find that in every region of Canada the budget's impact is closely in line with each region's share of the total population of Canada and each region's share of total federal government spending. The variations from region to region are only a few small percentage points, so there is a fair and balanced distribution of the burden.

With respect to agriculture, my department has not been singled out for any extra burden. In 1994–95 our budget was \$2.1 billion. Over the next three years we will reduce that budget amount by \$405 million, bringing it down at the end of the three-year period from \$2.1 billion where it is today to \$1.7 billion. That amounts to a cut of 19 per cent, and 19 per cent is exactly the average of all departmental spending reductions across the entire government. Most of the economic portfolios of government are reduced by an amount greater than 19 per cent. Most of the social portfolios of the government are reduced by an amount less than 19 per cent. Overall the full government average is 19 per cent. That is the reduction in the

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Department of Agriculture and Agri-Food exactly on average. We have done our share in the crucial fight against the deficit, no more and no less.

(1045)

There are some who argue that when transportation budget reductions affecting agriculture are added on top of the direct reductions in agriculture the percentage of all related spending cuts goes up above the 19 per cent average. This figuring is misleading. It ignores the transitional programming put in place by the budget to offset the impact of the transportation changes. When those transitional measures are added back into the equation over the next three years, as they must be to make a fair comparison, the impact on agriculture is on the average of that level of 19 per cent. Overall the balance is fair.

Within agriculture we have tried very hard to achieve internal balance as well. For example, in dealing with personnel costs we will be reducing our public service employee count by just over 2,000 positions. That is a reduction of 18 per cent, very close to the overall departmental spending reduction of 19 per cent.

The same can be said about our approach to different departmental spending programs. Take our income support programs for example. There are two major programs of that type within Agriculture and Agri-Food Canada. One is the dairy subsidy which is significant primarily in eastern Canada. The other is our farm safety net system which is significant primarily in western Canada. Both are being reduced by the same amount of 30 per cent. Again, there is fairness and balance, east and west, farm sector by farm sector and for agriculture overall in comparison to every other aspect of the economy.

This is the second major reason the budget has won general approval among the large majority of Canadians; that characteristic of fairness.

The third reason for budget support is we have coupled the hard reality of fewer government dollars everywhere for everything with a proactive agenda for renewal, restructuring and innovation to smooth the process of transition from the old economy to the new economy and to better position a sector like agriculture and agri-food to do better in every available marketplace in the world.

What I have heard so many times from farmers all over the country, whether in the east or the west, is they really do not want subsidies. What they want are fair market opportunities and decent prices from those markets from which to earn their living.

For this reason we are increasing our emphasis on market development and trade. Within our overall smaller budget a greater proportion than ever before will be directed toward gaining and keeping new and expanding markets. Similarly, with respect to research, the cutting edge of innovation to keep Canada ahead of the rest of the world, we have found a creative

way to save precious tax dollars while increasing the overall Canadian investment in agricultural research and development.

We will achieve about \$50 million in savings on research overhead and infrastructure over the course of the next three years or so. At the same time up to \$70 million in both public and private funding will be injected into research through joint ventures with our private sector partners. We are doing this through a new initiative called the matching investment initiative for research in agriculture. It is a program that thus far, even though it is very new, has been received very well by the agricultural sector.

We will maintain Canada's renowned reputation for the best agricultural inspection system in the world but we will also save money. We will do that through a combination of cost reduction, cost avoidance and cost sharing together with the introduction of brand new technology and the elimination of unnecessary overlap and duplication among government departments and between different levels of government.

(1050)

I am pleased to say that all my provincial counterparts are working very hard with me in the development of a national Canadian food inspection system to be top calibre, the best in the world and highly cost efficient.

We have also recycled some of our budgetary savings into a series of adaptation and rural development funds to assist in some of the necessary sectoral changes that must be made in the wake of the budget and to take advantage of future economic opportunities.

We have such a fund to help deal with the changes to be made in the feed freight assistance program. The Secretary of State for Agriculture and Agri-Food is now leading a consultation process to define the parameters for how that fund can best be used in those feed deficient regions of the country which have heretofore benefited from the feed freight assistance program.

As another example, within our overall spending envelope for farm safety nets there is scope for a series of innovation and adaptation funds to be established depending on the priorities and preferences of different agricultural sectors and the provinces.

This notion of an innovation or adaptation fund has been offered as old safety net schemes like the national tripartite stabilization program are phased out and as new safety net plans are developed, as is now the case in Saskatchewan.

In this direction with respect to the dairy program, apart from the subsidy reductions in parallel with safety net reductions elsewhere, we offered in the budget to undertake consultations with the Canadian dairy industry to develop the very best possible uses in future for the remaining subsidy moneys to enhance the industry's competitiveness. I know a lot of thought

is now being given to this suggestion by the dairy industry representatives in the country, including those in Quebec.

Another example of adaptation and innovation is with respect to a series of subsidy programs previously known as the Atlantic and maritime freight rate subsidy measures which will be discontinued as a result of the budget, but there will be transitional measures put in place with respect to those programs as well. That is under the purview of my colleague, the Minister of Transport.

In addition to all these issue specific funding initiatives, we have provided for a general \$60 million per year adaptation and rural development fund for Canadian agriculture over all. It will be used to enhance access to pools of developmental capital, to enhance human resources in rural Canada, to enhance farm safety, to enhance rural innovation and infrastructure and to offset some of the regional implications of transportation reform.

Let me deal briefly with that aspect of the opposition motion today which refers to western grain transportation reform. Here as well there is a program being put in place to ease the transition away from 98 years of subsidization. These transition measures are temporary, as all adjustment measures are. However, they are also specifically within the parameters of acceptability as defined by the Quebec coalition on western grain transportation. It is interesting that the member from Frontenac earlier today failed to observe that fact which indicates consistency across the country on the basis of certain principles.

The benefit from transportation reform for western Canada comes not from any form of ongoing subsidization because the subsidy will be ended. The western benefit comes from a new freight rate regime that eliminates discrimination in its structure against higher valued production, value added processing, diversification and economic growth.

The prime difference between our approach in the government and that of Bloc members is that, as we have heard today so far in the debate, they have a tendency to cling to the past. They seem to be rather intimidated by the future. I do not think, from what I have seen in my many encounters over the last 17 months as minister of agriculture, that intimidated point of view is representative of Quebecers.

(1055)

I have just returned from a sales mission, a trade mission with Canadian agriculture and agri-food representatives throughout South America. We visited Chile, Argentina and Brazil. Included in my delegation of private sector representatives was a broad cross section of agricultural representatives from Quebec. They were among the most outgoing, the most vigorous, the

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most aggressive in looking for new opportunities and broadening horizons, pursuing the future with great optimism and vigour. They did not seem to have this kind of negativism reflected in the remarks delivered today by the Bloc Quebecois.

For example, they were talking about the opportunities for the pork industry. They were not worried about any kind of transportation reform in western Canada. They were not worried about one region winning at the expense of another or one region losing because of something happening in another region of the country. What they were looking at together with their Canadian colleagues from across the country was broadening horizons, more markets, more trade opportunities, all of us selling more and doing better in the markets of the world rather than worrying about one group gaining at the expense of another.

If we have that kind of negative, inward looking defeatist attitude, we will probably end up being defeated. The secret for Canada's future is to broaden our horizons, to look outward, to take on the world with the confidence that we as Canadians have in agriculture and agri-food the very best products in the world to sell.

We have the most productive and efficient farmers in the world producing those products. We have a vital and vibrant processing sector. We have the capacity to excel in international trade and marketing and we do not have to worry about one market getting smaller because another is getting bigger. We must expand markets everywhere. We will all do much better in that new trading environment of the future.

That is the optimism we need to have. With that kind of attitude Canadians, all of us, within Quebec and outside, can take on the world and we will win.

[*Translation*]

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, I want to thank heartily the Minister of Agriculture for making the time in his heavy schedule to participate in this debate on agriculture today.

On the other hand, I would like to remind the Minister of Agriculture that there is a new dynamics in Quebec, in Canada and in this House in particular. I can remember in the years 1968 to 1970 and up to the 1984 federal elections, Quebec was represented in this House by 74 Liberal members and one Conservative, in the person of my friend Roch LaSalle. There was nobody to denounce inequities. That hurt the Minister of Agriculture.

Mr. Speaker, is it an attempt to set the West against the East? Is it an attempt to set the Maritimes against Quebec when we, Bloc members, elected representatives of Quebec, rise in this House to say, for instance, that Quebec's share of the \$3 billion budget for agriculture in 1993 was \$372 million, or 12.4 per

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cent. That is not even one eighth of the agriculture department's budget. Yet, taxes paid by Quebecers account for 23 per cent of the budget as a whole.

By denouncing inequities, are we trying to pit the West against Quebec? In the old days, the 74 Liberal members did not rise in this House to do so.

I am doing my duty today by stating loud and clear that \$300 million of federal agriculture expenditures went to Quebec in 1980, as compared to \$1 billion to Western provinces, and \$410 million as compared to more than \$4 billion in 1987.

(1100)

There are about 18 Liberal members from Quebec at present. When will the new member for Brome—Missisquoi for example rise in this House to defend the interests of the Brome—Missisquoi farm producers? Never. Is it an attempt to set the Maritimes against Quebec to state in this House that, from 1980 to 1987, federal expenditures on agriculture have grown six times slower in Quebec than in the rest of Canada?

The list of inequities goes on and on. I would like the Minister of Agriculture to give Quebec farm producers the same treatment given farm producers from his region, Western Canada.

[*English*]

Mr. Goodale: Mr. Speaker, I am very pleased to have the opportunity to respond to that question because it indicates a certain misunderstanding of the nature of agriculture in this country.

In western Canada the agricultural sector is dominated by export industries such as grain and beef. Those export industries have to compete of course in the marketplaces of the world. The expenditure levels referred to in the question were levels that were triggered by international trading distortions.

For example, the introduction by the United States of its export enhancement program caused the price of grain in the world to collapse and the obvious necessity for a government reaction within Canada. When those trade distortions occurred internationally, the level of government expenditure in Canada with respect to the grains industry went up accordingly to try to offset those international implications.

In eastern Canada, agriculture is somewhat more diversified. It tends to be dominated by domestic industries that have the advantage of a Canadian supply management system. As a result of that Canadian supply management system, those agricultural sectors in eastern Canada tend to be sheltered against international circumstances. They do not have to face the difficulty which has been faced in western Canada of those distortions in

international trade. It is a bit of a mug's game to compare the numbers because two systems which are not directly comparable are being compared and the numbers at the bottom line get to be a bit misleading.

The hon. gentleman may want to draw comparisons of the values provided by the Government of Canada to western Canadian agriculture compared with the values provided to agriculture in eastern Canada and make that east-west comparison. To do that he has to take into account the regulatory benefit provided to central Canadian and eastern Canadian agriculture by means of our supply management system which has in fact been worth billions to the agricultural sector in eastern Canada.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, at the outset I would like to say to the hon. minister that I have paid particular attention to his remarks today and I found them quite interesting. I agree with some of his statements, in particular the assessment of what took place during the debate on the rail dispute and how members of the NDP and the Bloc certainly acted against the best interests of all Canadians, including the interests of Quebecers which the Bloc purports to represent.

I too found it very disparaging that the NDP, the bulk of whose caucus comes from the province of Saskatchewan would act as it did. It certainly, in my mind, was not representing the best interests of producers and constituents.

I agree with some of the statements in the minister's remarks today. I would make a few further comments about his assessment of Canada's debt and the need to address it through spending cuts. That is certainly an area where Reform has taken the lead since the formation of our party in 1987. In fact it was a real driving force in getting our party started and attracting people to the Reform message and the Reform cause.

(1105)

We agree that cuts have to be made. We are not opposed to that and in fact our cuts would go much deeper. We have already outlined in great detail where we would make the cuts, not only in the department of agriculture and the area of farm subsidies, but also in all levels of government spending.

Another point has to be made in light of the minister's comments. I find it more than ironic that this Liberal government has suddenly discovered the advantages of having a free and open system of trade and trying to capture foreign markets. This is the same party which was opposed to the free trade agreement. It spoke vehemently against free trade when Reform was very supportive of the whole concept of a free trade agreement not only with the United States but also an expanded

one which would include other countries and the benefits which would flow to the Canadian economy because of that.

I find it ironic that the Liberals have such short memories not only with regard to free trade and the benefits of trade in particular for the agriculture sector but also for all the other sectors of our economy. They seem to conveniently forget that it was the Liberal Party that started us down this road of deficit spending. I can recall quite clearly in 1984 when the Conservatives were sent here with a massive mandate. They continually said that they inherited the problem. Now we hear the same thing from the Liberals.

My question for the minister concerns something I hear raised by grain producers in my area. I myself—

The Acting Speaker (Mr. Kilger): Order. The time is so short and if we want to entertain a response from the minister, whom I will have to ask to be brief, I would ask for the question.

Mr. Hill (Prince George—Peace River): Mr. Speaker, I was just getting to the question.

A concern I hear raised constantly about the payout of the WGTA is that it is the understanding of the producers that it is to be targeted to land owners. In the area I am pleased to represent a big percentage of our land, not the majority, but a big percentage of our land is owned by foreign owners. I would ask the minister through you, Mr. Speaker—

The Acting Speaker (Mr. Kilger): Order. I would ask the minister's co-operation for a brief response.

Mr. Goodale: Mr. Speaker, I understand that time is short and in order to deal with this issue might take more time than is available right now.

The budget indicated that in order to obtain the advantage of a capital gains tax treatment as well as for other reasons that the \$1.6 billion payment would be directed toward farmland owners. We also indicated a flexibility in wanting to hear from farmers and farm organizations about their preferences on that subject matter.

The consultations with farmers and farm organizations have been ongoing for the last two or three weeks. I expect to conclude them probably this week. I hope to be in a position to provide definitive direction on that question after the end of this week.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I am pleased to rise today to respond to the Bloc motion on the fairness of cuts in agriculture.

I will do this by first outlining the cuts in agriculture spending and making some general comments on the cuts. Second, I will ask some questions of the minister regarding the WGTA and the payout under the WGTA and other questions on efficiencies in

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the rail system and so on. Third, I will talk about the cuts to supply management and how they compare to cuts in other areas of agriculture. Finally, I will discuss some of the general shortcomings in the budget that impact on every Canadian and will impact heavily on farmers if more action is not taken by this government to get to a balanced budget within a definite targeted time frame.

The Bloc motion reads:

That this House denounce the government for reducing the general budget of the department of agriculture by 19 per cent and milk subsidies by 30 per cent and for converting grain transportation subsidies into direct subsidies to western farmers, thereby enabling the latter to diversify and enjoy an unfair competitive advantage over farmers in eastern Canada.

(1110)

This motion demonstrates that members of the Bloc are not evaluating this budget fairly particularly in regard to agriculture. I will outline the cuts in agriculture and then speak about some of the comparisons.

The budget clearly demonstrates that farmers have been asked to share an unfair amount of the burden of the cuts that were made by the Liberal government. I am not saying that the cuts should have been distributed evenly in terms of percentages in the different sectors of spending. I am saying that any way the cuts in agriculture are evaluated, they are unfair when compared to cuts in other areas of federal spending and they are unfair when compared to cuts in the agriculture department itself. I will demonstrate that by going through some of the numbers.

The overall cuts in the agriculture department spending amount to roughly 20 per cent over the next three years. The total funds available for 1994-95 were approximately \$2.1 billion. A 20 per cent cut means that under the Liberal budget \$445 million will be cut from the agriculture department.

Just to summarize the cuts, there will be an approximate cut of 30 per cent in safety net funding. Safety net funding is spread right across Canada. The safety net money provided by the federal government is spent in western Canada, central Canada and the maritimes. There will be an increase in the amount of user pay fees which will be spread right across Canada.

The subsidy for dairy farmers of about \$217 million a year will be cut by 15 per cent over two years, which is a cut of approximately 30 per cent. It will be cut to about \$160 million after the third year. Research has been cut substantially by the budget. Of course, research spending in agriculture is spread across the country.

Another major area of spending was cut by the budget which is not in the agriculture department but is a spending cut to farmers and agriculture. That is the end of the \$560 million a year Crow benefit. That is the largest single cut made to agriculture in this budget. Along with that there was about a \$99 million cut to the Atlantic Feed Freight Assistance Act and the

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Maritime Freight Rates Act. Those cuts were originally scheduled to end on July 1, 1995 but have been extended.

Looking at the summary of agriculture cuts we see about \$660 million in cuts to agriculture coming from the transport department through the cuts in the WGTA benefit, the old Crow benefit, the Atlantic Feed Freight Assistance Act and the Maritime Freight Rates Act. In addition there will be \$445 million in spending cuts in the agriculture department. That makes a total of \$1.1 billion which will be cut from agriculture by the budget.

I listened to the agriculture minister explain earlier that the cuts in agriculture have been in line with cuts in other sectors of federal spending. That is absolutely untrue. In fact, the cuts have been weighed very heavily to agriculture. My concern is that if similar cuts had been made to other sectors of federal spending, a balanced budget would have been presented in February. We would have had along with that all the benefits that come with a definite target for arriving at a balanced budget.

(1115)

When the cuts for agriculture and transport are put together it comes to about a 40 per cent cut in total agricultural spending. That is totally disproportionate when compared to other sectors of federal agricultural spending. It is almost a 50 per cent cut in direct payments to farmers.

How did the cuts to farmers, as outlined in the budget, compare to the cuts in the agriculture department itself? This is a valid point that the Bloc member has brought up today. He points out that farmers have been cut by almost 50 per cent when direct payments and payments on behalf of the farmers to the railways, through the WGTA and the feed freight assistance and so on are taken into consideration. When those payments are put together it works out to a 50 per cent cut to farmers compared to about a 20 per cent cut in the department itself.

Farmers in my constituency and farmers across Canada say that is not right. Farmers are generally saying they know they have to accept the cuts that were made because of the mess the finances of the country are in. They accept their share of the responsibility but they do not accept the fact that these cuts have not been balanced between spending for farmers and spending in the department. A 20 per cent cut in the department compared to about a 50 per cent cut in payments to farmers is not balanced.

I am not saying that these cuts should not have been made. Rather I am saying there should have been a better balance between cuts to farmers, cuts within the department and a better balance across the country.

The motion of the Bloc states that cuts have been unfair and that some of the compensation packages given have been unfairly weighed in favour of western Canada. I am going to talk a bit about that and explain that the cuts have been unfairly harsh to western Canada. I am not getting into a struggle between western Canada and central Canada. I am just explaining what

has happened in the budget. A little bit later I am going to talk about some of the real difficulties that the supply managed industry faces. They have very tough times ahead of them. I have concerns for farmers in the supply managed sectors but I will deal with that later.

One of my biggest concerns about the way the cuts were made is that the transition time farmers needed was not provided, particularly in regard to the Western Grain Transportation Act subsidy, the Crow benefit. For example, for farmers who rent or lease land the subsidy is cut off overnight. They will not have the approximately \$15 a tonne freight rate benefit paid to the railways on their behalf as of this year's crop seeding.

Over the next two months, those farmers who will be seeding their land will be asked to shoulder anywhere up to \$35 an acre in additional costs. The \$35 an acre is an extremely high figure. Normally the extra cost will be about \$15 an acre. That is an awful lot to ask farmers to shoulder with no transition time and no compensation package. For farmers who lease or rent land there is no compensation package in the budget.

The compensation package that has been presented is available only to land owners, except for farmers who rent or lease land from the Farm Credit Corporation. Those payments will be passed on to them. However, generally speaking, land owners have additional costs to shoulder immediately and no compensation.

I would like to ask the members of the Bloc if this sounds like an unfair situation weighed in favour of western Canada? Some of my other concerns were not so much with the way the cuts were made but with some of the things that were not done to allow the system to become more efficient.

(1120)

A limited amount of branch line abandonment will be allowed. We are very uncertain exactly which branch lines will be abandoned.

The agriculture and transport ministers have stated that the present car allocation system, based on historic car allocation, will be kept in place, at least for now. Keeping the old allocation levels in place will not allow for the changes needed to make the rail system work more efficiently.

The government will still be fully in charge and will fully control the Canadian Wheat Board. For years I have been arguing that Canadian farmers should be given control of the operation of the Canadian Wheat Board. Canadian farmers pay all the operating costs of the board. Why on earth does the federal government still control the operations of the Canadian Wheat Board? The answer is it should not. Canadian farmers should gain complete control of the wheat board. Then they could decide what they want the wheat board to be like, what they want the organization to be in the future. That was not provided for in the legislation.

Another thing that was not provided for that is extremely important is legislation that will prevent work stoppages in the area of grain handling and transportation. I have seen a lot of fingers pointed, even this morning, on this issue. I saw the agriculture minister point a finger at the Bloc and the NDP saying that they are responsible for the stoppage in the rail system.

I see it a little differently. I recognize that the Bloc and the NDP did stall the back to work legislation. It is beyond me to understand why. I do not understand why. They should not have, but they did. Let us take another step back from this. If the Liberals had done their job, we would never have had a stoppage in the grain handling and transportation system.

Since the debate that ended the lockout of grain handlers last February, Reform has called—and I personally have called—for legislation which would end the stoppages in the grain handling and transportation system. That is more than one year ago.

Over that year, again and again Reformers said not to let stoppages occur. It was evident there would be stoppages this year. There was no contract in place for several groups, unions and management, including rail transportation. No contract was signed. It was predictable there would be a stoppage.

When the Liberals blame the Bloc and NDP for the stoppage, they are only really telling half the truth. The other half of the truth is that the Liberals could have prevented this. Reform pushed them to prevent it and they just ignored our pressure. I encourage Canadians to recognize where the blame for this disruption really should lie.

I would like to talk now about how payments provided for in the budget will be made to the WGTA, dairy, et cetera. First, the \$1.6 billion compensation package seems to be the area the Bloc has targeted in its motion. Its members feel that is unfair. The farmers had the Crow benefit, which became the WGTA benefit, which subsidized rail freight to port position. It has been around for almost 100 years. At times the subsidy has actually been \$900 million a year. It is an incredibly large subsidy. Recently that has been reduced to approximately \$550 million a year, based on last year. The compensation payment is \$1.6 billion.

(1125)

Look at the way the compensation payment will be distributed. The phase out will only be available to farmers who own land, not those who are renting or leasing land. In essence, this provides a very short transition period for farmers who depend on this subsidy. Farmers will shoulder an immense extra cost for transporting grain to terminal positions as a result of the phase out.

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Also provided is a \$300 million transition fund. This is in place to help farmers deal with the termination of the subsidy. We do not know how the money will be spent and the uncertainty is very difficult for farmers to accept. It will be difficult not just for grain farmers, but alfalfa producers and processors that also used the subsidy.

Feed freight assistance will be eliminated entirely. The date was set back recently from that initially announced in the budget. Three hundred and twenty-six million dollars are available for an adjustment program regarding feed freight assistance. The compensation package will be available for farmers in the maritimes and in parts of Quebec, as will the \$1.6 billion be available to farmers in western Canada.

How do these cutbacks in the WGTA and feed freight assistance compare to cuts in dairy? The dairy subsidy will be cut by 15 per cent per year for two years. This subsidy can be passed on to consumers. In fact it has been announced that the increased costs will be passed on. I have some concerns about that.

People in supply managed industries will have a difficult time dealing with the changes that are going to take place. These will be as a result of more competition coming in, perhaps from the United States. This is going to happen. I do not doubt that at all. I cannot say for sure when or how but it is going to happen.

With regard to supply management, Reform feels that farmers should have the right to operate together as they do under supply managed systems. I refer back to 1990 when I was on the Reform agriculture task force that developed the first Reform agriculture policy. At that time we noted that supply management is moving toward a more competitive system. We said that government should not hide this fact from dairy and other supply managed farmers. Back then we recognized the need for government to be very honest about this.

I found that over the past six or seven years governments have not been really honest with supply managed farmers regarding their systems and how they will be subject to more competition in the future. That is really providing a disservice to supply-managed farmers, governments not being honest and open. If the Bloc really has any doubt that there is this movement to more competition in the supply-managed industry then I want to point out a few things that I think will show that in fact supply-managed farmers will be subject to far more competition in the future.

(1130)

I am not saying that I like the change I see. I know it is going to be very difficult for farmers in the supply-managed sectors. It is going to happen. I am not going to hide this from dairy farmers and from other people in the supply-managed industries.

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We are headed for more GATT negotiations in the year 2000. Under the present tariff levels there is good protection for supply-managed farmers. We are going to see a rapid reduction in tariffs resulting from the new negotiations in GATT around the year 2000. As a result of these negotiations there will be far more open access to Canadian markets on the part of American dairy farmers and other supply-managed farmers.

However, there is a more pressing negotiation that is going to take place, which will lead the supply-managed sector to more competition. That is the new NAFTA negotiations. Bill Clinton and Jean Chrétien announced that within four years Chile will be in NAFTA. That means new NAFTA negotiations within four years.

I would like to ask the members of the Bloc if they feel there is a realistic probability, better than a 50 per cent probability, that these new NAFTA negotiations will not include more access to the Canadian market for American supply-managed farmers. I believe the answer is no. There will definitely be more access to the Canadian market by American supply-managed farmers.

I do not believe the Americans will sign a new NAFTA deal that will allow Chile into this NAFTA group unless they are given more access to Canadian markets. I am not saying this is what I want to see; I am saying this is what I believe will happen. There is an extremely high probability that this will happen.

Any politician who pretends this is not going to happen is really depriving the farmers involved of transition time that they desperately need to deal with this very difficult situation. It is indeed going to be very difficult for supply-managed farmers.

Instead of taking a day in this House to debate the relative unfairness of the cuts between east and west, between Quebec and the rest of Canada, it would be far more productive to spend our time talking about how we can help, if we can help at all, supply-managed farmers to move to a competitive market system. It is an issue that is too important for us to ignore in the House.

In the future I look forward to the Bloc using an opposition day to deal with this subject. I believe it would be of far more value to Quebec dairy farmers and other supply-managed farmers in Quebec than this type of motion.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I listened with interest to the hon. member's speech, who wishes that, the next time, the Bloc will table an opposition motion on other aspects of agriculture. In the last year, the Bloc Quebecois raised the issue of agriculture on two different opposition days. If the Reform Party wishes to do so, it can use its opposition days to debate this issue.

We can probably agree on one point, I think. The 1995-96 estimates provide for the elimination of 429 jobs in the research and development sector of the Department of Agriculture and Agri-Food. The department's staff will go down from 3,454 to 3,015.

(1135)

We know that jobs in the research and development sector help build the future, but they are also career development jobs held by people with university degrees, technical training or some other more practical training, and these people help their industry develop and prepare for the future.

I wonder if the Reform member shares my view, which is also that of the Canadian Sheep Federation. The federation feels that the federal government is abandoning, without justification, a production in full development. Indeed, this government decided to pull the rug out from under sheep producers by completely withdrawing from the R and D sector of the sheep raising industry. Consequently, that industry, which must face market globalization and international competition, finds itself without any support regarding the development and the improvement of its products.

Does the Reform member feel that such penny-pinching on the part of the Department of Agriculture is a good solution? Would it not be wiser to maintain R and D support at its current level, or at least delegate that responsibility to Quebec and the other provinces, so that they can develop their agriculture? Why would the federal government withdraw from a whole sector of agricultural production after supporting it for years? Is this not an unacceptable decision? Is the Bloc not right in raising this issue in the House?

[*English*]

Mr. Benoit: Mr. Speaker, I also received the memo from the sheep producers, who expressed their concern about the cuts in research funding to their industry. I received the letter yesterday and I look forward to talking with the sheep producers to see exactly what will happen to research in that area.

With respect to the hon. member's comment that these petty cuts are not acceptable, there is an overriding concern resulting from the budget that requires that cuts be made. Most farmers I have talked with have recognized, reluctantly, that the cuts to their industry, while unfair, are absolutely necessary in order to deal with the severe fiscal problem we have. Again, I say they are unfair because they were not balanced between cuts directly to farmers and cuts to the department, and they were not balanced across the country.

The biggest concern of farmers is that the cuts did not go far enough. There is no definite target for the deficit being eliminated. I would like to address the impact of that on farmers. When the member spoke of petty cuts, I became very concerned because these cuts were needed, and more cuts are needed.

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However, I hope future cuts will be made in other sectors of federal spending in order to have some balance in the equation.

This budget did not go far enough. Our interest payments will have increased from \$39 billion, when the Liberals took power, to \$51 billion a year by the end of the three-year budget projection period, which ends two years from now. Those are interest payments on our debt alone. The result of that is an extra \$12 billion of taxpayers' money that is being spent on interest payments on the debt. Still, with the Liberal budget, the debt will increase by \$24 billion a year at the end of these three years. That means ever-increasing interest expenses.

Where is the money going to come from to make these ever-increasing interest payments on the debt? It will come from the taxpayers, and there are not enough taxpayers' dollars to pay for increased interest payments. That means that tax increases are not an option. That means that cuts will have to be made somewhere else in order to pay for these extra interest payments.

I encourage the government to take a step over the next five or six months to present another budget that will go far enough and set a definite date on which the deficit will be eliminated. I encourage them to do that. However, because that has not happened, and by not having enough cuts or a definite date for when the deficit will be eliminated, interest rate costs will be higher for farmers, because this continuing deficit has put upward pressure on interest rates. Lenders will be hesitant to lend; getting financing is going to be more difficult for farmers. There is also the threat to social programs, which will continue.

(1140)

So not only are farmers asked to share more of the cost, but there is a real threat to social programs, including pensions, health care and other social programs that they depend on and want.

I do not think any of these cuts can be called petty. In fact, this government must go further in the very near future or the damaging results will go way beyond the pain that has been caused by the cuts in this budget.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, I did not get a chance to listen to the first part of the hon. member's speech, but I did hear the last part where he was talking about supply management. He said that in his opinion supply management will be gone in a few short years.

One of the ministers who helped negotiate this is just leaving. I would like to know what the hon. member bases that assumption on, that in fact supply management is gone or is going to go, considering that I feel we had a very successful round of negotiations at the GATT and in fact supply management is very well protected, thank you very much.

Maybe the member can tell me what he bases that assumption on.

Mr. Benoit: Mr. Speaker, I would be glad to answer the member's question.

I base this on three main points. The first point has been well made by the lawyer representing the dairy farmers of Canada in their push to keep American products out of the market. They of course are saying that GATT takes precedence over NAFTA with regard to supply management. The lawyer who is representing the Dairy Farmers of Canada has said: "Hey, guys, you had better be careful here. The Americans have a very good case that in fact NAFTA has precedence over GATT."

As this member will well know, this lawyer—who represents the Dairy Farmers of Canada, not the Americans—has said that this is a real concern and that we had better be prepared for the decision going in favour of NAFTA having precedence over GATT. If this happens then supply management as we know it is in jeopardy immediately.

The next major thing that threatens supply management as we know it is the NAFTA negotiations around letting Chile into the NAFTA family. Our Prime Minister and the President of the United States have said that within four years Chile will be part of the NAFTA family. When that happens, and as those negotiations take place, I believe Americans will demand that Canadian markets be opened up to their products in the supply-managed area. That is the second very real threat to supply management.

The third threat is the new GATT negotiations, which will take place starting in the year 2000. I believe those new negotiations will in fact lead to a rapid deceleration in tariffs protecting the supply-managed industry.

I do not like saying these things to supply-managed farmers because I know this is going to present a great difficulty and a real challenge for them, but I am not going to hide it. I am going to be very honest and open and say: "I believe this is what is going to happen. Take any time you have to prepare yourselves for this major change."

[*Translation*]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, when the opposition chose to focus on agriculture on this opposition day and especially on the budget cuts, our intent was not to say that we have something against budget cuts when they are needed.

Canadians throughout the country, including Quebec of course, realize that we do not have any choice. With the economic situation being what it is thanks to the previous Liberal and Conservative governments, we have to cut.

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(1145)

But when the taxpayers are asked to tighten their belts, they want to know why and for what purpose.

As a member of the Bloc Québécois representing a mainly rural riding, I know that our farmers and milk producers are wondering what would be the point of making such sacrifices. What does the government intend to do? What is the government aiming for when it cuts in my industry instead of somewhere else? Is the government trying to put our financial house in order so that we can all compete more efficiently against each other in Canada? Is the government making short-term cuts in order to help farmers in Quebec and Canada better compete on the world market in the medium term? Or has the government simply decided that to pay back our debt it has to cut spending wherever it can, since the important thing is to cut?

Under these circumstances, no one will agree to make such sacrifices.

I am sorry, Mr. Speaker, but I should have told you at the beginning of my speech that, starting with me, the speakers will be sharing their allotted time.

I was saying that the way the cuts are made seems unfair to us. In fact, the government announced the elimination of the \$560 million annual subsidy known as the Crow rate and—others have pointed it out before me but I think it is worth repeating—that subsidy primarily benefited Western farmers through low grain transportation rates. However, to help farmers adapt to the change, the Minister of Finance will give them \$1.6 billion as compensation for the loss in value of their land, \$1 billion in loan guarantees to buy grain and \$300 million over a five-year period to facilitate the transition.

These could be seen as satisfactory measures. We could say: “Good for them. The cuts will not harm them too much since they will get compensation”. The problem is that when the Quebec producers compare their situation with that of others, they see that they are not treated fairly. Take milk producers. The Minister of Finance will reduce the subsidies to milk producers by 30 per cent over two years, which represents \$70 million over a current budget of \$300 million. There is no financial compensation to help Quebec producers absorb this major cut.

We show compassion for the Western farmers, we feel sorry for them and we give them compensation, but when we talk about Quebec farmers, we tell them: “You are used to suffering, you are tough, so we will not give you anything, it is your problem”.

The government gives \$2.2 billion in subsidies to Western farmers, the vast majority of whom will recover their losses, but it will not give a single penny in compensation for the cuts that will primarily affect Quebec farmers.

In the face of such flagrant favouritism, can we really talk about a fair and equitable budget? I do not think so. The impact of these inequitable measures could be very harmful for Quebec farmers.

The Fédération des producteurs de lait du Québec argues that with this generous compensation package, Western farmers will have no trouble competing with Quebec farmers, who will be struggling with the cuts. Is that what the government wants? This is the question I asked at the beginning.

(1150)

Does the government want to give some farmers an advantage over other farmers in Canada? Does it want to specialize farm production? Does it want to specialize crops? If that is what it wants, it should say so. Maybe it would help farmers become more competitive. However, if all farmers specialize in the same production both in the west and in the east, then Canadian farmers will find themselves competing with each other.

This might work under different circumstances, for example after a victory in the Quebec referendum. Then it could become healthy competition and the same taxpayers would not be paying twice. Taxpayers in Quebec would pay to promote their own products and taxpayers in the rest of Canada would pay to promote their own products. Quebec is certainly capable of responding to this challenge. However, it is not willing to pay for the development of both its products and those of western producers. It is unfair and totally unacceptable.

We could talk about hog farmers in Quebec who are also threatened by these cuts in subsidies. The compensation given to western farmers creates a distortion on agricultural markets that will be very costly to Quebec farmers. The 30 per cent cut in subsidies to industrial milk producers is particularly unfair because it so happens that Quebec dairy farmers produce over 47 per cent of Canadian industrial milk.

It always boils down to the same question: What is the purpose of asking Quebecers to make such a sacrifice? Quebec farmers account for 47 per cent of the total production and they are being asked, without any compensation, to keep producing and to remain profitable. Does the government really want to help the dairy industry in the medium and long term or does it want to encourage other provinces to compete with Quebec?

An hon. member: Good question.

Mr. Laurin: There is another aspect of this budget that we need to talk about as it relates to agriculture. Despite the fact that the federal government promised in the red book not to cut research and development spending, Mr. Martin's budget makes drastic cuts in R&D spending.

In the Department of Agriculture, as mentioned earlier by a previous speaker, research budgets will be reduced by 11 per

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cent over the next three years. Seven research centres will be closed, two of them in Quebec. The closing-down of the centre in La Pocatière, for example, will eliminate 30 jobs and result in savings of \$1.5 million and that of the farm in L'Assomption will eliminate 19 jobs and result in savings of \$1.3 million.

Yet research is the most important ingredient in the creation of jobs, and the development of agriculture and animal production. What would you think of a farmer who has to reduce his costs and decides he is going to stop buying seeds? That will be a fine way to cut spending, but at the same time, it will cut all his income.

We are acting exactly the same way when we start cutting research and development. We keep producing with the same methods and they eventually become obsolete. We forget about the future and our products become less competitive because our production procedures are obsolete and we cannot lower our costs.

An hon. member: There is a lack of vision.

Mr. Laurin: That is all part of the planning problem I was talking about at the beginning of my remarks. That is what is lacking with this government. Cuts were made not because the government has a well thought-out plan, but because cuts had to be made.

(1155)

To give you an example of the slash and burn policy of this government, let me deal once again with the closing-down of the farm in L'Assomption in my riding. A lot of research and development was being done there. They had new horticultural products ready for marketing. Those products would have been viable; a fine example of applied research. The whole farm was cut anyway.

The government put up a new farm building in L'Assomption at a cost of \$3.5 million. It was inaugurated last fall. This year, it is being closed down and 19 employees are being sent home. What about the equipment there? They do not know yet what they will do with it. Is this the kind of planning we can expect from this government? Is this the way the government intends to deal with the most viable research and development resources in Quebec? If so, the Bloc Québécois cannot stand and watch while Quebec farmers are being treated unfairly, as will be very well demonstrated by other Bloc speakers today.

This kind of situation cannot be tolerated and this is why we will speak loud and clear against that.

[*English*]

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I heard the hon. member talk about a loss in jobs, particularly in the research area.

Everyone is concerned about losing jobs in research. We all know the importance of research. It is one of the top priorities Reform has targeted in our budget and in past documents dealing with the budget.

I agree with the Liberal philosophy with regard to research. I believe that at least what they say is the best approach to take regarding research. Research should be targeted better. There should be more partnerships developed with the private sector so taxpayers dollars are in with private business dollars to form partnerships to end some of the duplication in research and to spend the research dollars better. Private business needs to take a bigger role in targeting research so research is being done in the areas most likely to pay off well to business in terms of improvement. In this case we are talking about agriculture.

I agree with the Liberal philosophy presented with regard to research. I am concerned about the loss of jobs in research. We cannot afford to lose the research. There is room even in research to do a better job with the dollars we have.

While I agree with the member's concern about the loss of jobs, I ask the member for his comments on the loss of jobs that will result from the cuts the government has made not going far enough. In other words, there is no definite deficit target set in the budget. Because there is no definite target business will not have the atmosphere it needs to expand and or new businesses to be set up. As a result there will be fewer jobs in the future and certainly the jobs that could come—

The Acting Speaker (Mr. Kilger): I will take a moment to express the Chair's dilemma.

[*Translation*]

We have a topic of great importance. Many members, on both sides of the House, from all parties, have already indicated they wanted to take part in this debate. If we are going to share our 20 minute speaking time, and break it down into two 10 minute periods, each followed by a 5 minute question and comment period, I would ask all the speakers from all parties to keep their questions simple, direct and short, so that the member who just delivered his or her speech can give a proper answer. Everybody should keep this in mind. And I hope that we can proceed in this fashion.

I give the floor to the hon. member for Joliette.

Mr. Laurin: Mr. Speaker, I will give a short answer if you can tell me how much time I have left. One minute. My answer will have to be short.

What I wanted to say when I spoke about the farm in L'Assomption as an example of the government's lack of planning is that a week before it was closed down, the employees did not know the experimental farm was to be closed down.

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(1200)

Six months before closing down, a new building worth \$3.5 million was opened with a ribbon-cutting ceremony. Now, the annual operating budget was only about \$1.3 million. The farm did not cost a lot to operate, but it was very productive and yielded very interesting results. In fact, it was just about to sign agreements with the private sector, but this was ignored, because cuts had to be made. I would not be surprised to hear that the real target was the farm at Saint-Jean-sur-Richelieu, and that it has not been hit because closing down the military college was already quite enough.

Thus, the government did not want to add the experimental farm at Saint-Jean to the list, so it chose two others elsewhere, thinking that everybody would be satisfied and that they were free to cut. That, Mr. Speaker, is what we want to denounce.

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, I am pleased to speak to the opposition motion introduced by my colleague, the member for Frontenac. In Quebec, since the general assembly on the rural sector in February 1991 and following the summit on agriculture in June 1992, we have seen the rural and agri-food sectors begin to join forces with the common goal of gaining a share in new markets. This was the expression used by the then president of the Union des producteurs agricoles, Jacques Proulx, and I use it today because it describes so well the vision which drives our agri-food sector.

The stakeholders in Quebec want to regain local markets and gain access to international ones. In this respect, one of the approaches that the agri-food system favoured at the summit held in Trois-Rivières consists in stepping up research, development and technology transfer, which are part of the strategy to gain a share in new markets. With Mr. Martin's budget, the Liberal government made cuts in research and development, which led to the closing of two research centres in Quebec, the La Pocatière and L'Assomption centres.

Once again, the federal government makes cuts unilaterally without taking into account the consensus of those most concerned. Quebec's agri-food sector is trying to adapt to the challenges it is facing at the end of this century and it will need all the help it can get. Research centres are a valuable tool.

Quebec's milk producers relied on research and development results from different sources in order to increase their herd's productivity, and they were very successful in doing so. As proof of this, Quebec's dairy herds are among the most productive in Canada and rank well at the international level.

This is a good example of Quebec's producers taking results of research and development and incorporating them into their day-to-day operations. The whole rural community benefits

from the research and development, which in turn ensures the community's survival.

On another connection, I would like to draw my colleagues' attention to the budgetary cuts made at the Food Production and Inspection Branch concerning the application of Agriculture Canada's activity plan. Since April 1, 1995, slaughterhouses recognized by the government have had to pay part of the cost of food inspections. These businesses must, as a prerequisite to their certification, conform to Canadian standards on the design of slaughtering and storage installations and, subsequently, to standards on the maintenance of sanitation.

Consequently, these are important investments, particularly for small businesses in rural communities which cannot take advantage of the economies of scale and the proximity of a sufficiently large market. Imposing charges for meat inspection is detrimental to small slaughterhouses. Moreover, it will penalize rural municipalities where these businesses are located. The government says it wants to create jobs, but adopts measures which jeopardize jobs. As an example, in my riding, there are two businesses which will have to clear this new hurdle, or close their doors. Some fifty jobs could disappear.

(1205)

In a recent letter that I received on that issue, the Minister of Agriculture said that he was in favour of talks and cooperation with national sectoral stakeholders so that they could find some options relating to cost sharing, programs restructuring and changes in service delivery.

Should the minister not have waited to find solutions, in cooperation with stakeholders, before applying a tariffication? And how will he consider the duplication of inspection services, particularly between the Quebec Department of Agriculture and Agriculture Canada?

At the États généraux du monde rural, Quebec stakeholders as a whole wanted a shift of political powers from the top to the bottom. The minister could take advantage of this people's willingness to put an end to the duplication in this sector and to guarantee Quebecers that they will only have to fund one inspection service and that it will be non-partisan because administered entirely by the government.

Since my riding is made up of agricultural and forest areas, I would like to deal with the impact of the federal withdrawal from the funding of operations in private woodlots. In the Champlain riding alone, private woodlots harvesting provides direct and indirect jobs to several hundreds of people. Also, several municipal governments collect property taxes through developments and value added to private woodlots.

In 1992-93, in Quebec, the federal funding of private woodlots generated \$71 million in profits for businesses and operators, \$30 million in salaries and \$12 million in taxes going back

to the government. So, we can consider that the government's involvement in private woodlots is an investment.

For each million dollars invested in private woodlots, between 40 and 50 jobs are created, whereas the national infrastructure program only generated the equivalent of 10 job-years for each million dollars invested.

The Bloc Québécois is asking for a transfer to the provinces of federal funds and related responsibilities, which should better serve the interests of forest producers and workers.

In conclusion, I urge the federal government to put an end to the duplication of services and to give back the powers and the budgets to provinces that were able to get organized and to establish equivalent services that better respond to the people's concerns and needs.

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I wish to congratulate my colleague and neighbour of the riding of Champlain for the excellent speech he made on agriculture. He raised a point in which I have a particular interest and it is inspection. I have heard about that issue and the situation is worse than what I was told.

I would like to hear his comments, especially on the issue of impartiality that he raised. Are we to understand that inspection costs which were paid for impartially by the government in the public interest will from now on be paid for by producers, thereby placing the inspectors under the control of producers? If so, they will be at the mercy of people acting both as judge and as jury.

Does it mean that the public interest in that area will from now on be threatened by privatization which is expanding and perhaps being implemented drastically?

Mr. Lefebvre: Mr. Speaker, I thank my colleague and neighbour of Trois-Rivières. There are cases in my riding that I would like to quote as examples. I refer to small packing plants with between 15 and 25 employees. In the past, the costs of monitoring sanitation of premises and wholesomeness of food were paid for by the government. The last Liberal budget imposed that extra monetary burden on small packing plants. I believe that small plants cannot compete with larger plants and this is an inequity in the federal budget.

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, I really wanted to take part in this debate because, as you know, my colleague, the hon. member for Champlain, sits on the Standing Committee on Agriculture. In the past, he has always demonstrated a keen interest in agriculture.

(1210)

However, I would like to hear his comments on the issue of research and development. As he mentioned, unfortunately for

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the province of Quebec, two research stations will be closed, one at L'Assomption and the other at La Pocatière.

I remember the day I was sitting on a committee on agriculture with the hon. Eugene Whelan, as a guest witness. You must have known him very well, since he has made a significant contribution in this area. He used to say to us: "Each dollar we invest in agriculture has a \$7 return."

I would ask the hon. member for Champlain whether he would agree with the hon. Eugene Whelan and, if so, how he can justify the cuts the Liberal government has made in agricultural R & D?

Mr. Lefebvre: I want to thank my colleague from Frontenac for his question.

We know that all the farmers in Quebec really need research and development activities.

I have here a research and development federal strategy report. Each year, the federal government invests almost \$6 billion in research and development, not including the tax credits which account for \$1 billion each year. Almost 60 per cent of the federal contribution to research and development, excluding the tax credits, are invested in domestic research done by federal laboratories, which include all the departments. The rest is broken down as follows: industry receives \$977 million; universities, \$960 million; foreign researchers, \$286 million; and others, \$210 million.

On the whole, federal spending in research and development benefits Ontario. In 1990-91, Ontario received 53 per cent of the federal spending, while Quebec got 19.5 per cent. Yet, Quebec's industrial structure does not warrant such small investments by the federal government.

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, I would like to mention that I will be sharing my time with the hon. member for Durham.

I rise today to participate in this debate on the motion of the hon. member for Frontenac which was no doubt prompted by the hon. member for Saint-Hyacinthe—Bagot. For these two members, agriculture is to Quebec what federalism is for the Bloc. They understand nothing about it, they simply do not believe in it, they are blocked.

The budget was tabled in February and the reaction was good on every front. If we want our country to continue onward and if we want to maintain all the services we are so attached to, we must put our financial house in order. Mr. Martin's budget does just that. It is focused on reduced expenses, not on tax increases. For each additional tax dollar, expenses are reduced by \$7. We are striving for healthier finances by trying first to ensure growth and create jobs. Some very difficult decisions had to be made and this government had the courage to make them. This is what responsible government is all about.

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Good common sense prevails now, at least on the Liberal side. We have chosen to head towards better control of the deficit and we are on the right track. We made some tough choices in order to save our social programs, our social security and our standard of living.

The impact of the 1995 budget will be no greater for Quebec's agricultural sector than for any other province or sector. I would like to adopt a slightly different approach here and explain what exactly is the importance of Quebec's agricultural sector within the Canadian agricultural and agri-food sector as a whole.

The latest data on agriculture in Quebec are very impressive and show a very dynamic, sustainable and promising sector. For example, the agri-food industry generates 5 per cent of the Quebec GDP and 4 per cent of all the jobs in Quebec, which is approximately 130 000 direct jobs.

The most important primary industry in Quebec is the agricultural and agri-food sector. It is first among the manufacturing industries.

(1215)

As for the data comparing Quebec to the rest of Canada, the province of Quebec is doing very well. In fact, the Quebec agri-food industry accounts for 22.4 per cent of Canadian agri-food GDP and 25 per cent of manufacturing shipments. Moreover, 19 per cent of agricultural revenues, 37 per cent of the milk produced in Canada, including 47 per cent of industrial milk, also come from Quebec's agricultural sector.

If we add to these figures the fact that 33 per cent of Canadian exports of pork and 9.6 per cent of total Canadian exports are also from Quebec, it is obvious the province of Quebec has a very prominent place in the agricultural and agri-food industry in Canada.

Within the Department of Agriculture and Agri-food, it is a well-known fact that the success of the agricultural sector is due mainly to the efforts made by all the stakeholders.

However, no one can deny the contribution made by Agriculture and Agri-food Canada in many initiatives aimed at, first, ensuring the viability of agriculture and the prosperity of the agri-food industry; second, ensuring long-term financial security; third, promoting growth and diversification, as well as employment in the rural areas; fourth, ensuring the viability of the resources and protecting the environment; and fifth, maintaining a supply of top-quality wholesome foods.

It is to be noted, among other things, that the interests of the Quebec agri-food industry were very well represented by Agriculture and Agri-food Canada in international trade and in the

discussions on the Canada-U.S. Free Trade Agreement or NAFTA which followed and the GATT. Moreover, Quebec producers and processors have already begun to take advantage of the numerous opportunities and things should develop faster in this era of market globalization.

And what about the four research centres established in Quebec for the benefit of the Canadian agricultural community, the natural resource conservation programs and the participation of Agriculture and Agri-food Canada in initiatives aimed at reducing nonpoint source pollution, like Vision 2000.

I would like to remind members in the House that since joining the cabinet the current agriculture minister has always worked in close partnership with provinces, the private sector, educational institutions, farmers associations, processing sectors and Canadian producers as a whole.

Co-operation and consultation will continue. The agricultural sector will continue growing very rapidly in Quebec and in Canada. Constituents from Brome-Missisquoi are proud to have elected a Liberal member of Parliament who is ready to act in the interests of all farm producers, from Brome-Missisquoi as well as elsewhere. They chose to go with the dynamism, the transparency and the consultation I offered them as opposed to the consistent blocking by the Bloc. Only a flexible federalism will allow us to continue developing in a secure environment within Canada.

Dairy farmers, hog producers, grain producers, apple growers and others, the whole processing industry are and will go on experiencing great changes in the vast world of international trade.

Instead of griping, instead of blocking the interests of the farmers, let us help them.

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, I may remind you once again that in October 1993, Quebecers and Canadians opted for a change, but especially Quebecers.

Before 1984, there were 74 Liberal members in this House, similar to the member I just heard. Today, Mr. Speaker, there are at least 53 members of the Bloc Québécois who are prepared to rise in this House to condemn inequities. During the last election campaign to which the hon. member referred earlier, I followed him around for a few days, but he was always hidden away, while I was around his riding. I often went to L'Encan Lafaille et Fils.

(1220)

I suggest the hon. member go and talk to the farmers next Monday, at L'Encan Lafaille in Coaticook, and ask them what they think of the Martin budget on agriculture. This guy does not have a clue about what is going on. He should go and talk to the UPA on Bourque Boulevard, just outside his riding, near Magog, and find out what the UPA in Sherbrooke has to say about the

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Martin budget, especially the cuts in the dairy sector. He should read *La terre de chez nous* and find out what the farmers think about his government, and he will realize they are not very happy.

Why not talk to the farmers he did not meet during the election campaign, because he refused to have a debate? He does not talk about it, he tries to evade the issue, and when Quebec was represented by 74 members, 74 sheep, this attitude did a lot of damage. In concluding, I suggest the hon. member go to Bourque Boulevard. Next Monday, and if he does not know how to get there, I will go with him, he should go to L'Encan Lafaille, to talk to the farmers. Then he might realize what is really going on.

It is all very well to have a bunch of lawyers, but a bunch of farmers defended by farmers is even better. So I would urge the former president of the Quebec Bar Association to take a stand in favour of agriculture.

Mr. Paradis: Mr. Speaker, as concerns going out into the field, I remind my hon. colleague that I have just returned from an electoral campaign during which I met a lot of farmers in Brome-Missisquoi. Afterwards I also met farmers from other regions. I thank the farmers from Brome-Missisquoi for having voted Liberal in the last election. I feel very grateful for the confidence they placed in their humble servant. I thank them sincerely.

I want to go back over the issue of research and development that the official opposition mentioned a few minutes ago. Several Bloc members mentioned R & D in relation to this debate. It would be a good idea to check if the Quebec Minister of Agriculture, a good friend of theirs from their PQ head office, heard what the Bloc members said. In fact, this provincial minister just tabled a budget in the Quebec National Assembly. In the tabled documents, it is mentioned, under "Education, Research and Development", that funding in this area will drop from \$45 million to \$41 million. They are cutting \$4 million from research and development.

The Bloc's friends in the head office cut funding for research and development by \$4 million. We should at the very least send forthwith a copy of Bloc's remarks about research and development to their head office as well as to the Quebec Minister of Agriculture.

[*English*]

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I have had some experience with farming. This time of year we would normally be out on the land cultivating. Most of the farmers in Durham are doing just that. I sometimes wonder if they are not better off than I am sitting in the House.

In my riding of Durham one in five jobs is food related; 2.8 per cent of provincial milk production is from farmers in Durham. Our grain sales are over \$10.5 million. We have won worldwide acclaim for livestock and crops. One can see farming is no strange animal to the people of Durham.

One million, eight-hundred thousand Canadians are engaged in the vocation of agriculture. It accounts for 8 per cent of gross domestic product and 15 per cent of the Canadian workforce, clearly a very important industry.

Agriculture is a shared jurisdiction and there are some very good reasons for that. This has occurred from the time of Confederation and continues today. One thing we have in common is we all must eat. Clearly it is very important to produce our agricultural products efficiently, to transport them effectively and to continue Canada's excellent reputation in the export of agricultural products.

(1225)

I will discuss quickly how in some ways Quebec benefits by this shared jurisdiction. The argument laid out today is that somehow the agricultural sector of Quebec has been subsidizing some other aspect of agriculture within the country.

In 1990, Quebec—these are total government spending and taxation figures—received \$35.1 billion in federal government spending. It paid \$24.5 billion in taxes. Clearly there is no subsidization process here. This is just a trick with numbers taking one aspect of that spending and taxation system and expanding it to make a big argument.

Quebec benefits in many other ways. In the GATT negotiation our government argued very strongly and very effectively to protect our supply managed industries. High tariff walls will prevent a quick reduction in commodity prices in Canada. All farmers in Canada have benefited but certainly the people in Durham, a large dairy farming area, have expressed their appreciation for what the Government of Canada did for them. I am sure Quebec dairy farmers feel similarly.

When the supply management system was established in Canada, of the industrial milk quota, Quebec had 48 per cent of the industrial milk production. That is what is owned currently by Quebec farmers.

In research and development, and we have touched very briefly on that subject, I have an interesting quote from the member for Quebec East, the agricultural critic of the Bloc: "There is no doubt that with regard to research Quebec is not unfairly treated at agriculture Canada". Clearly even the Bloc has recognized it is not unfairly treated within our federation.

The federal government spends approximately \$360 million in Quebec in the area of agriculture. Quebec's agricultural production which it sells within the country is three times

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greater than what it exports. Clearly Canada is a major market for Quebec produce. Over one-third of the total production of Quebec agriculture is sold within Canada. Much more of that is consumed within the province. Canada is a major consumer of Quebec products.

The federal government today has 1,400 employees engaged in Quebec assisting with agriculture. By reducing subsidies, and I believe this is the essence of the motion before us, we will increase flexibility within the agricultural sector.

This is what the members of the Bloc have been arguing for over the last year; reduce grain subsidies, reduce transportation subsidies to the west. That is what we have done. The Bloc today should be rejoicing rather than having motions of this type complaining about the fact that it has happened now.

By reducing subsidies we are giving farmers the ability to be more innovative, to produce value added crops in Canada. Why do we ship raw materials all over the world while other people ship us finished goods? This is something Quebec and western farmers, indeed all farmers in Canada, have to address.

The farmers in my riding have not complained about the 30 per cent reduction in the subsidies for industrial milk production. They do not like it but they understand it and they are less concerned about it. When the budget came down they told me to make sure the negotiated stand by the government for them under GATT is maintained.

In 1993 Quebec's agri-food industry reached \$1.2 billion, 9 per cent of the total Canadian market proceeds. In the last 12 years Quebec farm income has risen 67 per cent. Quebec farmers have the highest per capita income of all farmers in Canada. Here they are complaining about agriculture. It seems odd to me.

(1230)

Let us get back to discussing co-operative federalism and why this is a shared jurisdiction. The report by the Government of Quebec only last year showed that the two levels of government work well together. This was its concluding remarks. Overlap and duplication are minimal, estimated to be less than 1 per cent of combined federal-provincial spending.

In July 1994 the federal and provincial agriculture ministers reaffirmed their commitment to work together to ensure that agricultural exports in Canada will reach \$2 billion by the year 2000. Canada at one time had 3.5 per cent of the entire global agricultural trade. This has slipped over the last two years. This joint federal and provincial task force has reset those goals to take Canada back into the area of 3.5 per cent of global agricultural trade. A federal-provincial development council has been established in order to reach these goals.

This creates one single window of opportunity so that all aspects of agriculture in Canada will be able to market their

programs internationally. Indeed the federal government has donated and committed 50 full time federal employees to attempt to penetrate 150 foreign markets throughout the world.

In summary, by continuing to co-operate federally and provincially to solve the problems of agriculture, to work on our research budgets, hopefully not meaner, but leaner and more effectively, will make Canada a world leader in agricultural product marketing. It will also make for a more efficient industry within our borders.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, in his speech, the hon. member mentioned one item which I find very relevant. He wondered why we are so dependent on imports and why some regions in Canada are not self-sufficient.

In this regard, he shares the view of the Canadian Sheep Foundation which claims: "The Canadian government is abandoning without any reason a production in full expansion". How can the hon. member explain his government's decision to discontinue its research and development assistance to an industry whose self-sufficiency, throughout Canada, has gone from 23 to 45 per cent since 1976? Why are we informing the sheep industry that we are abandoning our research and development efforts, that we intend to rely even more, if possible, on imports?

How can the minister justify such a decision? We are not talking about protecting the Quebec market only, but about the conclusions of the Canadian Sheep Foundation, which is as-tounded by the decision.

My other question to the hon. member relates to shared jurisdiction. How can he explain that, in La Pocatière, where an agricultural technology institute run by the Quebec government and a federally-funded experimental farm are located, we are closing the farm without even informing the Quebec government, without proposing any other use for the buildings? Is that not another example of the major negative impact of shared jurisdictions such as the one that exists in agriculture?

[*English*]

Mr. Shepherd: Mr. Speaker, I thank the hon. member for his question regarding the closure of one of these facilities.

Of course it has been necessary to rationalize research facilities throughout Canada. This is not just in agriculture. It deals with industry. It deals with technology. In all kinds of aspects we have had to wonder whether we need bricks and mortars in different parts of the country.

Technology and research do not necessarily need a building. I notice that much of our technology can be done out of people's houses these days. Whether we have bricks and mortars in Quebec or bricks and mortars in Manitoba is somewhat irrelevant to say the least. I note also that the agricultural facility here

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in Ottawa is downsizing. In fact, a lot of its facilities have been transferred to the province of Quebec.

(1235)

The member has an interest in lambs and sheep but I must confess that I am not competent to discuss this matter. I would suggest that there is possibly a degree of rationalizing. Clearly we cannot be competitive in all agricultural products; we must pick those areas in which we can excel.

I am not saying that is not true for lambs and sheep, but I suspect there are only so many industries within the agricultural sector in which we can effectively compete. This area has a lot of competition from Australia and New Zealand. I would have to study how efficient our industry is relative to theirs to answer the question properly.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I would like to advise you right off that I will be splitting my speaking time with the hon. member for Shefford.

I am using this opportunity to speak on this agricultural day to draw attention to a highly questionable decision taken by the federal government in its recent budget.

On budget night, it was announced that the experimental farm at La Pocatière would be closing. As it is located in my riding, it is clear I find the closure unacceptable and will prevent it from happening. What surprised me most was the justification given for the closure in the Department of Agriculture's estimates. According to the estimates for the agriculture department, the facility is being closed because sheep and lamb are low priority products. I would like to prove otherwise to this House.

In my region, the agri-food development strategy was made a priority for the entire regional county municipality of Kamouraska. The lower St. Lawrence regional co-operation and development council incorporated it as one of its priorities as well. Up to this point, you might argue that this is normal, as it is a matter of regional interest. However, even the Canadian Sheep Federation together with the Fédération des producteurs d'agneau et de mouton du Québec feel that the Government of Canada is abandoning without justification a type of production that is in full development.

Why do we say this? Are these empty words, or are they based on some reality? My research indicates that, between 1976 and 1992, we increased our rate of self-sufficiency in Canada from 23 per cent to 45 per cent. In other words, during these years, sheep production took on a larger role in the economy and contributed to Canadians' wealth. More than that. Between 1971 and 1991, the herd increased by 8.7 per cent. In Quebec, between

1971 and 1991, the number of animals grew from 88,000 to 121,000—an increase of 37 per cent.

Therefore when the Minister of Agriculture says that this is a low priority product, I am hard pressed to find justification for his position, since both production and consumption have substantially increased. The market is expanding as a result of significant levels of immigration in Quebec and Canada. Indeed, for many cultural communities, lamb is part of their culture and part of their traditional food.

Then why cut in this area? We must understand how important research and development are for any industry. The dairy industry in Quebec, Ontario and Canada was not built on nothing. Research was done to make animals more productive, to improve milk quality and to manufacture better secondary products.

As for lamb and sheep, we were in the process of doing the same. I am going to give you some examples of research projects which were being carried out at the experimental farm in La Pocatière, so that you can understand that what is done there is not harebrained research, but something very concrete, which was going to help the industry.

For example, the farm is working on enriching the diet of ewes with three lambs instead of two, because this means an increase in productivity. This is very concrete. This is something which lowers production costs and would allow the industry to compete with New Zealand and Australia on world markets.

(1240)

Then, there are studies on regulation of the reproductive cycle. Software for flock management is even being developed. Computers are now used in this agricultural sector, as well as in many others. It seems important to me that such research be carried out. Refusing an industry like sheep production the research advantages given to other sectors is like telling producers who invested in that area that they might as well quit.

Here is another example. The experimental farm was studying the use of canola oil-cake as a feed for sheep. For those who may not know it, canola oil-cake is what is left after the oil has been extracted from canola. This kind of research benefits westerners, because sheep farming is becoming more popular in western Canada, and also benefits eastern Canada because canola is produced there. It has nationwide applications and would cost less than some other feeds currently on the market.

These research projects are concrete examples. They are examples proving that that particular farm had a country-wide mandate to support sheep farmers. The federal government closed this facility because it considers sheep as a low-priority product. Was that decision reasonable in today's context where

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farmers are being asked to diversify and to be ready to respond to changing markets?

Considering that sheep farming is the most ecological kind of farming and that it permits farmers to use land which can be used in no other way, was closing Canada's only research centre on sheep farming, the experimental farm at La Pocatière, a logical decision?

I think that the decision was a major blunder, and each budget probably contains one. The Bloc never said that Canada's budget should not be cut, we are simply making suggestions regarding where to cut. But cutting research and development funding for an industry that is progressing is like robbing Peter to pay Paul, and it will probably backfire on us.

We are inclined to call it another example of Canadian federalism. The least competitive sheep producers will inevitably have to call on stabilization programs more often. That will put more pressure on the Government of Quebec. We find this kind of decision unacceptable and we target it in the first part of our motion when we state that we "denounce the government for reducing the general budget of the Department of Agriculture by 19 per cent".

If the 19 per cent was cut from sectors which did not jeopardize future production, we could have seen what kind of impact the cuts would have had. But how can a government claim to place a high priority on job creation yet cut over 400 research and development jobs in Canada's farming sector—30 of which were located at La Pocatière, in the Kamouraska region—and systematically cut high paying jobs which stimulate economic development?

After cutting 30 jobs in agricultural research, biology, technology, unskilled labour, how can they justify announcing that 25 jobs were created in another sector the following week? This decision appears to be some kind of a nonsense.

I think I know the basic reasons for the choice. They gave experimental farms specialized mandates, for example, sheep farming at La Pocatière. They invested around \$7 million there over the past few years. They rebuilt a sheep barn that had burned down. Then they suddenly decide to close the facility. Because only one experimental farm had this mandate, the others do not really feel that they are affected. They began to sever the strong ties between this farm and the local economy.

(1245)

I believe that part of the mandate could have been maintained in this area. Nowadays, there are numerous stakeholders, and I will name a few who are not members of the Bloc Québécois, and may not even be known separatists or sovereignists. I will give you an example. Officials from the La Pocatière agricultural technology institute, where the farm is located, Laval University, the Quebec sheep breeders' association, the two national federations I mentioned earlier, the Quebec agriculture depart-

ment, all these stakeholders are asking the minister to meet with them so that they can explain to him why they think he is making a mistake and why he has to change his mind.

I hope that the agriculture minister will have enough sense to listen to their arguments and to look for solutions allowing research and development in the sheep industry to continue and to expand, so as to provide support for producers and keep one of the oldest farming areas in Canada going, with a flourishing experimental farm in La Pocatière as its bet for a prosperous future.

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, it is clear from the remarks of my colleague for Kamouraska—Rivière-du-Loup that La Pocatière is in his riding.

Let me remind you again that agricultural research and development is vital. It is the key to success. It makes the difference between a country where there is food self-sufficiency and a third world country that continually has to import food to feed its people.

My main reason for my interest in sheep is the DLS breed. Some researchers, particularly researchers from La Pocatière in conjunction with their colleagues from Lennoxville, in the vicinity of my hon. colleague's riding of Mégantic—Compton—Stanstead, and my own riding of Frontenac, succeeded in genetically producing a new breed of sheep which will leave its marks on the future of sheep breeding in Quebec and Canada.

What is even more disappointing for the hon. member for Kamouraska—Rivière-du-Loup is, of course, the fact that, after a fire at the experimental farm, the federal government, typically lacking in vision, spent nearly \$7 million to repair and rebuild buildings used among other things for sheep breeding. Now, in this budget devoid of comprehensive view, it is announcing the closure of this research station which, incidentally, was the oldest in Canada and Quebec.

Mr. Crête: Mr. Speaker, I welcome the opportunity provided by the comments the hon. member for Frontenac just made to lay stress on how illogical this decision was. A few years ago, the federation of purebred sheep breeders made a decision on where its artificial breeding centre would be located. They chose the experimental farm with a mandate for ovine breeding in Canada, namely La Pocatière. They decided to locate their insemination unit in La Pocatière, so that there would be a direct link between researchers and the industry, which would promote efficiency.

New breed development was just mentioned. This is precisely the type of work you can expect any experimental farm involved in production to perform to develop more productive breeds, groups of animals or individual animals. All kinds of research can be conducted on sheep to ensure they can compete and will enable us to break into the New Zealand market from which we are currently importing. No one here can tell me today that it makes more financial sense in the long term for Quebecers and

Canadians to keep importing sheep from New Zealand when we have been working for 20 years towards self-sufficiency.

(1250)

Now that we are halfway there, the federal government is taking the wind out of our sails, without any consultations. No one had heard about any such plan before budget night. The industry is raising up against this plan and asking the minister to reconsider his decision, meet with the survival committee to ensure that sheep production will be allowed to continue with adequate research and development assistance and that the experimental farm in La Pocatière can remain in operation.

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, agriculture is still the basis of the rural economy in Quebec and the rest of Canada. In Quebec, almost 50 per cent of farmers' income comes from supply-managed products such as milk, eggs, chicken and turkey. Industrial milk accounts for 27 per cent of agricultural production in Quebec. Farmers and dairy producers in my riding, whether they live in Marieville, Saint-Césaire, Roxton Falls or Béthanie, are worried.

Under Canada's current supply management system for industrial milk, which was established in 1990, Quebec farmers receive almost 48 per cent of Canadian industrial milk quotas. Forty-six per cent of this milk is sold in the other Canadian provinces, for a total value of \$400 million at the farm level and \$1 billion on the market. In Quebec, some 2,900 dairy farmers are involved in industrial milk production, while processing translates into some 4,000 regular full-time jobs. This shows how important this sector is to us.

Under the federal budget tabled by the Minister of Finance in February, industrial milk producers in Quebec will lose 30 per cent of their income over two years. This means that industrial milk producers will see their income drop by 15 per cent the first year and another 15 per cent the following year.

How can this budget measure not involve heavy financial sacrifices for farmers and rural communities in Quebec and Canada? How can the rural structure not suffer radical changes? Rural realities are in stark contrast to Liberal government policies favouring the development of new markets and income security for farmers. Paradoxically, according to the federal Liberal government, these budget measures are aimed not only at stabilizing producers' prices and income in light of global trends, but mainly at reducing farmers' dependency on government.

The reality is that the agri-food industry in Quebec and Canada does not carry much weight in international negotiations on market access. In other words, the federal government would rather sacrifice a whole sector of its economy in order to

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preserve other comparative economic advantages it has managed to negotiate with the U.S. and other industrialized countries. I understand this cold and purely economic strategy, whereby the men and women who make these products are mere statistics. The only thing that counts is the dollar figure on their production.

However, there is a world of difference between understanding something and accepting it. I cannot accept the fact that farmers, whether in Quebec or elsewhere, are victims of the system. I cannot understand why financial speculators now have the upper hand, at the expense of those who have been feeding us for generations.

Some hon. members: Hear, hear.

Mr. Leroux (Shefford): I cannot accept the fact that the government wants to dismantle this system, since it will jeopardize national security in Quebec and in the rest of Canada, and leave us vulnerable to the actions of speculators on international markets.

(1255)

How many generations of men and women worked to clear the land? Thanks to their efforts, that land is now fertile and it provides us with an abundance of products of all kinds. But the Liberals want to sacrifice that.

Is it because Quebec controls 48 per cent of the industrial milk market that the Liberal government wants to stop providing the basics to dairy producers? Or is it simply that the Liberals in Ottawa are continuing their crusade against dairy producers, through the implementation of detrimental agricultural policies, defined—

The Acting Speaker (Mr. Kilger): Dear colleagues, I ask for your co-operation. I understand that, at times, the debate gets somewhat heated.

Mr. Leroux (Shefford): It is painful for the Liberal Party whip to hear the truth. Yet, he represents an agricultural riding from Ontario. He should understand the issues to which I am referring and which exist in his predominantly French speaking riding.

Since 1958, the dairy industry has always been protected and supported under the Agricultural Stabilization Act, which was passed by a Conservative government. In 1986, Ottawa approved a long-term dairy policy and authorized payments, to dairy producers, of \$6.03 per hectolitre of industrial milk having 3.6 kilograms of fats. That policy was implemented under the Conservatives.

In 1991, the Conservative government abolished the Agricultural Stabilization Act and replaced it with the Farm Income

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Protection Act. That ended federal support to the dairy industry, since this industry was excluded from the new agreement.

In its November 1992 budget speech, the Conservative government announced its intention to reduce by 10 per cent the level of subsidies to the dairy industry, and to apply similar reductions to all subsidies and payments to the agricultural sector.

Starting with the August 1, 1993 dairy year, and following that decision, the federal government therefore reduced payments to dairy producers from \$6.03 down to \$5.43 per hectolitre. This is tragic.

So, this Liberal government simply had to confirm the agricultural policy of the Conservatives to gain authority to set the subsidy at \$5.43 per hectolitre, starting with the April 1994 to March 1995 fiscal year. The more things change, the more they remain the same.

The Conservatives used to run things and now the Liberals are in office, but things have not changed at all. I am really amazed when I read the government's objective in Part II of the Main Estimates 1995-96, under Agriculture and Agri-Food, Canadian Dairy Commission, on page 2-8, and I quote: "To provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labour and investment and to provide consumers with a continuous and adequate supply of dairy products of high quality". Is this what a 15 per cent cut in revenue a year will achieve? No.

How inconsistent can the government get? It is as if milk producers are not efficient and are obtaining too high a return for their labour and investment. Go work on a farm for a week and you will see how tough it is, how long the days are in an industry where working hours are not tallied up. Worse still, with this statement, the government is trying to reassure us that the supply of dairy products will not be affected and that consumers will even be able to benefit from this decrease in consumer price. And there you have it. A little something for everyone. What arrogance.

I have a final point to make today.

(1300)

Why is the federal government, the Liberal government, on the one hand, providing a package of transition measures to the tune of \$1.6 billion for owners of prairie farm land in Western Canada because it is terminating the freight-rate subsidies, but on the other hand, is implementing no such transition measures for Quebec farmers? Why have Western producers been given an advantage over their Quebec counterparts?

Why does the federal government always apply a double standard when it has to protect the interests of English-speaking Canadians. Is that not just another sign that Canada is in fact

made up of two countries? Is that not a sign that there are two countries in Canada, one in eastern Canada and one in western Canada? The issue is not related to racism, but to the fact that we have always had two different policies, since agriculture is not the same in these two different regions. When we look at things, we realize that Quebec has always been put at a disadvantage.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the speech made by the member for Shefford on the impact of the dairy subsidy reduction on farmers was most interesting, but I would like some clarifications. According to my calculations, is it not possible that the elimination or the reduction of this subsidy might result in an increase of up to 30 cents in the price of a pound of butter? Again, it is the working poor who would be hardest hit by such an increase.

For someone who earns \$50,000 a year, a 30 cent increase in the price of butter is no big deal, but for a single parent who earns \$10,000, \$12,000 or \$15,000 a year, having to pay 30 cents more for each pound of butter makes a big difference. Is this not what might happen so that, in the end, it is the consumer who will have to pay the price, which means that low-income Canadians will be more directly affected than others?

Mr. Leroux: Mr. Speaker, I thank my colleague for his question. I can only tell members of this House that dairy producers will obviously feel insecure. Other agricultural producers also have their own problems, but I wanted to talk specifically about dairy producers today since we have agreed that we should discuss all sectors of the agricultural industry. In this sector, there will be a 15 per cent decrease in revenues, which means, of course, that prices might or certainly will increase.

I would also like to tell you that farmers, including dairy and other producers, often have to keep investing and taking risks after working for so many years, hoping for better things to come. Before the farmers came the pioneers who cleared the land on which our country is built, and we always had two agricultural policies in Canada because we always had two completely different systems.

As I was saying earlier, Canada and Quebec have two different systems. Once we recognize that fact, it will be much easier to negotiate. I think that Quebec has always been disadvantaged compared to western Canada, and we have the figures to prove it. I am not saying that western producers do not have any problems. Of course they have very serious problems, but so do dairy and other producers in Quebec and they cannot be left at a disadvantage.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, under Standing Order 43(2), I would like to indicate to you that Liberal members will be sharing their allotted time for the rest of the day. Sir Winston Churchill once made in the British House of Commons the following remarks which the Chair did not find unparliamentary: "The opposite of the truth has never been expressed more accurately". That is exactly what I think of the remarks made by the hon. member I just heard.

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(1305)

That Bloc Quebecois member just told us, as you could hear, that there will be a 30 per cent reduction in dairy farmers's income over two years. Mr. Speaker, you heard yourself those nonsensical remarks made by a member of the House. I do not know who wrote the hon. member's speech, but that person should be fired immediately for writing such things. Yes, phone him and fast.

I will now tell all Canadians in my riding, in Quebec and throughout Canada what the facts really are: the milk subsidy is now \$5.43 per hectolitre, and it will be reduced to \$3.80, starting August 1, 1996. This means there will be an 80 cent reduction a year per hectolitre on an income of \$54. Could members opposite explain to me how they can suggest that an 80 cent reduction on an income of \$54 represents a 30 per cent cut? What kind of number crunchers do they have to come up with such figures?

The hon. member says it is in the budget. Mr. Speaker, the member opposite should check the budget if he believes the figures just given by the hon. member for Shefford. Besides, the 80 cent reduction applies only to industrial milk and not fluid milk.

[English]

Assuming a 50–50 split on a farm of industrial and fluid milk, we are talking about an overall reduction of 40 cents a hectolitre on \$54. The people across are alleging that it is a 30 per cent reduction in revenue. Forty cents on \$54 is less than 1 per cent. That is the way the truth is being described by some hon. members across.

[Translation]

No, Mr. Speaker, what we have heard today from the Bloc Quebecois is quite frankly inflammatory and an attempt to scare Canadians. Listen to what the hon. member for Frontenac says in his motion: "That this House denounce the government for reducing the general budget of the Department of Agriculture by 19 per cent and milk subsidies by 30 per cent and for converting—". Now listen to this: if this is true, it means that the reverse is also true of what was said by the hon. member for Shefford, because that is not what he said. I continue to quote the motion: "—and for converting grain transportation subsidies into direct subsidies to western farmers—". And now listen to this: "—thereby enabling the latter to diversify and enjoy an unfair competitive advantage over farmers in Eastern Canada."

I just heard members insisting that farmers from other parts of Canada enjoyed an unfair competitive advantage over those in Eastern Canada.

Now this is divisive politics. The comments we heard from a member a few moments ago are dangerous because they are an invitation to Canadians, on false premises, to hate each other. That is the kind of propaganda we are getting from some of the members opposite, and I do not buy that.

[English]

I do not believe that western Canadian farmers have been treated more fairly than farmers from another part of the country. All governments in Canada, be they the Liberal government now, the previous Conservative one or others, may have made mistakes but they have not tried to pit one group of Canadians against the other, the way it is alleged by some members of this House of Commons today. To make that kind of representation on the floor of the House of Commons is nothing short of shameful. It is shameful.

(1310)

Let us get to the bottom of the issue. Members across the way are talking about the reduction of 80 cents per hectolitre. It is there and I will not deny it. It affects my constituents probably more than the constituents of any other MP in Canada. I have more dairy farmers in my riding than does anyone else in the House. However, the fact still remains that the reduction of 80 cents per hectolitre in subsidy cannot be compared with the total elimination of the Western Grain Transportation Act and the one-time subsidy they will get in the transition.

[Translation]

If Bloc members claim that western farmers are treated better and even enjoy an unfair advantage, according to the motion before the House today, why do they not demand instead that farmers and dairy producers be paid three years' worth of subsidies immediately, as compensation for the elimination of milk subsidies? I have yet to see one member of the Bloc request the equivalent of what was offered to western farmers.

Why have they not asked for it, Mr. Speaker? Because dairy producers are better off keeping the remaining 70 per cent of dairy subsidies, as opposed to what was offered western producers.

That is why we did not suggest it and that is why they did not ask for it. In fact, I would not favour this option either. I would rather keep the remaining 70 per cent.

I am not proud of these cuts, Mr. Speaker. No one is glad to lose money. However, we know that sacrifices had to be made to ensure the long-term viability of the agricultural sector and of the whole Canadian economy. Our government made budget cuts, but I do not think it acted unfairly. I am sure it did not want to give anyone an unfair competitive advantage. I would urge the member of the Bloc Quebecois to withdraw the allegation he

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made in referring to farmers elsewhere in Canada. It is not at all helpful to debate, and he should be ashamed of making this allegation, Mr. Speaker.

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, I have here an article from *Le Droit* the member for Glengarry—Prescott—Russell is described as “a lion transformed into a mouse”.

If farmers had been attacked, or struck, or knocked about when he was a member of the Opposition, the Liberal Party whip would have made the exact same speech as the one he just gave, but in reverse. Here it says that the member from the other side is inflexible in the area of agriculture, he refuses any measure affecting the farmers who make up a good portion of his constituency, including Réjean Pommerville.

I have here a paper, *Farm and Country*, which is the equivalent of our *La terre de chez nous* in Quebec. It says this measure will cost farmers \$56 per head of cattle. You heard me right, \$56 per head of cattle. Farmers in his riding have 60 head of cattle each on average, and Réjean Pommerville has 75. Multiply these figures by 56 and you will reduce the deficit that the Liberals, among others, have generated year after year since 1970.

I have here notes from the press conference held last week by the president of the UPA, the Quebec Union des producteurs agricoles.

He spoke about the subsidy for industrial milk. I suggest my colleague, the member for Glengarry—Prescott—Russell, phone the UPA and get information on this. I will gladly give him the number if need be, like he did two weeks ago on Sunday when he gave us a phone number where the information given was exactly the opposite.

(1315)

The UPA's notes say this: \$5.43 by hectolitre, a 30 per cent cut over two years; I am honest, I say it. This does not represent 80 cents or even 90 cents. I would invite him to do the calculation: \$5.43 multiplied by 0.3 represent a \$1.51 reduction by hectolitre.

So, if a farmer has a quota of 2,500 hectolitres, it means a contribution of \$3,775 to the reduction of the deficit that the member himself helped to create and, on top of that, he is cutting the transport subsidy for feed, which is estimated at \$10 per ton. If this farmer buys 71 tons to feed his cows that will produce 2,500 hectolitres, he will have to contribute \$710 more.

So, for the farmers in Glengarry—Prescott—Russell, the average contribution is \$4,485. The lion, the member of the rat pack who got to be well known while in the opposition has become a mouse. He should go and meet the people from the UPA, he should visit the live animals auction houses to see the big disappointment that the Liberal budget has created throughout Quebec and throughout rural Canada.

Mr. Boudria: Mr. Speaker, first let me thank the member opposite for quoting the hon. member for Prince Edward—Hastings. In fact, his quote from *Farm and Country* is of a statement by the member for Prince Edward—Hastings. However, he forgot half the sentence. The hon. member for Prince Edward—Hastings did say: “It is true, 80 cents a hectolitre multiplied by 70 hectolitres comes out to \$56 a cow”. This is true. That is supposing that all of the milk of the producer in question is industrial milk. As the average is usually 50–50, the figures of the hon. member opposite are twice as high as they should be.

I would like in addition, if I may, to talk about the matter of the Coopérative Avicole de St-Isidore. We spoke of the co-operative and of what the Coopérative Avicole de St-Isidore had said. I quote from a letter dated March 27, 1995 to Mr. Don Boudria, written on the Coopérative Avicole de St-Isidore letterhead. I will read the rest and will be pleased to table this in the House: “Due to the rail strike, we no longer benefit from the price guaranteed by the railways. We are forced to buy at market prices, which are 20 per cent higher, thus increasing our production costs. I hope you will be able to remedy the situation. Yours truly, Alain Léger.”

This is dated March 27, 1995, that is, last Monday. I therefore say to the hon. member opposite that I have proof in hand that the price of soya was up 20 per cent. If he feels he has evidence to the contrary, he should table it. But of course he has none.

No one celebrates when subsidies are upset, and one sector or another in our society loses revenues. Granted, no one is celebrating, but the cuts were made fairly and equitably by an honest government wishing to do the best possible for Canadians, whether they live in Quebec or elsewhere.

The only thing I find lacking in the speeches by the hon. members opposite is the fact that they did not check with head office. I realize they are just a branch in Ottawa, but cuts were made in Quebec to subsidies and services to the agricultural sector, particularly in research. The hon. members opposite have unfortunately forgotten this.

[English]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.): Mr. Speaker, it is a pleasure to take part in the debate today.

(1320)

I would like to make a few comments at the outset to continue where my colleague from Glengarry—Prescott—Russell left off.

I had the opportunity and the privilege yesterday to spend most of the day in the riding of Beauharnois—Salaberry, where I met with 125 or 130 dairy farmers for a couple of hours after lunch. During that time I spoke to them about what we had done in the budget as far as agriculture is concerned. We talked about the WGTA and the effects of that. I spoke about the changes to the federal support for the industrial milk program. One

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gentleman stood up and said: "Yes, we know all about the budget. We don't have a problem with the budget. We would like to have you discuss with us the challenge the United States is putting forward as far as supply management in Canada is concerned." There were no objections at all to what he said.

That is significant and indicative that the dairy farmers have accepted it. They recognize that we are in a time of tremendous change, tremendous opportunity and tremendous and unprecedented challenges. The key words are that we are in a time of unprecedented opportunity.

I had the opportunity yesterday to visit three family dairy farms in the Ormstown area. They are excellent dairy farms, tremendous dairy farms. They were not milking what I would consider to be a lot of cows. They were getting excellent returns, excellent production, and they were very well-managed farms.

I assured them this government understands and recognizes the importance of those types of farming operations, the importance of supply management, and that we are here to support them.

I will put in context some of the figures the members opposite have been throwing out—yes, throwing out. I can see the member for Frontenac smiling right now. He is probably going to try to quote some more from the newspaper he just quoted from. He is smiling all the more; I know he is. He just cannot wait until I get my 10 minutes in so he can get his 5 in. I would ask him to quote completely.

I was simply stating the facts, that if 100 per cent of the milk from the average cow in Canada today was used in the industrial milk market, the 81 cents per hectolitre would mean \$56 per cow. I said in that article, and I believe I was quoted in that article as saying, that yes, we recognize that is not a small amount of money, but we have to put it in perspective. Any decrease in anybody's income is significant. There is no question about that.

However, I want to put it in perspective. For the average producer in the province of Quebec, the decrease in their income because of this change in the support to the industrial milk will be \$1,341 based on the production of industrial milk in the 1993-94 dairy year. I am not making light of the fact that this is \$1,341. It certainly is considerably different from an addition; it is less.

As I said to the producers I chatted with yesterday, do not underestimate or undersell what they in their industry have done in the last number of years, including the manner in which they have used the genetic gene pool in Canada to increase production and the manner in which they have used management practices to increase production in this country. If we look at what our dairy industry has done in the last 12 to 15 years, they have increased their production by incredible amounts.

I was in a barn yesterday near Ormstown, Quebec. I saw a cow there and she was the best cow in the barn, I admit. If my memory serves me correctly, that cow, in her last 365 days of production, produced 30,000 pounds of milk. When my father sold our dairy herd, a commercial working herd, in the mid-1960s, I do not think my father had a cow that produced over 8,000 or 9,000 pounds.

(1325)

At that meeting of dairy farmers yesterday—I put this to them—how many people would have thought 15 years ago that we would see cows in Canada, the very top ones, producing 30,000 pounds of milk? The efficiency, and what the industry has done, is absolutely phenomenal. I am proud to say they are not finished yet. Yes, this is a challenge to the dairy industry, but I have every confidence that it is one they can meet and beat.

Leading up to the budget we all said, in all parts of the House, including the opposition in question period, that the budget, in all aspects, must be fair, it must be equitable and it must be effective. When we look at what we have done in agriculture, it meets all those tests.

In question period and in the late show period I have addressed to the member for Frontenac the concern about the WGTA and how it affects the west versus eastern Canada, in particular the province of Quebec. I want to state it again. Let us make it clear that the \$1.6 billion ex gratia payment that is being made to the western Canadian grain growers is a one-time payment. It is over. They get no further support on transportation as of August 1 of this year.

The support to the industrial milk portion of the Quebec production as of August 1 this year is still at 85 per cent of where it was before versus zero to the grain export in western Canada. The payment in western Canada is roughly equivalent to ratcheting that payment down at the rate of about 10 per cent per year over the next 10 years.

I have been asked by the minister to lead the consultation that must take place over the next few months as far as what we collectively, the government, the industry and all stakeholders in the industry, do with the support to the industrial milk program as time goes on. As we know, the budget stated very clearly a 15 per cent reduction this year, a 15 per cent reduction next year, but it does not address the size of the amount or if there is money left after that.

The first meeting happened this morning in my office with the chairman of the National Dairy Council. Meetings are being arranged with the president of the Dairy Farmers of Canada, the Grocery Products Manufacturers, the Canadian Federation of Agriculture, UPA, OFA and the different provincial marketing boards so that we can continue having consultations with all of

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them to find out how they want to treat the remainder of that as we go forward.

The total support in the last year was about \$228 million. That will be reduced 15 per cent this year. It is going to be about \$193 million. I point out that out of that \$228 million, \$106,106,000 went to the province of Quebec. That is because they have 47 per cent of the industrial milk production.

The question is put forward: with the 1981 census being reduced this year, can that be recovered from the marketplace? I addressed that as well in the article, from which the member may quote me. That discussion is there.

The minister has been very clear. He does not wish to make a statement on that at this time. There are ongoing discussions about the cost-of-production formula. In a responsible way, all participants in the dairy industry have taken a look at the recovery of their costs from the marketplace for the farmers for their milk. They did that in a responsible way before. In doing so, they considered what an increase in the price of raw milk to the processors would mean to the processors and what the processors might have to do with the cost of the product they produce for the Canadian consumer.

I want to point out as well that the dairy industry—I believe that is what the opposition is probably hinting at here today—as well as the supply-managed sector, but in particular the dairy industry, is not subject, because of the protection we were able to keep, to the tariffication in GATT, the high levels of tariff, which is deserving. Those producers certainly deserve a return on their investment, on their risk and on their management. The efficient producers deserve a fair return. It is there for them. It is what the level of tariff protection provides for them.

(1330)

I must also remind members that their production is not subject to the vagaries and challenges as much. Ninety per cent of their production is domestic, it is not on the export market. However the grain producers in western Canada are totally at the whim of world markets. Our supply managed producers are not subjected to that.

They have a tremendous amount of built-in support. It is not something that one can put a dollar value on by getting out a bunch of charts, sheets and graphs and adding up a bunch of figures. It is there. We are proud to have it there. We are going to fight to the last straw the challenge of the United States.

Every indication we have is that GATT overrides NAFTA as far as what we have done in the past. The Prime Minister has told the president of the Dairy Farmers of Canada and the president

of the UPA to their faces—the minister and I were present at that meeting—that what we have done as Canadians is right. We are going to fight for it. That is the way we are going to go.

We also have to recognize, and the dairy industry does, that even though reforms have been made, still more reforms will have to be made. The way I have referred to it for a number of years is that they have done it in the past and can continue to do so. The dairy industry has shown it can roll with the punches. It has been successful in its genetics management, marketing, and so on. I could go on. The producers are an important link in that chain. The processors are an important link. There is some export. The consumers are an important link.

It is important that every efficient link in that chain has a fair return on investment and the risk involved in the industry. We will fight to maintain that. We look forward to the co-operation of the Bloc Québécois in doing so not only for the farmers in Quebec but for the farmers in all of Canada.

[Translation]

Mr. Jean-Guy Chrétien (Frontenac, BQ): Madam Speaker, I would like to cordially congratulate the Parliamentary Secretary to the Minister of Agriculture for his contribution to the debate today the purpose of which is to expose the unjustness of the particular treatment that the government will unfairly give to the west.

I found it particularly entertaining, since he knows the farming sector so well, when he talked about cows producing astronomical quantities of milk. I am proud to announce that in 1990, the champion milk producer, a Holstein cow, lived in my riding, in the parish of Plessisville.

I would also like to say that the parliamentary secretary certainly must frequent different dairy producers than I do. I have with me a photocopy of an editorial by Claude Rivard which was published in the newspaper *Le producteur de lait québécois*. Mr. Rivard is no small fry. He is the president for Quebec and vice-president of Dairy Farmers of Canada. Obviously, the title of his editorial is “The federal government’s heavy hand”.

I would now like to contradict what the parliamentary secretary said regarding research and development in the farming sector. Mr. Martin’s axe has not just nicked dairy and transportation subsidies. The government has announced that it intends to completely withdraw from all dairy control programs within three years. How can we produce world champion cows with no control in the sector? Research and development are the cornerstones of dairy production.

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(1335)

Had it not been for previous governments investing public funds in genetics and milk recording, we would still be like some Latin American and South or North African countries. Within three years, the federal government will have withdrawn from the industry and be quite proud of itself.

In 1990, the top dairy cow in Canada was in the parish of Plessisville. Yet, in 1995, the government cuts funding. It announces plans to cut it completely within three years.

The hon. parliamentary secretary raised another interesting point in his remarks. He said, and this is true, that, in Ontario, milk production is about 50 per cent for industrial use and 50 per cent for drinking. In Quebec, this is not the case, of course.

Does he not realize that years of relentless work have gone into milk pricing? We are in the process of narrowing the gap and, 16 or 17 months from now, on August 1, 1996, we should have achieved uniformity in milk pricing.

However, by cutting \$1.51 per hectolitre off the price of industrial milk, he just increased the price differential between the two again. Of course, milk producers are digging into the temporary equivalent stabilization fund but there is hardly any money left in this fund. I know what is going to happen. The government will boast, saying: "We did not raise taxes; we did not have the heart to do that". It cuts its tax transfers to the provinces, forcing the provinces to cut their transfers to the municipalities and, in turn, the municipalities will be forced to increase our property taxes.

What will milk producers do come August 1? They will go to the Canadian Dairy Commission and ask that the price of their industrial milk be raised. Then, milk processors will raise the price of butter, cheese, yogurt and ice cream by 25, 30, 35 cents a pound. And the government will say: "But we are not increasing taxes". What it takes away from one group, this group has to make others pay for.

Mr. Marchand: Hypocrisy.

Mr. Chrétien (Frontenac): Hypocrisy, indeed, Mr. Speaker.

[*English*]

Mr. Vanclief: Mr. Speaker, I wish the hon. member for Frontenac had paid more attention because I did not say anything about research and development and he rose and said that I had. As far as his comments on genetic evaluation and milk recording are concerned, he should be informed, if he is not already, that the dairy farmers of Canada have been quite willing to sit down with the government to talk about getting involved in the management of genetic evaluation and the milk recording program. They recognize as producers they will benefit from

that. The government is working very closely with them on the transition in order for them to be able to do that.

No part of the argument he made explains why he cannot still have the top dairy cow in Canada in his riding, other than the fact that he wants to hold on to his seat because probably someone in the Prince Edward—Hastings riding may very well take that record away from them. There are some very good dairy producers in Prince Edward—Hastings.

I thank and commend the province of Quebec for the role it is playing in the ongoing discussions to work toward a one-pool price system for milk in Canada. Most of the provinces recognize that is the direction in which we are going to have to go and should go in order for us to meet easier the challenges coming from outside the borders of the country.

In conclusion, I would point out to members opposite, as the minister did, that with respect to their reference to the balance between what was done in the WGTA versus the dairy industry, the WGTA reform package is not in any way inconsistent with the position set out by the Quebec coalition on the WGTA in a letter to the minister of December 1994. They are here barking up one tree while their representatives have told the minister in the past that they agree with the manner in which it was handled.

(1340)

Mr. Jake E. Hoepfner (Lisgar—Marquette, Ref.): Mr. Speaker, I would like to inform you that from now on my colleagues and I will be splitting our time.

It is always a pleasure to speak on agriculture, especially when the motion is introduced by the Bloc. I always enjoy the attitude its members take toward agriculture. They know how important it is. I appreciate that even if we do not always agree on certain issues. They know fundamentally that agriculture is the basis of Quebec as it is in western Canada. The Liberals will get educated. Some day they will listen. They are starting to listen already.

On the farm we always say that the pasture always looks greener on the other side of the fence. That is probably true in Quebec as well as in western Canada. Maybe it is time for Quebecers to take a rest from the milking industry, buy some farmland in western Canada and start grain farming. It would be a real pleasure to have them there working side by side. Then they would really appreciate some of the problems that the grain farmers have had in the last few years.

Their non-votable opposition motion says that grain farmers will be enabled to diversify. That is a little harsh or maybe not quite correct. Grain farmers will be forced to diversify. Not very many grain farmers today would love to jump into the dairy

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industry or the beef industry and take some jobs and production away from people who are in that farming industry.

I have spoken with a number of dairy farmers in Manitoba during the last couple of weeks. They sometimes look very jealously toward Quebec and say: "Why can we not have some of that quota? They only have one-quarter of the population and have 48 per cent of the milk quota".

I have said to them: "Why do we not solve this whole problem of separation? Why do some of you people not go and buy up some of those dairy farms in Quebec and start farming?" If we could get some of the Quebec dairy farmers into western Canada, maybe the separation issue could be solved. Maybe we could understand each other a little better.

I would much rather have some of the Quebec people come into western Canada and buy some of the grain farms than the Europeans. I make this invitation to them.

The other thing I would like to address today is some of the unfairness that they are talking about. It is not due to the agriculture practices of the farmers. It is due to some of the previous governments' overspending and over taxation. That is causing us some of the problems.

I see some of the hon. members on the other side shaking their heads. They must agree with that. If we can agree on some of these problems, maybe we can find some of the solutions.

An hon. member: The last government was no good.

Mr. Hoepfner: I agree fully with the hon. member but there was a Liberal government before that one that I would say was no good. This is a difference of opinion probably.

Some hon. members: Oh, oh.

Mr. Alcock: I am with you.

Mr. Hoepfner: I am always encouraged when I hear hon. members turning up the tempo a bit. Newborn babies have to scream a lot to exercise their lungs so that they become healthy and viable later. I always feel very glad that I can be of assistance to some of these members.

An hon. member: Watch that—

(1345)

Mr. Hoepfner: We are getting to them. Just give us another six months and who knows?

I was just going to address some of the unnecessary things that are happening in the farm community, which are hurting us. I would like to read part of a statement made by a witness who was before the Standing Committee on Transportation. He said: "Unnecessary costs should not be recovered from users. Industry has funded, through seaway tolls, close to \$35 million in costs that reflect labour inefficiencies, including surplus per-

sonnel and termination benefits, double taxation brought about by large corporation taxes and costs associated with tunnels and bridges in the Beauharnois Canal."

I was never aware that grain farmers in western Canada were paying for some of the maintenance costs of some of the bridges across the St. Lawrence Seaway. I find it very hard to swallow that and say it is fair. It is there and it has to be addressed. What politicians and industry are going to do about it I do not know, but it has to be addressed if we want to keep shipping our products through the seaway.

I have another bit of information I would like to read as an example. In the fall of 1990, the Laurentian Pilotage Authority, after negotiations with the pilot association with which it has contracts, agreed to increases totalling 32.12 per cent and 29.6 per cent over three years. That is at least a 10 per cent increase per year.

On the farm during those three years we have seen prices of our products decrease probably by 30 per cent. It is a real hardship for us to absorb some of these costs.

Some of these pilots earn on average from \$115,000 to \$156,000 a year for about a nine-month year. Nobody in the farming industry has some type of labour contract or wages that come close to that. This is why I am saying that some of the transportation subsidies that have been directed toward transportation are not going to the farmers. They are going to some of the inefficiencies and the high-priced labour as compared to agriculture.

I was really astounded and kind of encouraged the other day when I saw one of the Bloc members ask the question about the unfairness of the 8.9 per cent that was collected by the pilotage authorities from shippers. They received a very bad answer from the minister, as far as I was concerned, because these costs are actually borne by the shippers and later passed on to the producers or the manufacturers who use the shipping lines.

The NTA recommended that there should be a zero increase. The NTA is supposed to regulate these costs. What did this Liberal government do? It overruled it and gave them another 8.9 per cent after the 30 per cent in the last three years. These are costs that we as grain farmers have to observe; not just in shipping our products, but we also have to pay part of the costs of all the steel and all the iron ore that is shipped in to produce equipment.

Those are some of the things that are unfair as far as farmers and shippers are concerned.

I have tried to warn the seaway authorities and especially some of the people on the other side that if things do not change, if they are not turned around, and we receive a fairer equity in transportation costs, the seaway will not see much of the grain in future years that is produced in Manitoba and west.

I would just like to read a little statement from the *Winnipeg Free Press* dated February 19. This is the agricultural writer and he states: "Hello, Mississippi River. Goodbye, Thunder Bay." This is not a farmer saying this.

The famous American waterway may become the new route for shipping Manitoba grain when Ottawa tackles the grain transportation subsidy policy later this year.

Canadian Wheat Board studies already show that if the influence of Canadian grain transportation subsidies is removed, it's cheaper to ship grain down the Mississippi than through the St. Lawrence Seaway.

Selkirk farmer Rask Klagenberg says farmers will insist on access to the American river.

(1350)

The House can see that this is not just what farmers are saying; this is something other people are reporting on, and it is a matter of fact. We have to address it.

One thing that really amazes me is why farm organizations have not pointed these issues out so we can address them before we get into such a predicament. I just happened to get a report from Manitoba Pool Elevators or Prairie Pools Inc. This is what they say in their brief: "In 1993 the property taxes paid by terminal elevator owners at the port of Vancouver were on an average five to six times higher than for similar sized terminals in the U.S. port of Seattle". That seems very high already and it seems disastrous as far as grain farmers are concerned.

Now listen to what they say about Thunder Bay: "Property taxes paid by terminal owners at Thunder Bay were more than 25 times higher than property taxes paid for similar sized terminals at the U.S. port of Duluth". How can we be competitive with those types of exorbitant taxes and over-pricing?

They go on further in their report to say: "Canada's two railways pay more than \$640 million annually in fuel, sales and property taxes, while the U.S. rail system receives tax incentives to maintain rail services".

Those are some of problems we in the grain industry are fighting with. I hope we can resolve them and that we can keep the jobs in Canada before they are exported to the U.S., which we have seen with a lot of other industries.

[Translation]

Mr. Jean-Guy Chretien (Frontenac, BQ): Mr. Speaker, as the Reform member just pointed out, there are two solitudes in Canada. Farmers in his part of the country feel that they are treated unfairly, and so do farmers in Quebec, particularly dairy producers. It is my duty to remind this House of some very eloquent figures regarding federal spending in the agricultural sector.

I randomly selected two years. In 1980, the federal government spent 55 per cent of its budget for agriculture in western Canada, compared to 16.4 per cent in Quebec—I mention the

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decimal because it is significant, considering that the total percentage is a mere 16 per cent. In 1993, the federal spent 60 per cent in western Canada, compared to 12.4 per cent in Quebec. So, we have 55 and 60 per cent for western provinces, compared to 16.4 and 12.4 per cent for Quebec.

Yet, Quebec generates 17 per cent of Canada's revenues in the agricultural sector. As you know, Quebecers account for 24 per cent of Canada's population. Let us look at a specific agricultural industry, such as potato growing. In terms of cultivated acreage, from 1981 to 1991, there was a 30 per cent increase in the West, compared to a 2 per cent decrease in Quebec. In the case of cattle, the production rose by 4 per cent in the West, while dropping by 13 per cent in the East.

As for hogs, there was a 39 per cent increase in the West and a 16-per-cent reduction in Quebec. Finally, the sheep population increased by 33 per cent in the West, compared to 8 per cent in Quebec. It is the same for every industry. This is what we mean when we say that this western diversification is done with our taxes.

(1355)

Quebecers will actually pay to face unfair competition. This is what we are denouncing today. And I can tell Reform and Liberal members that every time Quebecers will be treated unfairly, the Bloc will raise its voice loud and clear.

[English]

Mr. Hoepfner: Mr. Speaker, I appreciate those remarks, and they are probably very accurate.

I am very concerned that we do not have an environmental catastrophe in Quebec. Because of all the tears that I have seen being shed in Quebec lately, their fresh drinking water might turn into salt water. What are we going to do then? I would hate to see that.

I agree with some of these comments. I would also like to point out that when we look at the total budget of agriculture, which is around 2 per cent, or perhaps even less, of the whole budget, agriculture at least brings back 8 per cent of the gross national product. We provide 15 per cent of the jobs in agriculture. It is a very important sector that we have probably been neglecting, whether it is Quebec or western Canada. I would sure appreciate the Bloc's help rather than criticism in trying to rectify this.

I still maintain that a country is only as strong as its agriculture. The sooner we learn to stand on our feet to take the problems and solve them together, and not through divisiveness, we will have a better country to live in, whether it is Quebec or western Canada. That is what I would really like to stress.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I have a question for the member who just spoke.

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I have just come from a luncheon here on Parliament Hill in support of the National 4-H Citizenship Seminar, where 4-H members have an opportunity to learn about parliamentary activities. They are young agricultural enthusiasts who can communicate very well to parliamentarians about the need to support agriculture.

Can the member, representing an agricultural area of our country, tell us about his support for Canadian 4-H and how important that program is to all Canadians?

Mr. Hoepfner: Mr. Speaker, I appreciate the question.

I have always been very supportive of the 4-H program. The Reform Party is very supportive as well of that program and also very supportive of any R and D in agriculture. Those two things probably go together.

When it comes to protecting and promoting agriculture, I am never in the backbenches; I am always in the front seat. I will continue that way, and I appreciate having that opportunity.

The Speaker: My colleagues, it being 2 p.m., pursuant to Standing Order 35, the House will now proceed to statements by members.

STATEMENTS BY MEMBERS

[English]

V-E DAY ANNIVERSARY

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I rise in the House today to acknowledge the special effort of a number of my constituents who have joined together to host a very special event in my riding.

On May 6 and 7 of this year the committee will launch High Hopes—Looking Back, Flying Forward, a special 50th anniversary celebration of V-E Day at the Muskoka airport.

This two-day family event brings together veterans, historians, aviation industry representatives, international dignitaries, pilots and aircraft enthusiasts to promote and foster appreciation for all things connected to air travel. The show features appearances by a Lancaster bomber, the B-25 Mitchell, World War I replicas, a C-130 Hercules, plus a Tiger moth and a Grasshopper among others.

The idea was given flight both as a tribute to those who served in World War II and a way to encourage economic activity at the Muskoka airport, which has long been recognized as an important link to our local economy.

My congratulations go out to the promoters of High Hopes for the energy and spirit they have brought to this project.

[Translation]

FOREIGN AFFAIRS

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, yesterday, the Parliamentary Secretary to the Minister of Immigration spoke against a motion presented by one of her Liberal colleagues. The motion reminded Quebecers and Canadians that any country or political group that resorts to genocide commits a crime against humanity.

Our amendment used the Armenian genocide which the Canadian government continues to ignore, as an example that such barbaric acts should never be forgotten.

The hon. member was probably bowing to the government's new priorities in foreign affairs, where business interests are now more important than promoting human rights and freedoms in this world.

The government's refusal to review the sale of its CF-5 fighter planes to Turkey, despite the Turkish offensive against the Kurds, is a case in point.

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[English]

LACROSSE

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, after reassuring Canadians through legislation that lacrosse remains a national sport, just one year later lacrosse is once more fighting for recognition.

Who did the Canadian people vote to make decisions for them, the 295 MPs elected in October 1993 or those few deciding which sports to fund? Yes, cuts have to be made. However, the guidelines and their implementation for the allocation of funds are unfair.

With one day's notice lacrosse lost 60 per cent of its funding. The process is wrong. Those making the decisions have lost sight of the fact that lacrosse, our national sport, has been ignored for the past 60 years, whereas hockey remains strong because of their constant support.

I remind the House that in 1904 Canada sent its first delegation to the Olympic games. Lacrosse is the only team sport in which Canada has won more medals than the rest of the world combined.

Lacrosse is growing in population yearly, especially after last year's Commonwealth games. Our Canadian youth need our support to keep them playing lacrosse.

* * *

HEALTH CARE

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I was very disturbed by news reports suggesting that a youth in Edmonton

had been refused a place on a waiting list for a lung transplant apparently because he has Down's Syndrome.

Terry Urquhart, a Special Olympics winner, has led a positive and fruitful life within the parameters of his disability. This child and others like him are not to be denied the right, and it is a right, to the same medical treatment and procedures that any other Canadian is entitled to. I was very pleased to learn the hospital has reversed its decision and I compliment it for that.

I am very alarmed about possible implications of this incident on the lives of the disabled. I call on the decision or policy makers in similar situations to immediately reconsider such ill conceived positions. I call on the health minister and the justice minister to ensure this is done.

Let there be no misunderstanding, let there be no mistake, Canada does not have one set of rules for persons with disabilities and another for those without. All Canadians are equal. Discrimination in any form is unacceptable.

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GERMANY

Mr. John Harvard (Winnipeg St. James, Lib.): Mr. Speaker, as chair of the German-Canadian Friendship Group, I am pleased to have this opportunity to welcome the vice president of the German Bundestag, Hans-Ulrich Klose and fellow delegates.

I am delighted the delegation is able to come to Canada. I hope it enjoys Canadian hospitality and learns about our great country. Canada shares a long history with Germany, a relationship which has grown and strengthened in recent years.

I would like to thank Germany for its support and leadership with the EU councils. Germans have made every effort to help find a solution to the fish crisis which will help preserve the fish stocks on the Grand Banks of Newfoundland.

In 1994 the German presidency of the EU worked more closely with Canada than ever before. Also, thanks to the strength of the Deutschmark, there were more German tourists visiting Canada in 1994 than ever before.

In the name of friendship and continued relations, Willkommen zu Kanada.

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CORPORAL NEIL BERNARD MCKINNON

Mr. Ron MacDonald (Dartmouth, Lib.): Mr. Speaker, on March 27 Corporal Neil Bernard McKinnon was killed in a training accident at Canadian Forces Base Suffield. Warrant Officer Kirk Drew suffered serious injuries in this unfortunate

accident. Both men were members of the Princess Patricia's Canadian Light Infantry.

Corporal McKinnon was only 24 years old. He served Canada proudly and well as a peacekeeper during two tours of duty in the former Yugoslavia, far away from his home and his family in Sydney River, Nova Scotia. It saddens us all that he paid the ultimate price in service to his country. He truly will be missed.

I ask members of the House to join me in offering our condolences to Neil's family and to wish Warrant Officer Drew a speedy recovery from his injuries.

Some hon. members: Hear, hear.

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[Translation]

REFUGEE RIGHTS DAY

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, Refugee Rights Day is celebrated every year in Canada on April 4, to commemorate the *Singh* judgment. This year we commemorate the tenth anniversary of a decision by the Supreme Court of Canada to extend the application of the Canadian Charter of Rights and Freedoms to refugees.

One hundred and twenty-five million people have had to leave their countries or towns as a result of ethnic conflict or civil war, including 23 million refugees who are victims of persecution.

(1405)

Considering the current backlash against refugees in Canadian public opinion, the government should start a campaign to make the public aware of our responsibility to welcome these people and aware of the need for openness and tolerance and of Canada's international obligations to refugees.

I want to express my support for and solidarity with refugees and the organizations dedicated to defending them.

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[English]

FISHERIES

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, for the last 15 years warnings have trumpeted the fact that the west coast fishery was heading into trouble. Therefore, it came as no surprise that the Fraser report concluded the Department of Fisheries and Oceans was completely out of touch with the reality of what happened to the salmon stocks returning for spawning. That fact had been backed up by numerous task forces in the past and continues to this day.

I implore the minister to go back to the generalist format for the DFO officers, to listen to the DFO officers who are working in the trenches, not necessarily the bureaucracy, to enforce the

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law equally for all people who are fishing, to ensure that we have a sustainable fishery on the west coast for future generations, and to ensure that what happened on the east coast does not happen on the west coast.

The writing is on the wall. Let us not ignore it.

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HARBOURFRONT CENTRE

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, when it comes to speaking up for Ontario, the 98 Liberal Ontario members sure are quiet. This is especially true for MPs from the city of Toronto.

The Liberal government has decided to eliminate all funding to Harbourfront, a world class cultural centre set up by the Trudeau government. It was originally set up to run in perpetuity by revenues from the original development but, as with most Liberal plans, it fell through.

The Liberals promised funding for Harbourfront but has left it high and dry. The Toronto Liberal caucus chair will not comment about this latest broken Liberal promise. The entire Liberal caucus will not comment on any of the 20 broken promises to Ontario. Why not? It is embarrassed with its record of broken promises, in particular its betrayal of medicare, education and job creation. Rather than account for its betrayal to Ontario it wrongly blames the NDP government.

The people of Ontario are learning their lesson of false Liberal promises as other Canadians have learned first hand. Liberals, Tories, same old stories.

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CANADIAN CANCER SOCIETY

Ms. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, it is April and spring is here, at least in British Columbia. The daffodils are in full bloom and so is the Canadian Cancer Society's fundraising campaign.

Since 1938 the Canadian Cancer Society has tried to eradicate cancer and sought to better the lives of people suffering from this terrible disease. Cancer research has resulted in many breakthrough treatments over the years. In 1979 the five-year survival rate for childhood leukaemia was 17 per cent. Today, thanks to advancements in research and rehabilitation, it is 83 per cent. The Canadian Cancer Society also helped to fund the recent discovery of a breast cancer gene that will enhance prevention.

Despite our small victories, the fight against cancer is not over. In 1995 alone 126,000 Canadians will be diagnosed with cancer and 62,000 will die from the disease.

Therefore, this April I urge all Canadians to give generously to the Canadian Cancer Society volunteer who comes their door. Together we can give not only money but hope to the thousands of Canadians suffering from cancer.

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ONTARIO LIBERALS

Mr. Rex Crawford (Kent, Lib.): Mr. Speaker, I rise today to congratulate my legislative assistant for the past seven years, as he won the Ontario Liberal Party nomination in the riding of Chatham-Kent last week.

Mike Ferguson has provided me and the great people of Kent County with loyal and dedicated service. No problem was too big or too small as he worked one on one with my constituents.

Bob Rae is spending \$8 million a day to get re-elected. The NDP's \$10 billion deficit is a sorry example next to seven provinces that now have balanced budgets. The Ontario NDP debt is increasing by \$1 million an hour. We need a practical, common sense, balanced budget approach which Mike and the Ontario Liberals can bring to this province. A Liberal candidate has now been nominated in every riding in Ontario, while the Conservatives must place want ads to find people to represent yesterday's party.

I wish Mike and all Liberals—

The Speaker: The hon. member for London West.

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(1410)

EQUAL RIGHTS

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, I feel compelled to respond to sentiments expressed by at least one member of the Reform Party regarding the denial of asylum for females fearing genital mutilation. I spoke last fall at the inter-parliamentary union on this topic. Countries cannot use culture as an excuse to deny women human rights. Women's rights are human rights.

Canada's commitment to equality for women is rooted in the belief that equal rights for women are an essential and inherent component of progress on overall human rights and democratic development.

Female genital mutilation in Canada can be prosecuted under a number of sections of our Criminal Code. Female genital mutilation is a brutal expression of patriarchal power. It is child torture.

Canada should and does lead the world with our gender persecution guidelines. These, like many other issues, require understanding and compassion, not rhetoric.

[Translation]

SAINTE-MARGUERITE HYDROELECTRIC PROJECT

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, after all the criticism directed by Cree Chief Matthew Coon-Come against the James Bay agreement and Hydro-Québec, it was encouraging yesterday to hear what was said by Montagnais Chief Élie Jacques Jourdain in Washington, where he explained the benefits of the Sainte-Marguerite hydroelectric project for his community.

The agreement between the Montagnais and Hydro-Québec will boost the economy and employment in the region. According to Chief Jourdain, the agreement will protect the way of life and culture of the Montagnais, since the Montagnais' two conditions were met, namely that the agreement will not adversely affect their ancestral territorial rights and will make them equal partners.

I also wish to commend Chief Jourdain and negotiator Konrad Sioui for having the courage to say in public what many aboriginal people think: a real partnership between Quebec and aboriginal peoples is feasible.

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[English]

HEALTH CARE

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, on paper we have a health care system that sounds great. The Minister of Health and the Prime Minister are always talking about the five principles in the Canada Health Act—lots of talk with little action.

Our health care system, successfully pioneered in a regional health district in Swift Current, Saskatchewan, is crumbling. On paper health care in Canada is accessible. In reality the waiting lists for major surgery are growing. On paper health care is universal; however, different provinces cover different services and prescriptions in their health plans.

As the population ages, demand for health services is rising while the proportion of people paying for services is dropping. Debt servicing costs are rising while federal health funding is falling. How long will this have to continue before the government takes action rather than reading a paper called the Canada Health Act?

On paper Canada has a world class health care system. In reality when Canadians are sick or injured they have the right to be put immediately on a world class waiting list.

[Translation]

NATIONAL EMERGENCY MEDICAL SERVICES WEEK

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, this week is National Emergency Medical Services Week. We want to take this opportunity to stress the vital role played by health professionals in emergency medical services.

Anyone who has ever had to use these services will appreciate what is done by the people who work in this area.

[English]

I wish to commend and congratulate the Canadian Confederation of Ambulance Service Associations and its president, Mr. René Berthiaume, for their devotion and enthusiasm as well for their involvement in national emergency medical services week.

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CANADIAN VOLUNTEER ADVISORS TO BUSINESS

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I rise today to inform the House about an act of generosity that was rendered by a citizen of Canada and a constituent of mine. Mr. Brian Oxley of Scarborough travelled to Romania to help and advise local manufacturers engaged in glass production.

Mr. Oxley was a volunteer advisor working overseas for Canadian Volunteer Advisors to Business, otherwise known as CESO. Since it was founded in 1967, CESO has been providing Canadian volunteer advisors to businesses and organizations in Canada's aboriginal communities, developing nations and emerging market economies in central and eastern Europe.

CESO volunteers are skilled Canadians, men and women, usually retired, who willingly share their lifetime of practical experience with those who need it most.

This merits congratulations to all concerned. I congratulate Mr. Oxley for his outstanding contribution.

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AGRICULTURE

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, yesterday I asked the minister of agriculture whether farmers who deliver grain to the elevator before July 31 will have to pay the full freight rate for their crop if it is not shipped out of the elevator until after August 1.

(1415)

The minister confirmed that farmers who sold their grain to the Canadian Wheat Board and delivered it to the elevator

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before July 31 will end up paying the full freight rate if the grain was shipped to the terminal after August 1.

This position was not made clear in the budget. Farmers were led to believe that as long as the grain was in the elevator by July 31 the Crow benefit would apply. Now farmers find out this is not true. They may be stuck with paying the full freight rate even if their grain was in the elevator before July 31 deadline.

The minister should have been straightforward with farmers about this deadline in the first place. Farmers will end up paying the full freight rate on some of the grain they deliver before the end of this crop year.

seriously when it says it wants to co-operate with the provinces, when it excluded them from the forum on health, for instance, and the budget's enabling legislation gives them no more than a purely advisory role in defining national standards?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, first of all, I have to say to the Leader of the Opposition that as far as the forum on health is concerned, we said no, we did not want the provinces to be there. Later on, we invited them, but they refused to come.

Some hon. members: Oh, oh.

Mr. Chrétien (Saint-Maurice): Now listen, they persuaded me to invite them, and then the opposition asked me to invite them. I was very nice about it, so I did. Once they were invited, they decided not to come. Do not blame me, I listened to you. Blame them.

As for the remainder of the hon. member's question, if we want to have national standards across the country, which is normal, it is because of manpower mobility in Canada and also because we have a minimum of respect for all members of the Canadian community. We must establish a satisfactory minimum for all Canadians across the country in the areas of health care, social assistance and similar services.

The Speaker: My dear colleagues, may I remind you to address the Chair in your questions and answers?

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, the provinces are told: «We do not want you around». It was their understanding that they were not wanted.

How can the Prime Minister talk about flexible federalism when he threatens to cut federal contributions even more if the provinces do not respect national standards for the Canada Social Transfer? In other words, will he have the courage to put his cards on the table at a federal-provincial conference?

[English]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we had occasion to discuss that at the different federal-provincial meetings I had with the provinces, along with the Minister of Finance and the Minister of Human Resources Development.

Generally speaking, provinces recognize we have to reduce the cost of these programs. The best way to do that is by collaboration between the provinces and the federal government. We have to reduce our spending.

(1420)

As I explained earlier, when some provinces including Quebec cut \$500 million in health services in December they were not returning any of that money to us even if we had made a strong contribution to that level of payment.

ORAL QUESTION PERIOD

[Translation]

SOCIAL PROGRAM FUNDING

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, the budget announced a series of reforms that would consolidate transfer payments as a single payment—considerably downsized, by the way—the Canada Social Transfer. This announcement reflects Ottawa's disengagement from social programs financing. Instead of giving the provinces this much vaunted flexibility and autonomy, it wants to impose new national standards for health care, social assistance and post-secondary education.

How can the minister claim that his government wants to ensure that all Canadians have access to adequate services, when at the same time it substantially reduces its commitment to social programs by transferring its financial responsibilities to the provinces which already have serious financial problems?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the provincial Premiers and all provincial governments are now analysing their respective programs, and we have done the same at the federal level. Everyone realizes that as far as government spending is concerned, we must reduce the pressure on the taxpayer. We have informed the provinces of our position. They have been aware of that position since December 1993, when we told them that we would eventually introduce a system but would give them two years to get ready.

In the February budget brought down by the Minister of Finance they were informed of the nature of federal cuts. The provinces had already made some cuts of their own, and they will continue to do so because we believe that at all levels of government, it is possible to offer the right kind of service without spending as much as we did in the past.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, how does the government expect to be taken

*Oral Questions**[Translation]***FISHERIES**

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, the Minister of Fisheries and Oceans has confirmed that Canada and the European Union reached agreement in principle yesterday in the turbot dispute, subject to approval by cabinet and the officials of the European Union. With Spain and Portugal's rejection of it, the European Union has called for the reopening of the agreement in order to wring even more concessions from Canada and thus bring the negotiations to a standstill.

Could the Minister of Fisheries and Oceans confirm that the European Union, under pressure from Spain, in particular, has rejected the agreement in principle, thus bringing us back to the starting point?

[English]

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I thank the member for his question.

I can confirm that what has just been proposed is not correct. Negotiations as we speak are ongoing in Brussels. Good progress is being made. I understand there has been a report, which no doubt the member has seen, which in effect states that the EU has rejected the draft agreement. This is not correct. Good progress is being made and Canada hopes that in due course these negotiations will conclude successfully.

As we have always said, our first and primary interest is and remains an effective conservation regime and the means to bring about proper enforcement to protect these straddling stocks.

[Translation]

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, how can the Minister of Fisheries and Oceans appear so optimistic about the outcome of the negotiations, when the Spanish prime minister, Felipe Gonzalez, said that Spain was definitely rejecting the terms of the agreement in principle?

[English]

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, it is because Canada is negotiating with the European Union. It is a bilateral negotiation involving Canada and the European Union. Negotiations continued non-stop through the weekend. Progress was made each and every day through the weekend and continues even today. It is a matter for the European Union to deal with the views whether they be unanimous or not of each of the member states.

With respect to the negotiating table, Canada and the European Union sit at that table and progress to this point is being made.

HEALTH CARE

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, there seems to be growing confusion throughout the country concerning the federal government's intentions with respect to health care funding.

The health minister and the Prime Minister have both hinted that funding could be reduced by up to \$16 billion or 2 per cent of GDP and that Canadians in future will not receive the same degree of coverage that they have in the past. At the same time, the government has also suggested that health care funding should be simply frozen or flat lined.

My question is for the health minister. What precisely is the government's agenda for reforming health care, in particular reforming the scope of health care services and health care financing?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, while the direct responsibility for health care remains with the provinces, we intend to continue to enforce the principles of the Canada Health Act. That act has given us one of the finest medicare systems in the world.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I asked the minister to reduce the confusion caused, not to add to it.

Last month the Prime Minister spoke in favourable terms about bringing Canada's health care spending more in line with that of European countries. The Prime Minister must realize however that almost all of those European countries to which he refers have a private health care backup to the public system which is how they get more bang for their health care buck.

(1425)

Does the health care minister support the Prime Minister's recommendation that Canada's health care funding should become more like that of Europe? Does she have a concrete plan for bringing that reform about?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, of course I support the Prime Minister. The Prime Minister has repeatedly said that this country will continue to have a universal medicare system.

Thirty-two years ago today our Prime Minister was first elected as a member of Parliament to the House of Commons.

Some hon. members: Hear, hear.

Ms. Marleau: Mr. Speaker, during those 32 years our Prime Minister was present for the creation and the building of the best medicare system in the world. Our Prime Minister has nothing to learn from the Reform Party which advocates two-tier medicine.

Some hon. members: Hear, hear.

Oral Questions

Mr. Speaker: The hon. member for Calgary Southwest.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, that sounded more like a job security speech to me than a health care issue.

In a March 15 speech the Prime Minister promised to uphold the five pillars of medicare but he could not tell his audience how he would do it. In a March 4 speech the health minister encouraged the provinces to experiment broadly with health care delivery and yet refused to say what powers the provinces would be given to do that job.

My last question is for the finance minister. How long will Canadians have to wait before the government presents a concrete blueprint for health care reform? How long?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I wish the Reform Party would listen instead of preaching all the time.

From the very beginning we have been very clear. Yes, there is flexibility providing we maintain the principles and we keep a system which serves all Canadians regardless of whether they have money or not. Our system has to be based on need. What the Reform Party is advocating is a U.S. style of medicare, a system for the fit and fortunate.

* * *

[Translation]

CANADIAN BROADCASTING CORPORATION

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the Prime Minister. In a speech yesterday at the Canadian Club in Toronto, the ex-president of the CBC, Tony Manera, showed that cutting the CBC's budget by more than one third will seriously jeopardize the current mandate of the Crown corporation. At the same time, the new president of the CBC, former Conservative minister Perrin Beatty, said in reference to the cancelling of entire programs at the CBC that we are running out of time to make difficult decisions.

Will the Prime Minister confirm that his new appointee to the helm of the CBC is ready and willing to cut as much as one third from the CBC's current budget and to lay off between 3,000 and 4,000 employees?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, cuts of four per cent for this year were announced in the Minister of Finance's budget. In fact this is not out of proportion, compared to cuts we were forced to make in other sectors.

We also decided then that we had to review the CBC's mandate and that of other related organizations in order to determine how to adjust to today's realities with today's finan-

cial means, and in order to determine the kind of television network we need in order to be competitive in the 21st century.

(1430)

When the CBC was created, Canadians only had access to two television channels; now they can access between 100 and 200 channels. In the near future, we will be setting up a committee to align the CBC's mandate with today's and tomorrow's realities, and working from the revised mandate, we will determine a budget enabling the CBC and other similar organizations to reach their new objectives.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, does the Prime Minister realize that the CBC has already been hit by previous budget cuts, is being hit by those contained in the current budget and that it will also be hit by future budgets?

Has the Prime Minister considered whether the deep cuts that he is planning to impose on the CBC, which will apply indiscriminately to the English and French networks despite the fact that the French network outperforms the English one by a long shot, will seriously jeopardize the mandate and future of Radio-Canada?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have always recognized in the past the necessity of having a French radio and television network in Canada. Might I add that the CBC's budget is divided. The French radio and television network receives a proportionally higher share of funding than the francophone population would have warranted. We want to continue giving good French language service to Canadians from coast to coast. But this budget must be adjusted to take into consideration today's realities and the new mandate we need to give, given that competition is no longer limited to just one network but now involves hundreds of networks. We must give an appropriate vocation to both the English and French networks of the CBC.

* * *

[English]

HEALTH CARE

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, my physician colleagues tell me that the Canada Health Act is outdated.

For example, the Canada Health Act is supposed to provide reasonable access to health services yet in Manitoba people are waiting 60 weeks for hip replacement. In Saskatchewan people are waiting 30 weeks for cataract surgery. Quebecers have to line up behind 1,460 patients for hernia surgery.

Will the minister responsible for these waiting lists define reasonable access so that Canadians will be protected by the Canada Health Act?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, my understanding is that Canadians have been protected by the Canada Health Act.

Oral Questions

Yes, there are pressures from time to time in different areas. However, the Canada Health Act ensures that these pressures are addressed by the individual provinces. When we see long waiting lists, provinces move in very quickly and public opinion forces them into doing what is right, ensuring that the needs of their citizens are met in a good manner without people having to pay to get to the head of the line.

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, reasonable access is not the only Canada Health Act pillar that has crumbled. Let us look at the minister's arbitrary definition of user fees.

The minister says Alberta allows user fees; naughty, naughty, naughty. However at the Eastern Kings Memorial Hospital in Nova Scotia patients must pay for stitches, anaesthetic and syringes. Does the minister responsible for this arbitrary legislation not agree that patients having to pay for these things makes it a user fee?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, the letter which I sent to all provinces interpreting the Canada Health Act and user fees applied to all provinces in this country. That is the way we implement federal legislation. Medical necessity has been defined by medical associations, provincial governments and in some cases the courts.

* * *

(1435)

[Translation]

CANADIAN BROADCASTING CORPORATION

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

We now know that the minister, who had announced himself, with great fanfare, Mr. Manera's appointment at the helm of the CBC last year, was not even consulted by the Prime Minister before the appointment of the new president of the CBC, Perrin Beatty, was announced.

In light of the fact that he was totally excluded by the Prime Minister from the decision-making process regarding the appointment of Perrin Beatty as the new president of the CBC, will the Minister of Canadian Heritage acknowledge that this was a sign that the Prime Minister and the federal Cabinet have lost confidence in him?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member's statement is unfounded, completely unfounded. I raised the issue with the minister first, before bringing it to Cabinet. I think this was more than a month before Mr. Beatty's appointment.

I think that the hon. member's information—Long before the budget was tabled, Mr. Manera had asked to be replaced for

personal reasons. He called us weeks before the budget was tabled to say that he wanted to leave for reasons of his own and that his resignation had nothing to do with the budget. He actually handed in his resignation before the budget was even tabled.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my supplementary is for the Minister of Canadian Heritage.

Are we to understand from the Prime Minister's answer that the heritage minister's inability to meet his obligations to the CBC is what led him to abdicate his duties as the minister responsible for this major Crown corporation?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I understand the hon. member's problem. Her supplementary was prepared before I gave my first answer.

I said previously and I repeat that Mr. Manera resigned long before the budget was tabled. I mentioned Mr. Beatty's name for the first time weeks before his appointment was made public.

* * *

[English]

HEALTH CARE

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, once and for all I want to end this fallacy. We in the Reform Party in no way, shape or form are in favour of an American style health care system. We will fight against it every time.

The Canada Health Act faces a grim future. It is supposed to guarantee reasonable access yet in British Columbia a person in severe pain has to wait 13 months for a hip transplant.

Will the Minister of Health review the act to provide a working definition of reasonable access?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I am quite pleased to hear that the hon. member is in favour of medicare as we have it in Canada. I suggest though that he speak with other members of his party who do not appear to share his views.

We will continue to insist that the Canada Health Act remain in place. It has served the people of Canada very well. It will continue to do so despite the protestations of the people from the third party who have absolutely no understanding of what it is like to be ill and not have the money to be treated. We refuse to allow our system to go back to that kind of inequity.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, the minister cannot tell me, an emergency room physician, that I do not know what is happening to sick people in this country.

Oral Questions

You cannot tell me that people who are waiting 48 hours to get into an ICU are not suffering. They are suffering. Go into the hospitals and find out. I will take you by the hand and show you.

Some hon. members: Oh, oh.

The Speaker: I would ask the hon. member to please address the Chair in his comments and I would ask him to put his question.

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, because of the void that we have, private companies are now having to offer to people on waiting lists to get their medical services done in the United States. Canadians are forced to pay for private insurance to have this done.

(1440)

Will the minister amend the Canada Health Act to enable the provinces to get their health care financing under control?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, first, I will not hold his hand. Second, I have not heard this much self-serving rhetoric in a long time.

We do not have to amend the Canada Health Act to allow the provinces to get their fiscal houses in order. As a matter of fact, it is very important that we maintain the principles of the Canada Health Act as we all get our fiscal houses in order so that we can remember who we are here to represent. It is the people, all kinds of people; wealthy people, sick people and everyone else in the country.

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[*Translation*]

PURCHASE OF EH-101 HELICOPTERS

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Prime Minister. The Canadian government is currently negotiating with the Agusta company the compensation to be paid following the cancellation of the EH-101 helicopter contract worth in excess of \$5 billion, which, despite the cancellation, has already cost half a billion dollars. As a result of the investigation into the murder of a Belgian government minister, Agusta is now in hot water in Belgium for allegedly paying \$12 million in bribes in connection with a contract to purchase helicopters for the Belgian army.

Given the allegations of corruption made against Agusta, does the Prime Minister promise to suspend all negotiations with this company until the government has completed a judicial inquiry into the circumstances surrounding the EH-101 contract agreement, as the Minister of Human Resources Development called for on April 13, 1993?

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, negotiations have indeed been undertaken but, since legal

proceedings are under way, I think it would be inappropriate to comment publicly at this time.

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, I had hoped that the Prime Minister would answer my question. I do not think it is inappropriate to initiate discussions.

Since Agusta is under investigation in Belgium and Italy for influence-peddling, corruption and arms smuggling, how can the Prime Minister justify continuing negotiations with Agusta without first looking into this company's profits in the Canadian helicopter deal?

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, first of all, in the preamble to his question, my hon. colleague said that discussions should be held, but a little later he says that negotiations should not be undertaken. He should first make up his mind; then, we will talk.

* * *

[*English*]

PUBLIC SERVICE

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

When the public service downsizing initiative was announced last month, the government committed to ensuring that departmental officials at the local level would be given the flexibility necessary to adjust staff and program requirements prior to final regulation and legislative proposals.

Would the minister please update members on what steps have been taken to ensure that local management has the ability to respond to individual and community needs in the downsizing exercise?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, in carrying out the downsizing which has been necessitated by the reduction in programs and services arising from the government's need to meet its deficit reduction targets, we have established labour-management committees in different communities across the country to help assist our employees in their adjustment from the public to the private sector.

Furthermore, we have given flexibility to the departments. I would trust that the departments would consult with regional councils so that the downsizing can be managed within the context of a region as well as meeting the needs which are set out in the budget.

Let me assure the hon. member that we will deal with our employees, those who are departing and those who are remaining, in a fair and reasonable way.

Oral Questions

(1445)

[Translation]

GOVERNMENT SPENDING

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, my question is for the Prime Minister.

Yesterday I asked why Glenda Simms, the past president of the Canadian Advisory Council on the Status of Women, was being kept on the government payroll and going on irrelevant junkets when her position is now defunct. The Prime Minister responded by saying that he was giving her time to adjust to the new reality.

The government is throwing 45,000 civil servants out of work. They, like many other Canadians, will have to adjust to their new reality, so why does Simms get special treatment? Is this another example of Liberal double standards?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, on the contrary, the President of the Treasury Board has made sure the people who are to be let go because of the cuts will have good payments made to them. An agreement was negotiated by the union to make sure there will be some help for them to adjust.

It is part of the policy of the government to make sure it is not the end from one day to the other. We do that for all the bureaucrats and for that woman too.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, 45,000 civil servants did not get a trip to the Philippines to have fun in the sun.

The government appointed Simms in January when it knew it was going to disband the Canadian Advisory Council on the Status of Women. Simms wasted taxpayers' money on questionable expenses during her tenure as head of the council. Now the government is allowing her to waste even more money on this needless and frivolous trip to the Philippines.

Will the Prime Minister demonstrate to Canadians he cares about government waste, cancel the junket and terminate Simms appointment?

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, Dr. Simms, at the invitation of international agencies, has been invited to speak on Canada's very fine programs to ensure equality for all people, including employment equity for women.

She has also been asked to address the issues of sexual harassment in the workplace, for which Canada is doing a fairly good job to date. She is addressing these programs and policies in the Philippines where she has been invited to speak. The Minister of Foreign Affairs has agreed that Canada, as a role model, should speak in international fora of this nature. We are very proud she is going to represent us.

BURUNDI

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Yesterday, the President of Burundi alluded to the threat of a double genocide when he said that something must be done about the similarities between the current situation in his country and what happened in Rwanda. Four hundreds Hutus, mostly women and children, are said to have been slaughtered last week by the Burundese army and by armed groups of Tutsis, in the Gasorwe region.

Will the minister tell us what the Canadian government intends to do following the plea for help made by the Burundi President?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, the hon. member will understand that any solution to the precarious situation in Burundi must absolutely be based on a reconciliation of the parties involved.

This is why the Union of African States, as well as the Francophonie, which met in Paris last week, decided to send ministerial missions to meet with the parties to try to make them understand that reconciliation is essential. We are confident that these preventive diplomacy efforts will give positive results.

The hon. member is seeking a military solution, but that is not what government authorities want. The hon. member's suggestion has not been made by government authorities. The solution proposed by the ministers of the Francophonie is precisely the one requested by the Burundi government official.

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, does the minister recognize that, beyond the nice assurances and comments on reconciliation, it is urgent to take concrete action, which includes the rapid setting up of a monitoring group in Burundi, as requested by the Burundi ambassador to Canada?

(1450)

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I just said to the hon. member that, even though the Burundi ambassador may have made such a request, Burundi government officials did not.

I just got back from a meeting of ministers of the Francophonie, where the Burundi situation was discussed and where we heard from a representative of the government of Burundi. What that government official asked for, and what we will do, is this: first, send a ministerial mission to attempt a reconciliation; second, send a group of experts to help local authorities solve their problems; third, provide humanitarian assistance, as Canada is always prepared to offer, to non-governmental

Oral Questions

organizations helping the civilian population affected by the conflict.

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[English]

WAR CRIMINALS

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, in January of this year the government announced that war criminals living in Canada would be deported rather than prosecuted for their crimes against humanity.

This is a shift in policy from 1987 when the Liberal Party endorsed a made in Canada solution to Nazi war criminals.

My question is for the Minister of Justice. Why has the government given up on the idea of prosecuting Nazi war criminals in Canada?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, by far the preferred way of approaching such cases is to initiate criminal prosecutions.

However, a couple of things have happened since 1987. First, the provisions in the Criminal Code that were added at about that time to provide for such prosecutions have been tested in court proceedings and interpreted by the Supreme Court of Canada.

Second, the nature, quality and availability of the evidence in such prosecutions has diminished in the years since 1987. When we came to office we came with a determination to do something about the moral imperative of removing such people from our midst.

We looked at the possibility of criminal prosecution and determined that in view of the interpretation placed on the provisions of the code by the Supreme Court of Canada in *Finta* and in view of the state of the evidence in these cases, the best approach for achieving the moral imperative in a practical way was to institute civil proceedings by the Department of Citizenship and Immigration. That is the step we have taken.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I have been here for 18 months and in all areas of crime we would like to see some justice. I am still waiting. We have not seen justice yet.

Earlier this year the Minister of Justice said: "War crimes investigators have evidence that 12 suspects are living in Canada". However, the government is only pursuing four cases in order to test the legal waters.

The longer the minister waits, the more unreliable the evidence is going to be. Why is the minister not pursuing all 12 cases immediately?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member is quite

right. These cases must be undertaken as soon as possible. We are starting with four cases. We have identified eight others as appropriate for proceeding in this same way. We have eight counsel under the lead of a senior justice counsel dealing with the four cases that are already before the courts. As soon as we possibly can we will initiate the others.

We started with four cases that we believe in some important respects will clear the way by creating legal precedents that will make it simpler to proceed in the other cases.

I fully agree with the hon. member and we will commence the balance of the cases at the earliest possible date.

* * *

TRADE

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, my question is for the Minister of Industry.

In order to create jobs and stimulate small and medium sized businesses in a new, innovative economy, we need new approaches to equity capital.

What is the government doing to create a new environment for encouraging Canadians to invest in their own country and its technological excellence?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I would like to thank the member for Durham for his continuing interest in the issue of capital formation with respect to small and medium sized businesses, especially in the new economy areas which he knows require both investment in technology as well as in skills development.

(1455)

It is a key issue. In keeping with the approach that the government announced in the orange book of assistance to business, our objective is to create a framework in which business will succeed. We are looking to the private sector for the kinds of linkages and sources of funds that are important. In addition we have a tax system in place that encourages innovation and investment in R and D.

The R and D tax credit, the creation of the Canada community investment plan as well as Industry Canada are pursuance of our macroeconomic agenda. It will ensure that we understand the needs of small business and that we make the appropriate linkages and partnerships that are available. They are the keys to solving these problems.

* * *

[Translation]

HEPATITIS C

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Minister of Health.

Oral Questions

Yesterday, the Minister of Health said with respect to hepatitis C, and I quote: "I can tell you that the hon. member recognizes that there are many jurisdictions involved in this issue. We are eagerly awaiting Justice Krever's recommendations on contacting individuals infected with hepatitis C".

How can the minister justify the decision not to trace hepatitis C carriers before 1990 by the fact that there were several jurisdictions involved, when the decision made arbitrarily at the time to stop traceback was made by the Red Cross alone?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I would like to say that Health Canada is responsible for monitoring the safety of blood products. It is true several jurisdictions are involved, especially the provinces, which have a responsibility with respect to traceback.

I must say that a number of provinces have started to get involved in hepatitis C traceback, including British Columbia and a number of hospitals in other provinces.

* * *

[English]

EXPO 2005

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, two Canadian cities are competing for the right to bid on hosting Expo 2005. They are anxiously waiting for the heritage minister to announce which city will win that right. The minister said he would announce his decision by the end of March. We are still waiting.

A lot of citizens have worked hard on these bids. Will the minister end the suspense here and now? Is it Calgary or Ottawa?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, consideration of this issue is making good progress. It has now reached ministerial level where it is being discussed.

We are quite conscious of the great anxiety of the bidding groups. They shall be informed of the results of the ministerial consideration as soon as possible.

* * *

THE BUDGET

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is for the Minister of Finance who I think will agree that his budget has taken us down an unprecedented course.

Some hon. members: Hear, hear.

An hon. member: There will never be a Liberal elected in Saskatchewan again.

Mr. Riis: There was no significant change in monetary policy in the budget. There was tinkering with the tax system only in

terms of reform. The main thrust has been through massive cuts to social programs, actually all government programs.

Presuming that this is to lead to economic prosperity and job creation, will the minister tell us what country and what government he used as a model to demonstrate that this approach actually works and is successful?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I would like to congratulate the hon. member for having begun his question so well.

We engaged in an analysis of Canada's economic needs, the circumstances within which we found ourselves and the government's overwhelming commitment to see job creation made the priority focus of the country. I think that is the reason why the budget has been so well received. It is as a result of this budget that the economic recovery will continue and Canadians will begin to do in the context of the rest of the world what we as Liberals have always felt they could do, and that is to take on anybody.

* * *

(1500)

AGRICULTURE

Mr. Tony Valeri (Lincoln, Lib.): Mr. Speaker, farmers and companies in the agri-food sector in my constituency of Lincoln recognize the change taking place in the Canadian agricultural sector, in particular the need to expand our export markets.

Canadian farmers are looking to this government to ensure international agricultural trade reaches the \$20-billion level by the year 2000.

Will the minister of agriculture explain what tangible results Canadian farmers and the agri-food sector expect from his recent visit to Chile, Argentina and Brazil?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, yesterday I returned from a 10-day trade mission in South America, visiting the countries referred to in the question. It was a most successful trade mission, particularly because it not only involved representatives of the Government of Canada but also representatives of three provinces, Quebec, Alberta and Saskatchewan, plus representatives of close to 30 leaders of Canadian farm organizations and Canadian agri-businesses. It was truly in the spirit of Team Canada referred to by the Prime Minister.

There were some specific transactions concluded by the business delegation during the course of the trip. A foundation was laid for many more transactions in the future. We made progress on issues such as trade-distorting export subsidies and vital sanitary procedures.

Supply

We discussed Chile's succession to the NAFTA as the fourth amigo. We were expanding Canada's trade horizons with respect to grain, pulse crops, alfalfa, livestock, meat, animal genetics, agriculture technology, processed foods and agricultural equipment and machinery.

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PRESENCE IN GALLERY

The Speaker: Colleagues, I wish to draw to your attention the presence in the gallery of Mr. Hans-Ulrich Klose, Vice-President of the German Bundestag and three of his colleagues, members of Parliament.

Some hon. members: Hear, hear.

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POINTS OF ORDER

Mr. Sarkis Assadourian (Don Valley North, Lib.): Madam Speaker, yesterday in the debate in this House, Private Member's Business, Crimes Against Humanity, on page 11375 of *Hansard*, I used the figure "300,000 intellectuals". That should read 3,000. I made the error and I hope to have it corrected in the next *Hansard*.

The Acting Speaker (Mrs. Maheu): It will be corrected.

GOVERNMENT ORDERS

(1505)

*[English]***SUPPLY**

ALLOTTED DAY—AGRICULTURE

The House resumed consideration of the motion.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Madam Speaker, I was not very surprised reading the text of the Bloc motion that we are addressing today because I find that its members are following their usual strategy of being vexatious and provocative, trying to pit Canadians against Canadians. They do this under the pretence of representing their constituents, but I do not believe that Quebecers as a group do not believe in fairness. By and large, they are like the rest of us. What we are seeing here is a classic example of what the Bloc does in this place day after day after day.

I asked a couple of Quebec members from the other central Canadian party how they felt about the fact that the Bloc engages in this type of rhetoric. I asked them if they were at all embarrassed by the constant whining and by these efforts to put out their hand for more and more. The answer that I got from these other Quebecers was: "Yes, it does embarrass us".

Let us take a look at this terrible abuse that we hear is being heaped upon those Quebec dairy farmers with their guaranteed 40 per cent share of the domestic milk market in Canada. Yes, they are going to have their subsidies cut; they are going to be cut by 30 per cent over two years. Therefore, their \$217 million subsidy will be cut by \$57 million.

What the hon. members from the Bloc neglect to mention is that all the dairy farmers in Canada do not reside in Quebec. The rest of us have cows too. We are going to be losing our pro rata share of that same subsidy, which is causing this inordinate amount of whining.

On the other hand, the Crow benefit is not going to be phased out gradually. We are not going to lose just a few percentage points per year over any given period of time. It is going to be cut by 100 per cent immediately and forever.

Mr. Solomon: Shame on the Liberals.

An hon. member: Shame.

Mr. Morrison: Shame on the Liberals. There is going to be a \$1.6 billion buyout. This buyout is equivalent to what the subsidy has been paying over each three-year period, or would have been paying over the next three years. After that, nothing. But the dairy farmers will still be in there for 70 per cent of their subsidy. If this is inequitable to Quebec then please help me here. What would they regard as equity?

There is another little cute trick in the budget, which I have not heard the Bloc mention. That is the Feed Freight Assistance Act for feed grains to the eastern part of Quebec as well as the Maritimes. We are talking about Quebec here. That is going to be phased out over a 10-year period.

It now appears, from the rumours I have been hearing, that this is not even going to begin for another year. There is going to be a one-year moratorium on phasing out the FFAA. All this means is that we will continue in the west shipping our feed grains to Quebec to be turned into beef and milk products, whereas if we did not have this subsidy to work against us, we could do it at home more economically and export the finished product. However, that is not the way Canada works. We are still locked into the old colonial system where the two central Canadian provinces get the milk, the grass is eaten in western Canada, and we all know what happens in the Maritimes.

(1510)

This motion speaks about diversification and the fact that because we are going to get this buyout on the Crow rate it is going to be a great encouragement for us to diversify. In my riding farmers have been diversifying for the last few years, not because of the availability or lack of availability of subsidies, but in response to market forces. They are growing crops they never grew before.

When I drove around my riding last summer I saw canola, lentils and even sunflowers—big acreages of them. These are not native to my part of Saskatchewan, but we are swinging over

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to them in order to profit from the market that is out there and to get away from our low-priced product, which is wheat.

In conclusion, I want to digress a bit from agriculture and talk again about the question of who gets what out of Confederation. I am sure that hon. members of the Bloc are aware of a recent study that indicated that over the last ten years Quebec has had a net benefit of payments in, over-taxation out of \$168 billion. During that same period the province of Ontario has come up short by \$45 billion. Do not let us ever forget that my neighbouring province of Alberta, during the days of the national energy policy, had to forgo \$90 billion in revenue in order to support the economies of the two central Canadian provinces. I find it more than passing strange that those of us who want to hold our country together, who care about this country, are the ones who have been paying the bills, and the people who want to tear it asunder are the ones who have been benefiting the most economically from Confederation. They are saying, in effect: "We want to be free; we want to go it alone, but please, keep giving us money".

[*Translation*]

Mr. Jean-Guy Chrétién (Frontenac, BQ): Madam Speaker, the distinguished colleague who spoke just before me, a member of the Reform Party from the west, criticized the members of the Bloc Québécois for defending our country, Quebec. I would like to give him a short history lesson.

In 1837, the Government of Quebec was dissolved from London. Three years later, in 1840, Lower and Upper Canada were united—an easy matter because there was no longer a government in Quebec. The problem, however, was that Quebec was thrifty and did not want to go into debt like the government has since 1970, surely and consistently. Quebec was only 85,000 pounds in debt, while Ontario was 1.2 million pounds in debt.

As there was only one government to decide—the government of Ontario—it was decided that the two debts should be combined into a single one. This is how Quebec has been treated for years. Today, they have the gall to blame us for criticizing injustices. I will not take it. I will not.

(1515)

Producers in the three western provinces are being offered \$1.6 billion, interest and tax free, in compensation for the disappearance of the WGTO. They do not even have to declare it for tax purposes. In Quebec, each milk producer is going to be penalized some \$5,000 on average and will be receiving absolutely no compensation. Nothing.

The worst part of all of this is that western producers will use the compensation to diversify their production and will move into Quebec markets to compete against us with the help of tax dollars we gave the government. Take hogs, for example. I am

talking about the period from 1981 to 1991. After 1991, things tend to intensify and will get worse after 1996. There is no supply management in hog production. Are you aware that, in ten years, western hog production grew by 39 per cent, over 39 per cent? In the same time period, in Quebec, production dropped by 16 per cent. How about that?

In terms of surface used, hothouse production in the west has grown by 67 per cent, while the increase in Quebec is barely 46 per cent, despite the fact that the markets are in Ontario and Quebec. I promise you that, each time we have the opportunity, the members of the Bloc Québécois will rise in this House to criticize both Liberal and Reform Party members for failing to have a global vision of this country; for never setting foot in Quebec, for the most part; and for claiming that Quebec is still griping and asking for more. We have paid more than our share in this country.

[*English*]

Mr. Morrison: Madam Speaker, I liked that little history lesson at the beginning. Unfortunately I do not see what relevance it has to what we are debating today, current economic conditions in Canada.

Since the hon. member has only left me one moment, I will have to direct myself to one of his statistics. He talks about an increase in the hog production, I believe he said 39 per cent in the west and a decrease of 16 per cent in Quebec. With the feed freight assistance, if the farmers of Quebec cannot compete with the west, he is bad mouthing his own province. He is speaking ill of Quebec. I would not think of doing that.

We are progressive. We are working hard to diversify. We are not asking for handouts and as far as the \$1.6 billion, all the hon. member has done is reiterate his previous arguments. He did not raise anything new. He said the same thing over—

The Acting Speaker (Mrs. Maheu): Resuming debate.

[*Translation*]

Mr. Nick Discepola (Vaudreuil, Lib.): Madam Speaker, I will share my time with the hon. member for Guelph—Wellington.

So far, it seems that Bloc members are choosing the issues in which they would like to intervene. They chose to remain silent in the Montreal and Vancouver port disputes but today's debate is another example of the partisan way in which the Bloc Québécois chooses the causes it wants to defend.

I would like to explain a few things about the dairy subsidy announced in the last budget.

(1520)

First, it should be pointed out that this government is formally committed to maintaining an orderly marketing system for dairy

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products, eggs and poultry. These products are a very important part of the Canadian agri-food industry.

In the final round of GATT negotiations, we showed how serious we were by securing customs tariffs high enough to keep our supply management system almost unchanged. Some tariffs are as high as 200 per cent or 300 per cent for various dairy products.

These tariffs will drop by only 15 per cent over a six-year period. It is the smallest reduction required on such tariffs. In addition, international agreements call for limited access for imports while giving us comparable access elsewhere for our dairy products.

Consequently, all experts agree that this sector will enjoy a high level of protection for several years. As you will recall, when the GATT bill was before this House, we were accused of failing to protect article XI. That is how things were done.

It is good news, since the dairy sector is now experiencing a surge in activities. In 1993-94, Canadian industrial milk production rose by 3.2 per cent compared to the previous year, while a 4.5 per cent increase is forecast for this year. Quebec dairy farmers, who receive almost 50 per cent of national quotas, are taking advantage of the situation.

As for cutting the subsidies paid to industrial milk producers by 30 per cent over two years, it is necessary to do so to improve our public finances.

As elected representatives, we have certain inescapable responsibilities and reducing the deficit in real terms is one of them. We can no longer allow the deficit to keep adding to the national debt. We must strive towards fiscal balance. All Canadians agree on that.

Therefore, the government must cut its spending at every level and in many sectors, including the agri-food sector.

In the dairy industry, producers are currently paid \$5.43 per hectolitre in direct subsidy for industrial milk. An hectolitre is equal to 100 litres. So, in simple terms, this is a subsidy of about five cents a litre. Moreover, it does not apply to fluid milk, the milk that we drink everyday, for which producers are paid a higher price.

This means that only a portion of the dairy producers' income is affected. In that case, I think this decision is perfectly justified when, as we know and I repeat, the government has to cut its spending. It has no other choice but to take stringent yet sensible budget measures.

After all, the subsidy is not completely gone, far from it. Seventy per cent of it, or \$160 million, will continue to go to milk production. In the coming months, the Canadian Dairy Commission and officials from the Department of Agriculture and Agri-Food will hold consultations with the industry to set prices for the crop year beginning on August 1.

Later this year, the government will discuss with the industry how the subsidy can be best used. The most efficient use possible should be made of these funds, i.e. to support long term growth in the industry.

Producers and processors alike are committed to adjusting to the new global context. The Canadian dairy industry creates many jobs and generates billions of dollars in revenues. It is important that this industry be able to prosper and meet new challenges in the future.

The industry always sold a percentage of its production, particularly surplus milk powder and sought after cheeses, on the global market.

(1525)

Just recently, on a trade mission to Latin America, the Minister of Agriculture and representatives of the sector interested Brazilians in importing Canadian parmesan and mozzarella. This confirms that there are new markets for our excellent products.

At the last meeting of the national milk supply management committee, six of the nine provincial marketing boards decided to set up a special marketing quota in order to develop the export market. This new approach could see the light of day by the summer, and might eventually encompass all the provinces.

As we can see, the sector is changing to suit its needs. The government intends to help the move to a new generation of orderly milk marketing, as is already the case in the poultry and eggs sector.

Furthermore, the budget announced new ways of helping the agri-food sector as a whole, including the dairy sector. Moreover, the government is proposing a series of adjustment measures so that the industry can seize the new opportunities opening up on the world market and to compensate for the reduction in government funds.

The government is prepared to provide the financial tools, as evidenced in the doubling, a few weeks ago, of the funds available under co-operative credit legislation. It will also provide more market information to businesses wanting to expand their foreign sales.

As you can see, the government is helping the dairy sector, as its financial situation permits, in the same way it is helping other agri-food sectors.

The cuts announced are real but not dramatic to the point of harming the growth of the dairy sector. On the contrary, we want it to continue to develop within a context of orderly marketing.

[English]

Mr. Charlie Penson (Peace River, Ref.): Madam Speaker, I would like to thank the hon. member for his comments. I know he is as concerned about the future of agriculture in Quebec as I am about the future of agriculture in all of Canada.

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The hon. member made comments about the current tariff of 351 per cent on some products put in place on supply managed products. He also referred to the 50 per cent market for fluid milk Quebec farmers now enjoy. I have been having trouble with the logic of the Bloc's argument about how, when Quebec separates, it will continue to have 50 per cent of the Canadian fluid milk market at 351 per cent tariff. It does not seem to add up to me.

What steps is his government taking to help supply managed farmers in Quebec make the adjustment for the time when we have complete free trade in agriculture? That time is coming very quickly. In the beef industry we have free trade with the United States now. We actually have gone to some special import permits beyond the minimum access so it is happening quicker in the beef industry than even was scheduled under GATT.

The United States has served notice that it wants to discuss supply managed industries in Canada. Therefore there will be increased pressure to move to complete free trade.

It seems to me the Liberal government would have to be taking some concrete steps to help those farmers make that adjustment. If we are saying it cannot be done, if we will to maintain these 351 per cent tariffs, after a six year reduction in GATT it seems to me that tariff will still be 300 per cent, which is not realistic.

I ask the hon. member what he is considering doing to help these supply managed farmers make the adjustment necessary to continue to have a viable industry after free trade is accomplished.

Mr. Discepola: It is reassuring, Madam Speaker, that members other than Bloc Quebecois members have realized the importance of the rural agricultural industry in Quebec, especially dairy farming. It seems there is only one party in this House that does not realize the benefits Quebec enjoys through the protection and actions of gestion de l'offre. Dairy producers in Quebec especially enjoy tremendous advantage.

(1530)

I find it very puzzling at times when I discuss this with rural members in my riding. Maybe it is not uncommon that the main leaders in the federation that supposedly defend the interests of farmers have separatist tendencies. Maybe the Bloc do not choose to advocate the benefits farmers enjoy because of the adherence to the federation that we love to call Canada. However, in Quebec they would prefer to have their own country.

I am baffled. Whenever a letter is written to a newspaper, very quickly someone from the UPA for example will refute the arguments and we get into a battle.

There is no guarantee that the protection farmers enjoy today would be continued in a separate Quebec. No member of the

Bloc Quebecois can stand and honestly say that in this House. The protection is by staying in Canada.

If we look at their so-called draft bill, Bloc Quebecois members are very quick to state that we are offering only the status quo, but they exclude article 1 of their draft bill which states categorically that Quebec will be an independent country. Then in articles 2 to 16 they say they would like the same monetary unit, the same immigration, the same passport, the same economic union. That is the status quo. They have all of that already within Canada and now they want to destroy it to get it back. There is no guarantee they will get protection under GATT, the G-7, or any other agreement.

To answer the question, the tariffs that were negotiated in the last round of the GATT see a decreasing protection through tariffication of roughly 15 per cent per year. That will give the industry enough time to adapt. By the same token, the government has doubled the loan provisions from \$1.5 billion to \$3 billion to help farmers obtain access to needed capital. The tariffication process will allow them the needed three or four years.

Mr. Penson: It is 15 per cent over six years.

Mr. Discepola: No, no. It is reducing 15 per cent. The transition period they are requesting to my knowledge does not exceed more than three or four years. They have plenty of time to adapt.

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Madam Speaker, I am pleased to speak to the motion by the hon. member for Frontenac. I will focus my remarks on inspection and research.

It is well known that in our recent budget the guiding principle was to share the burden of deficit reduction. Every sector and every region has had to make a contribution and this has been done fairly. The people of Guelph—Wellington support the government in its deficit reduction efforts. My constituents want reduced government spending and an end to government deficits.

Within the context of fiscal restraint we planned our budget to support our vision for Canada's agricultural and agri-food industry. It is one built on economic growth and security, on sustainable agriculture and a safe food supply.

Guelph—Wellington represents every aspect of the food chain. We have excellent farmers who work the land and provide food and dairy products. Better Beef Limited employs over 400 of our neighbours. Woolwich Dairy Incorporated of Ariss produces award winning goat's milk cheeses. The United Co-operatives of Ontario manufacture livestock feeds. These companies not only provide employment but they also contribute to our agricultural industry. My riding houses the University of Guelph, an important research facility.

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Finally, we are all consumers who value a safe and high quality food supply and control of animal and plant diseases that have a human health or economic impact. My constituents want as our first priority to ensure that food safety will not be compromised.

(1535)

At the same time, recognizing the need to reduce the deficit, the people of Guelph—Wellington know that costs to the taxpayer must be reduced. Industry must be helped to find ways to keep input costs down so it can offer the best quality product at the best price.

For these reasons Agriculture and Agri-Food Canada has been working closely in the past year with other federal departments and provincial ministries of agriculture and health to develop national standards. We are aiming to establish a nationwide Canadian food inspection system. This will reduce overlap between jurisdictions and will result in a more streamlined and efficient regulatory system. My constituents have asked all governments to work together to reduce overlap and to control spending, something even the Bloc Québécois can applaud, I would hope.

In addition, we will level the playing field between domestic and imported industries by enhancing inspection of imported products. We will also move to a system of monetary penalties in support of enforcement and compliance.

These are examples of the fairness that has been demanded by the people of Guelph—Wellington and others across this land. This fiscal year in co-operation with the meat industry we will be implementing program efficiencies in the area of meat hygiene.

These initiatives are expected to save \$10 million. Surely all members of this House applaud that initiative. In 1997–98 we will be achieving further savings through initiatives such as privatizing quality assurance and residue testing and implementing hazard analysis and critical control point programs.

We also plan to transfer routine laboratory testing to the private sector. Industry benefits from the food inspection and regulatory system earning high prices for higher quality. We believe industry should pay its fair share of inspection costs.

We are currently negotiating with the private sector to make our inspection and quarantine programs more efficient and more effective and at the same time to meet budget reduction targets. This will be achieved over the next three years through a combination of cost reduction, cost avoidance and cost sharing initiatives.

There will however be no adverse effects on food safety. Let me underline that food safety is this government's top priority and continues to be. The government's goal here is to reduce the cost to taxpayers who live in communities like Guelph—Wellington

by recovering an additional \$46 million of the cost of inspection services by 1997–98.

To keep at the leading edge of technological changes, we must continue to conduct research. As I mentioned earlier, the University of Guelph conducts research in the areas of animal production. For example, it has developed a vaccine that reduces the stress animals suffer during shipping, a saving of millions of dollars to producers.

The university also studies new breeding methods for crops. Its program of agri-food assistance reviews all areas of farming production by bringing together all players, for example environmentalists, to study both the positive and the negative aspects of farming. That is important, the positive and negative aspects.

Agriculture and Agri-Food Canada will continue to be the prime federal source for agricultural research and development in Canada. Research and development accounts for a large portion of departmental expenditures. It will remain a major element of government support to the agri-food sector. We are committed to research and technology transfer efforts which protect the safety and security of our food supply and the sustainability of our resource base.

Value added products, new cost saving technology, non-food products from agricultural commodities and innovative approaches such as biotechnology are all the result of a vibrant and creative research infrastructure. We are committed to maintaining this. However, given the enormity of the task of coming to terms with the federal deficit, all areas must contribute their share.

(1540)

Departmental research and development activities will consequently absorb part of the reduction of departmental expenditures outlined in the 1995 budget. Savings of \$50 million will be achieved by 1997–98 primarily through streamlining the research infrastructure and reductions in areas where results are more portable, or the location is not important. Of that, an additional \$3 million will be saved from the capital expenditure budget.

We will be moving toward a network of strong, viable, focused centres of excellence. Seven smaller research facilities will be closed: three in western Canada, two in Ontario, and two in Quebec. The remaining centres will be strategically positioned to better reflect industry strengths and competitive advantages in the regions where they are located, thus creating a critical mass of the most useful expertise. Some of our work is being transferred to and enhanced in the province of Quebec which surely must be appreciated and encouraged by our friends in the official opposition.

In addition to streamlining our research infrastructure, we are also reallocating resources to fund a matching investment initiative. This fund will support industry led joint research projects. Government will match industry contributions dollar for dollar, up to \$35 million. A strong response by industry

could result in an investment of \$70 million by the end of this century. This will help offset the reductions and ensure that money is spent where industry can best use it.

I would like to conclude by re-emphasizing that we are committed to maintaining food safety as the priority of the inspection system while reducing overlap and duplication; levelling the playing field for Canadian producers by ensuring better border controls; and sharing the cost of services which provide a private benefit to industry. We also remain committed to ensuring a safe critical mass of research and technology transfer dedicated to the safety of our food supply and the sustainability of our agricultural resource base.

As I represent the people of Guelph—Wellington, all important contributors to our food chain, I express our support for these initiatives. I congratulate the Minister of Agriculture and Agri-Food for ensuring that while funding is reduced, our guiding principles will never be compromised.

[Translation]

Mr. Jean-Guy Chrétien (Frontenac, BQ): Madam Speaker, the hon. member for Guelph—Wellington is lucky, because she can count on the university bearing the same name as her riding. The federal government and several para-public organizations contribute considerable research budgets to the university in her riding.

Members will agree however that not all ridings can boast such fine universities as the University of Guelph unfortunately. It has put a lot of emphasis on research. I picked a year at random from my notes on federal government spending, and came up with the research spending of the Department of Agriculture in 1990. I will give you a few figures and I invite you to reflect on them.

The federal government spent almost half of its farming research budget in the grain sector, some \$111 million. Of course, friends out west are not complaining. One hundred and eleven million dollars, close to one half. But the grain sector only produces six per cent of Canada's farming outputs. In the same year, 24 per cent of the federal government's agricultural research budget went to the dairy, poultry and hog sectors.

(1545)

And it so happens that hog, poultry and dairy producers are concentrated in Quebec and, of course, in Ontario.

I, myself, am a farmer and a member of the UPA. I know many other farmers. I spent all of last Saturday going up and down the concessions visiting farmers and it is funny but I did not meet a single one who applauded the Liberal government's budget, especially regarding farming issues. Not one.

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Last Monday, I was at the Lafaille auction in Coaticook. Over one hundred farmers were there. I asked some questions. They were obviously proud to see that one of their own made it to Ottawa to defend their interests. None of them were happy. Not one.

So in Ontario, out of 99—sorry, 98 Liberal ridings, one slipped out of their grasp and went to a Reform friend—the general protest reminds me of what happened in Quebec in the 1970s, when the only person even remotely capable of playing the role of the opposition was Roch LaSalle.

The UPA and the Association des producteurs laitiers have literally come out swinging against this budget. Now I will discuss an article written by Claude Rivard and will ask the hon. member for Guelph—Wellington to comment on it. In a newspaper article on dairy producers in Quebec, published in March 1995, Mr. Rivard talks about the federal government's intention to withdraw altogether from programs in the areas of dairy control and genetic testing. That is some major research. Her government is backing out and she is happy with the research done. My foot.

[English]

Mrs. Chamberlain: Madam Speaker, the member for Frontenac began by talking about how lucky I am as the member for Guelph—Wellington. He is quite right, I am. However, we are all lucky to live in this wonderful country. I would like to put that on the record.

The member for Frontenac wanted to talk about research and development. The federal government will be maintaining excellent research infrastructure in Quebec which will have four of the national centres of excellence; Lennoxville, Saint-Hyacinthe, Saint-Jean-sur-Richelieu and Saint-Croix. We will transfer 53 research positions from the national capital region to these centres, enabling our scientists to concentrate on research areas of high priority to Quebec producers and processors as well as to producers across eastern Canada and the whole country.

We are all lucky to live in Canada and to enjoy the support of the federal government, including Quebec.

[Translation]

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the hon. member but her time has expired. Resuming debate. The hon. member for Matapédia—Matane.

Mr. René Canuel (Matapédia—Matane, BQ): Madam Speaker, first of all, I want to thank my colleague, the hon. member for Frontenac, for putting forward this opposition motion on agriculture. This is an extremely important day for all farmers in Quebec and across Canada.

Supply

I see that there are not many members across the way. They may not come from another planet, but I do not know where they come from.

People have been hit very hard by the budget. My colleague from Frontenac said earlier that none of the farmers he has spoken to was happy with the budget.

They claim that the budget is acceptable, that it is a good budget. I do not understand where these members come from.

An hon. member: From Ontario.

(1550)

Mr. Canuel: It is impossible to pay too much attention to agriculture, and especially to young farmers. A nation that is not self-sufficient in agriculture must be considered part of the third world. A country that does not give top priority to agriculture does not understand anything.

When game became scarce, mankind turned to farming to survive. Nothing has since replaced the food taken from the land. However, in order to grow this food, farmers must work hard, invest money and take risks. Farmers do face great risks, as they have done for generations. They are willing to assume terrible risks.

These people have attained sovereignty on their land. They own their land. They sow their fields with whatever grains they please. They breed whatever animals they please. Their work does not bind them to a fixed schedule, but one thing is sure, they have put in an incredible number of hours. They are ready for a country of their own.

According to a poll commissioned by the UPA, the results of which were released on November 22, 1990, at the Bélanger-Campeau Commission, 73 per cent of farmers were in favour of sovereignty-association, 73 per cent.

On September 2, in the middle of the election campaign in Quebec, the president of the UPA, Laurent Pellerin, argued in the presence of Premier Daniel Johnson that there is not much more to fear from sovereignty than from the current situation, what we have gone through over poultry and continue to go through every day in our trade relations. That is what the president of the UPA said.

Indeed, farm producers have met great challenges over the years, moving from traditional to industrial farming, facing international competition, computerizing their businesses, learning new production techniques and keeping up with all the new advanced technologies. They are ready to take up the new and great challenge of becoming the kings in their own castles, masters of their own houses, in other words, sovereign.

To those who claim that, in a sovereign Quebec, agriculture would be profoundly disrupted, our producers reply that the future of Quebec's industry is conditioned much more by market development than by the advent of a sovereign Quebec.

Those who think farm producers from the rest of Canada are unlikely to go for maintaining supply management are wrong. We all know that, to maintain the revenues of all dairy producers, each province must preserve the supply management system.

We doubt that it would be in the interests of the rest of Canada, particularly Ontario and the Maritimes, to eliminate the supply management system, which is still the only adequate income security system for farmers. Should that system be eliminated, markets would open up and, to be sure, the rest of Canada would be the biggest loser.

Allow me to digress for a moment. It is difficult in Quebec, particularly in my region, to talk about agriculture without referring to forestry. Most of our farmers have some woodland on their farm. In many cases, if used properly, that woodland can provide a supplementary income which can sometimes be relatively substantial.

Again, the federal government will hurt these farmers. The Eastern Quebec Development Plan, which was to be renewed for three years, was only extended for one year.

(1555)

This will result in a shortfall of more than \$13 million over a two-year period. The federal-provincial agreement, which will end in 1996, is also in bad shape. As you know, these federal-provincial agreements have been in place for 25 years and their continued existence is now uncertain, unfortunately. Foresters and farmers are very concerned.

Investing in agriculture is an obligation, while investing in forestry is a necessity. It is a plus, an investment. It is not a donation. The ministers of agriculture and natural resources are yielding to the finance minister who, in turn, yields to the multinationals. The problem is: who governs the country? It is the multinationals. Occasionally, the Minister of Finance will give his opinion, but it is just an opinion. Earlier, some members opposite accused us of being partisan; sure, because we represent our people. We are quite willing to be accused of partisanship because we truly look after the interests of those whom we represent.

What will happen is disturbing, if not downright frightening.

We have a moral obligation to feed ourselves, as well as others, because the Gaspé Peninsula is a vast territory. If we were given the tools to invest in our agricultural land base, we could feed thousands, perhaps millions of people. All we need is a bit of help. As I said earlier, people in our regions are used to

taking risks and putting up with an unpredictable climate, various diseases and fluctuating interest rates. They are survivors. They can once again meet the challenge with pride and dignity.

People need more than bread: they need more than figures and financial statements. Quebec farmers know that what people need above all are dignity and pride. Should we deprive ourselves of the life enjoyed by free nations, which deserve to be free, merely because we are a minority in North America? Based on what logic or what decree should the Quebec nation deprive itself of what is vital to other nations? Farmers know our history well. They know that there was a winner and a loser.

I will conclude by saying to my fellow farmers: you should not have any complexes: your past performances are a guarantee of future success. Your land is yours. All you have to do is give yourself a country. That country is called Quebec.

The Acting Speaker (Mrs. Maheu): The Secretary of State for Parliamentary Affairs, on a point of order.

* * *

FIREARMS ACT

BILL C-68—NOTICE OF TIME ALLOCATION

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Madam Speaker, I wish to indicate that an agreement could not be reached under the provisions of sections (1) or (2) of Standing Order 78 in respect of proceedings at the second reading stage of Bill C-68, an act respecting firearms and other weapons.

Under the provisions of Standing Order 78(3), I therefore give notice that I will propose a motion at the next sitting of the House for the purpose of allotting a specified number of days or hours for the consideration and disposal of proceedings at that stage.

* * *

SUPPLY

ALLOTTED DAY—AGRICULTURE

The House resumed consideration of the motion.

(1600)

[*English*]

Mr. Wayne Easter (Malpeque, Lib.): Madam Speaker, my hon. friend talked about the future as being frightening. I would certainly agree with him. The future is extremely frightening for Quebec farmers if they listen to the misinformation which I heard coming from the other side relative to what would happen if Quebec separates.

Supply

He is absolutely right in saying that supply management has been the only viable income system for farmers. He should admit up front that this viable income system will be put in jeopardy should Quebec move toward separation. That supply management system is one of the benefits Quebec farmers have gained from being a part of Canadian federation.

While I am on my feet, I might as well ask a question about my concern with the resolution put forward by hon. members opposite. They are leaving the impression that converting the grain transportation subsidies into direct subsidies to western farmers is an advantage at the expense of Quebec. Nothing could be further from the truth.

As a government, we have admitted that changing the WGTA, which has been the cornerstone of agricultural policy in western Canada, is extremely hurtful to western farmers. The fact of the matter is that farmers in Quebec got off relatively lightly with the budget as compared to those in the west.

How does the member opposite explain to farmers in Quebec that they are not going to lose the supply management system should they move to separation? Is he not willing to admit that Canada has been extremely good to farmers in Quebec over the last century and in fact the budget has really been relatively light in targeting Quebec farmers?

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Madam Speaker, the hon. member asked a question, but I think the answer is pretty obvious, because as you know, when we need something, we go to whoever has what we want. At one point, Russia was ordering wheat from us. We were capitalists and they were communists. They did not care about borders. They came to buy our wheat because it was good wheat and the price was right.

When people say Canada had been very good for Quebec, my answer is this: our farmers are telling us this has got to stop. These are not my words but theirs. I speak on their behalf, since when we are elected, it is our duty to speak on behalf of our constituents. I talked to farmers and they told me to say what I just said. This is no joke, this is dead serious. I speak for the farmers in my riding, and they say it is practically impossible to live with this kind of system.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Madam Speaker, as soon as the Bloc Québécois caucus decided that the next motion on the Order Paper for our opposition day, would be a motion on agriculture denouncing the Liberal government's budget, I told the hon. member for Frontenac that I was very anxious to speak in this debate.

First of all, I want to commend my colleague from Frontenac for the clarity of his presentation and also for the fact that his interventions on behalf of the Bloc Québécois were very much to the point.

Supply

(1605)

I want to congratulate him on behalf of all farmers in Quebec who are proud of the work done by the hon. member for Frontenac.

It is rather difficult to remain calm when speaking in this kind of debate. Especially when we hear from members on the government benches, although the same could be said of some Reform Party members, what I would qualify, without wishing to use unparliamentary terms, as outrageous statements from Liberal members and several members of the Reform Party.

I am referring more specifically, before I get to the gist of my speech, to what was said by the hon. member for Glengarry—Prescott—Russell, who in this very House accused all Bloc members of lying or saying the opposite of the truth, which apparently is parliamentary, and then, with the Minister of Agriculture, accused us of causing emotions to run high across this beautiful country of ours.

The hon. member for Glengarry—Prescott—Russell is extremely good at saying just about anything without being too particular about how he says it. Everyone will recall, and this will go down in history as one of the achievements of the hon. member for Glengarry—Prescott—Russell, his speech in the House during the debate on back-to-work legislation to settle the railway dispute. The hon. member for Glengarry—Prescott—Russell rose in the House to speak out loud and clear about what one of his constituents had told him which was, according to him, that shipping costs for soya beans had gone up 20 per cent because of this dispute. And he gave us his constituent's telephone number so that we could call him right away. Well, it transpired that the only element of truth in what was said by the hon. member for Glengarry—Prescott—Russell was this telephone number. That was the only fact. The rest was a tissue of falsehoods. This was checked immediately by the hon. member for Berthier—Montcalm who called our Liberal colleague's constituent on the telephone.

This morning, or was it this afternoon, I also heard the hon. member for Lisgar—Marquette of the Reform Party say that Quebec benefited as a result of federal intervention, especially in the dairy sector. I would like to take a few minutes to clear up a few things.

As everybody in this House knows, I represent the riding of Mégantic—Compton—Stanstead where there is a large number of farmers, especially dairy farmers. Dairy farming is a very important industry, economically speaking. The economic spin-offs of dairy farming in my riding amount to tens of millions of dollars. As one can see, milk production is a very significant activity in Mégantic—Compton—Stanstead.

We are told that, should Quebec become sovereign, the rest of Canada will refuse to buy milk from Quebec. This is the kind of

blackmailing we are being subjected to, and of course, there is no intent, on the part of our colleagues who make this suggestion, to have feelings run high.

(1610)

Very calmly, they are not trying to scare anyone; on the contrary, they just want to reassure us by saying that once Quebec is sovereign, there will be no more dealing with Quebec. This is what is being said in this House.

This seems to me to be utter nonsense. One must look at the facts. The facts are that trade between Quebec and Canada amounts to more than \$80 billion. For a large part, this trade is in agricultural products. In this area, Quebec shows an average deficit of more than \$800 million.

That is to say that Quebec buys from the rest of Canada more than it sells. So, if someone should be doing some blackmailing in the context of a sovereign Quebec, it certainly should not be the rest of Canada. This means that English Canada would decide, in cold blood, to stop buying milk from Quebec producers, while knowing that Quebec could buy its beef, grain and other foodstuff from other sources.

I am saying this again very seriously mostly for the benefit of farmers, the men and women who own farms worth hundreds of thousands of dollars, sometimes even more than one million dollars. Agriculture in Quebec is no small potatoes. It is a thriving industry. A very significant industry.

I am saying this for the benefit of these men and women, Quebec's sovereignty cannot have the impact Liberal and Reform members would like us to believe. With Canada showing an \$800 million deficit—and it is important to keep this figure in mind—in agriculture each and every year, Quebec is in a strong bargaining position when the time comes to negotiate with the rest of Canada.

The hon. member for Brome—Missisquoi stated in this House that the Quebec government was cutting funding to agricultural research and development. He asked us very seriously—probably confusing one level of government with the other because he is newly elected at the federal level—to take the matter up with the Government of Quebec so that the situation can be remedied.

I just want to point out to the hon. member for Brome—Missisquoi and all the hon. members of this House that the best solution to Quebec's budget problems is for Quebec to become sovereign. Quebec's share of the federal agriculture department's budget of more than \$2 billion should be \$500 million—that is how much should be spent in Quebec—but the figures prove otherwise. Instead of 25 per cent, we are actually getting 12 per cent; for research and development, it is more like 10 per cent.

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I will conclude by saying that the best solution to Quebec's agricultural development problem is to achieve sovereignty.

Some hon. members: Hear, hear.

The Acting Speaker (Mrs. Maheu): I would like to remind the hon. member that, in remarks made earlier today, he used words that almost fit my description of unparliamentary language. I would simply ask him to be careful when referring to what the hon. member for Glengarry—Prescott—Russell said.

(1615)

[*English*]

Mr. Charlie Penson (Peace River, Ref.): Madam Speaker, I would like to thank the hon. member for Mégantic—Compton—Stanstead for his spirited speech regarding agricultural producers in his riding. I too represent an agricultural riding in Alberta. I am a farmer and I appreciate his concerns for the people who are affected.

However, I do want to remind the hon. member that no one is talking about refusing to buy milk from Quebec, even though Quebec now enjoys 50 per cent of the Canadian fluid milk market with only approximately 25 per cent of the population. If Quebec were to separate, that might influence whether the rest of Canada would buy milk from Quebec. It certainly would not buy milk based on a 351 per cent tariff. It would be looking for a price based on a world price. If it is going to be competing it has to meet the competition. I see that as the biggest threat, not the decision of whether to buy from Quebec.

I would like the hon. member to give us some idea of how the supply-managed producers in his riding can make the transition from the current system, with 351 per cent as the high tariff on butter—they are all in that range—down to free trade in agricultural products, which is going to happen over a period of time. How do we make that transition easier for the producers? It is of concern to all of us. He talked about the hundreds of thousands of dollars that these people have invested. The same situation exists in the grain farming industry in western Canada.

It seems to me that as responsible people we have to not pretend that we will have the supply-managed tariffs in effect forever. We must look at the reality that we are going to have free trade and there will be zero tariffs down the road. We have to help these people make the adjustments necessary to get there. I would welcome his comments in that regard.

[*Translation*]

Mr. Bernier: Madam Speaker, I thank my colleague from the Reform Party for his question which seems quite relevant. I will answer his question as clearly as possible. In fact, he is asking

me how farmers can adjust to the new international trade context, that is, the reduction in tariffs now set under GATT?

Of course, this is a major concern of farmers in my riding and throughout Quebec and of all dairy and other producers affected by international trade and tariffs.

Allow me to share with him some farmers' reaction with respect to dairy production in particular. Many farmers in my riding said in response to my questions that they would be willing to compete with U.S. farmers—since they are our main competition in the area of dairy production—provided they played by the same rules. In other words, they would if they were in the position to offer products as good as those on the American market.

It must be pointed out that in both Quebec and Canada—since the milk marketing system is the same across the country—not only production but also quality is subject to regulations. This is something we can be proud of. If we want to preserve this quality, we must pay the costs involved. The whole matter must be considered. I will surely have the opportunity to get back to this later.

[*English*]

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Madam Speaker, I will be sharing my time with the hon. member for Gatineau—La Lièvre.

(1620)

The motion before the House today suggests this government is providing western farmers with an unfair advantage over farmers in eastern Canada. Our job has been and always will be to work with all sectors of the agriculture and agri-food industry to create opportunities and advantages, not to promote one sector at the advantage of another or one region over another, as my hon. colleagues would suggest.

This government's first and foremost priority is to win the national battle against the deficit. Within that reality of fewer government dollars, this government is working extremely hard through the Department of Agriculture and Agri-Food Canada to help position the Canadian agriculture and agri-food sector to increase Canada's share in every available marketplace, at home and abroad. That work has not been at the expense of one part of the country over another. Western and eastern farmers alike have said repeatedly that they do not want to be subsidized; they just want good markets and fair prices.

The changes outlined in this government's budget will help farmers reach that goal while helping reduce the overall cost of government through changes that are designed to improve our efficiency and competitiveness, to remove impediments to development and value-added production and processing, and to take maximum advantage of the world's new trading environment.

Supply

This government recognized that structural reform in our transportation system was long overdue. Reforming the Western Grain Transportation Act will eliminate barriers to value-added opportunities, diversifications and economic growth. Eliminating the WGTA will provide Canada and the agri-food sector with a faster, lower-cost and more efficient transportation system. Transportation reform can help us more effectively comply with the new international trade rules under GATT.

There is a big difference between subsidies for grain transportation and dairy producers. In fact, eliminating the \$560 million subsidy addresses competitive concerns raised by farmers in eastern Canada. The annual subsidy, which has already been reduced by over 23 per cent in the last two years, is now being completely eliminated as of August 1, 1995. The dairy subsidy meanwhile is being reduced by only 30 per cent over a period of two years.

The adjustment package this government is offering to the grain industry reflects the potential impact of eliminating a 96-year-old commitment to the western grain sector. To eliminate the subsidy with no funds to help the sector adjust would seriously disrupt the prairie grain economy because it has traditionally represented an important source of land value for prairie producers. An *ex gratia* capital payment of \$1.6 billion will be paid to owners of prairie farmland in recognition of the impact on land values that may result from the termination of the long-standing freight rate subsidies. This one-time payment is not tied to production or marketing decisions.

A multi-year adjustment package of \$300 million has also been established to address specific issues arising from the transportation reform. The amount is not excessive. It does not give western farmers an unfair advantage. Rather it is necessary to help adjustment of the industry and the transportation system in the west.

It should also be noted that while the GATT agreement has brought some discipline to export subsidies, the prairie grain sector will face considerable competition from subsidized exports of grain. While the dairy subsidy is being reduced, it is not disappearing. In fact, our national supply management system, one of the great advantages of our federal system, ensures a reasonable return to efficient producers, and this management system will be maintained.

It is rather ironic that the hon. opposition member calls our approach to transportation reform an unfair advantage for western farmers. Some western provinces and producers have argued the budget cuts to western Canada are substantially greater than to eastern Canada. They have argued that eastern Canada is receiving a greater share in adjustment transitional funding relative to the magnitude of the subsidy programs that are being eliminated or reduced.

What this tells us is that all farmers, and indeed all Canadians, are sharing equally, as we must, in the responsibility for deficit reduction. It is a responsibility we must all shoulder to ensure the future growth of our agriculture and agri-food sector and to maintain our competitiveness on a global scale.

(1625)

This government is creating opportunities for western and eastern Canadian farmers alike. As my hon. colleagues know, this government has set aside considerable funding for adaptation initiatives. While the overall budget for Agriculture and Agri-Food Canada may have been reduced by 19 per cent, the department has initiated a 20 per cent increase in its adaptation funding. This reflects the industry's shift in direction toward acquiring financial security from the marketplace rather than from government programs. This adaptation funding is available equally to farmers in eastern and western Canada to help improve the sector's ability to grow and capture markets.

This government's package of reforms to grain transportation is not inconsistent with the position set out by the Quebec coalition on the WGTA in December 1994. The package of subsidy reform is fair and balanced with respect to different situations in different regions of our country and in different sectors. All will have to do their share in contributing to deficit reduction and all will share in reaping the benefits.

Mr. John Solomon (Regina—Lumsden, NDP): Madam Speaker, I am pleased to rise in the House this afternoon to ask a question of the member for Saskatoon—Dundurn.

I am quite taken aback by his very weak defence of the elimination of the Crow benefit for western Canadian farmers. I am taken aback because he says in his remarks that the elimination of the Crow benefit will take away almost half of the net farm income from farmers in Saskatchewan alone; it will reduce their land values by a significant amount; and it will double and in many cases triple freight rates for the transportation of grain. He said: "This is creating opportunities for farmers", that the Liberal program of eliminating the Crow benefit for farmers, which will devastate rural Saskatchewan and western and rural Canada, is creating opportunities for farmers.

This is reminiscent of another movie. The movie I refer to is in Saskatchewan with Grant Devine, the PC premier who bankrupted the province—he and his cabinet—almost single-handedly in nine short years. It was one of the wealthiest provinces in Canada. They fired 275 highway workers and their comment at that time was not "creating opportunities for farmers"; their comment was that they were freeing up the workers to participate in the private sector. That is exactly the same kind of comment, the arrogant positioning of the Liberal government with respect to the elimination of the Crow, that we hear today in this House of Commons.

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I find that personally distasteful. I predict, and many farmers and other people in Saskatchewan predict, that come the next federal election we will not see one Liberal member of Parliament re-elected as a result of this single attack on farmers, as well as the rail-line abandonment issue.

The member for Malpeque, another Liberal member who voted in favour of the abolition of the Crow benefit, is now chairman of an agriculture subcommittee going around the country listening to farmers' concerns, joined by Reformers and other Liberals, to see what impact the elimination of the Crow benefit will be. We can tell them what the impact will be, but having the Liberal member for Malpeque and his other members go around the country listening to farmers' concerns is like putting a pack of wolves in charge of the hen-house. Liberal and Reform members are saying: "We want to hear what the impact will be, Mr. and Mrs. Farmer. Please tell us. Although we voted to eliminate it, we are going to try to listen to your concerns." That is a sham. That is a scam.

The Liberal member for St. Boniface, who participates in this debate from his seat, does not understand the issue because he does not have any rural component in his constituency. If he did, he would be in jeopardy of losing his seat as well.

How does the member from Dundurn explain that the elimination of the Crow benefit and massive rail-line abandonment will increase exports when in fact grain will not be produced for export in the same quantity as it is now? Farmers will be going bankrupt in substantial numbers and people will see a smaller number of farmers farming in western Canada. How does he square that?

(1630)

Mr. Bodnar: Madam Speaker, the hon. member mentions the bankruptcy of farmers. The bankruptcy of farmers in Saskatchewan, should any arise, will be as a result of the provincial NDP policies not as a result of Liberal policy at the federal level.

Let us not forget that some policies in Saskatchewan which the hon. member has been espousing as being so wonderful are by the NDP government. It is the same NDP government in Saskatchewan that would not lower the provincial sales tax, which chased away business into other provinces. It is the same government that would not reduce the aviation fuel tax until pressured to do so, again chasing jobs away. This is because the NDP government in the province of Saskatchewan did not want to lower its equalization payments from the federal government.

The NDP government in Saskatchewan has been living like a welfare bum off the federal government. That is what it has been doing. As fast as we have been creating jobs in Saskatchewan under infrastructure and other programs, the Government of Saskatchewan has been destroying those jobs.

I do not believe the hon. member is in a position to be commenting on the devastation of the agricultural industry, which is not occurring in Saskatchewan. In fact, production is going up in other sectors such as hog production and cattle production. The whole industry will benefit rather than suffer, as indicated by the hon. member.

[Translation]

Mr. Mark Assad (Gatineau—La Lièvre, Lib.): Madam Speaker, the remarks made by the hon. member for Saskatoon—Dundurn and the questions posed by the hon. member for Regina—Lumsden show the conflict that exists in the agricultural sector and the need for reform.

Of course, we are concerned about the changes or budget cuts recently announced by the Canadian Minister of Agriculture and Agri-Food. In its motion, the opposition denounces as unfair to some Canadian farmers the budget cuts recently announced by the Minister of Finance. These people are clearly acting in good faith but I am sure that they are mistaken.

Sometimes, our colleagues opposite do not realize that this country is facing a crisis as a result of the deficit accumulated over the past 15 to 20 years. Our deficit represents 73 per cent of GDP. We can no longer put it off. Whatever difficulties await us in the future, certain problems must be solved, namely bringing public spending under control and introducing sound management for all Canadians without exception.

The Department of Agriculture was asked to cut spending by 19 per cent. Other departments were also required to make sacrifices. The Department of Agriculture met the challenge and found a way to sweeten the pill by ensuring that the cuts are fair to all farmers across Canada.

Breeders in animal feed deficit areas receive feed grain transportation subsidies aimed at reducing the cost of this feed and allowing breeders to compete. Financial help is provided to breeders almost everywhere from the Atlantic provinces to the Yukon, including parts of Eastern Quebec, Northern Ontario and British Columbia. Those are the facts.

(1635)

A subsidy on which rely the producers in most provinces, including Quebec, is about to disappear, but there is more. The government recognizes that this may not be a popular measure. It also knows that it cannot, and must not, ask producers to drastically change their operations overnight.

Contrary to what some might think, the government is willing to listen. During our post-budget consultations, we learned that

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the initial date set for the elimination of the FFAP, the Feed Freight Assistance Program, which was October 1, did not give enough time to the producers and to the industry to adjust to such a major change. Consequently, the government agreed to wait until December 31, 1995, and not reduce the level of assistance provided during that period.

While the government will eliminate the subsidy provided under the FFAP, it will inject \$62 million, over the next ten years, in the regions where the FFAP is currently in effect. Part of these funds will be used to make the payments provided under the program, until it expires later this year. The government is also providing financial assistance by giving a lump sum payment to western farmers affected by the repeal of the WGTA. We are receptive to the concerns of producers, while also showing fiscal restraint with the taxpayers' money.

This financial assistance will be provided to affected producers in every province and region in the country. How will that money be spent? As you know, we do not have that answer yet, but we decided to seek the help of experts. The government feels that those who are most qualified to answer that question are the producers, the people in the food and cattle industry, the feed producers and the animal farmers from the regions which will be most affected by the gradual elimination of the FFAP.

This is why the Minister of Agriculture and Agri-Food announced that consultations would be held with the producers, in the coming weeks and months, to look at ways to use the FFAP adjustment fund and the transition fund. Moreover, these people will look at various financing options offered by other programs run by the Department of Agriculture, including the joint investment project in agri-food research.

The government is aware that hard times lie ahead. This is not necessarily the best solution, but under these circumstances, we have to act. However, we would be grateful if the opposition could come up with better solutions. I remind the House that, because of the disastrous economic situation we have inherited from the previous government, we have no other choice but to take rather drastic measures.

National consultation is the only way to establish closer ties with representatives from the agricultural industry. Together, we can find solutions, come up with new ideas and even reach compromises that would ensure that all farmers are treated fairly. This agricultural reform should have been implemented several years ago. Think about what is happening in the area of fisheries and oceans, where the fish stock has been declining for the last ten years, where we are still waiting for changes that should have been made more than 10 years ago, and look at the results. We do not want the same situation to occur in agriculture.

(1640)

The whole world is undergoing unprecedented changes and in turn we have to make fundamental changes to preserve our agri-food industry.

Finally, all those who know something about agriculture realize that this industry has been very efficient in the past in Canada. We are one of the most fortunate countries in the world, because our agri-food industry has evolved rather nicely. However, with all the changes that were made in terms of GATT and NAFTA, and with the competitiveness of the United States south of our border, we are under a lot of pressure.

There are times, I must say, when the dealings of the United States on the world market create unfair competition. A country with a tenth of its population is bound to be affected by its actions. This is why the Department of Agriculture must make changes. We do not want the situation to worsen. It could have very disastrous consequences for all of Canada.

So, we must recognize that the measures put forward are not perfect. But nothing is perfect in this world. Any way, the important thing is to act. As the situation evolves, we will make adjustments to ensure that all farmers are treated fairly.

Mr. Jean-Guy Chrétien (Frontenac, BQ): Madam Speaker, I agree up to a point with the hon. member for Gatineau—La Lièvre who shares with me the position of vice-chairman of the Standing Committee on Agriculture and Agri-Food. I must admit that the hon. member is very knowledgeable on agricultural matters.

However, I may remind him that the country's current debt was not created by the Americans, the French or the Mexicans. Around 1969–70, the debt was almost nil. I will not tell you who was governing the country at the time, since you know that better than I do. But in 1984, when Liberals were ousted, the debt totalled around \$250 billion.

In nine years, the Tories brought the debt close to \$500 billion. His team was responsible for creating at least half of the cumulative debt. Today, the government is asking or rather telling farmers to do their share to reduce the deficit it created in the first place. And farmers, oddly enough, are being asked to do a bit more than that.

My friends opposite did not mention the fact that during the past fiscal year, 328,000 flights were logged by public servants, not including members of the House of Commons and senators. The cost: \$275.5 million. They do not mention that.

Earlier, while listening to the hon. member for Gatineau—La Lièvre, I was reading an editorial by Claude Rivard, Quebec

president of the dairy producers, who had the following to say: "As far as reducing the deficit is concerned, we expected Mr. Martin and his government to do what they promised: a budget that would be hard but fair". You may recall that for a month they were saying that the budget would be hard but fair. The article goes on: "Well as far as we are concerned, the Chrétien government was hard but unfair". That is the perception Quebec farmers have of this budget.

And what about the major banks that declared a profit of \$3.5 billion in one year? They will be asked to pay a meagre additional \$100 million as a temporary tax, spread over 18 months.

(1645)

I realize that the major banks are among those that make the biggest donations to the party's coffers. There was the Conservative Party, but since they are out of the picture, I will not mention that.

So I agree we have to reduce the deficit. But, instead of coming down hard on farmers, I would like to add, for the benefit of the hon. member for Malpègue, that in 1988-89—and I am about to conclude, Madam Speaker,—spending in the agri-food sector, as a percentage of total federal spending, was 3.5 per cent. In 1994-95—the fiscal year which just came to an end—this percentage was 1.6 per cent; and in 1996-97, it is expected to be 1.2 per cent. So I am not very pleased with the way this government has treated and will treat agriculture in Canada.

Mr. Assad: Madam Speaker, I must correct something. My colleague opposite said that, in 1984, the Liberal government left behind a debt of \$250 billion. The debt was not \$250 billion, but \$160 billion. There is a big difference. In 1984, in terms of the Canadian economy, the debt was one of the lowest among the industrialized countries. I therefore find it a bit odd that he is providing incorrect figures. He could look at the facts.

Secondly, he mentioned that Mr. Rivard, the head of the dairy producers association, had said it was a tough budget. It is true. It is pretty tough, but it must be remembered that a Liberal government elevated the dairy industry to its present level. With milk quotas, dairy farmers in Quebec have become some of our wealthiest farmers. We must look at both sides of the issue.

I would tell my colleague across the floor that he should try to quote figures accurately. There are consequences for failing to do so.

The Acting Speaker (Mrs. Maheu): 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 Verchères—international trade; the hon. member for Cumberland—Colchester—health; the hon. member for Lévis—youth strategy.

Debate resumes with the hon. member for Lotbinière.

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Mr. Jean Landry (Lotbinière, BQ): Madam Speaker, I rise today to talk about agriculture, a critical sector of our economy.

The official opposition is using this day devoted to agriculture to set the record straight in this area. I would not be surprised if, last week end, some members opposite forgot to reset their clocks.

Our job is to set the record straight regarding the last budget which has left Quebec farmers with a rather bitter aftertaste.

This last budget shows once more how unfair this government is.

The transition measures planned for Western producers following the elimination of the Crow rate are typical of the double standards applied by this government. Our party's position is clear: we support the elimination of this subsidy which created undue distortion in grain transportation.

However, we are against the \$2.2 billion transition payment to western producers. By reneging on its commitments, the federal government is pitting eastern producers against their western counterparts and creates new trade distortions. Once the subsidy is eliminated, grain producers in remote areas will be tempted to dump their products on the domestic market. Otherwise, they will have to pay for transportation costs to foreign markets. This will lead to lower grain prices in the west, and higher prices in the east, since they will reflect the real transportation costs.

(1650)

Moreover, beef and dairy farmers in the east will be doubly penalized, compared to their competitors in the west, since they use cereals as feed.

This is not an attack against western producers. It is the federal government, and no one else, which is upsetting domestic markets by introducing compensatory measures which apply only to the west. The government created an imbalance when it introduced the Crow rate and it now creates a new imbalance by doing away with it. It should have either cut the subsidy without compensation or cut it and compensated equitably all producers. It is probably too much to ask from people who, as usual, acted without considering the consequences.

Following Martin's budget, the Minister of Agriculture and Agri-Food will see his budget go from \$2.1 billion to \$1.7 billion in three years. Two thousand positions will be abolished because of these cuts.

Rather than cutting the budget in this way, why did the federal government not transfer the resources to the provinces? They could have rationalized spending, taking into account the programs they already manage. All the federal government had to do was withdraw from this field of provincial jurisdiction. Again, this is a perfect example of duplication since two levels

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of government are going to compete against each other at the expense of the industry. By eliminating overlaps we could have avoided some cuts.

Quebec would certainly not have slashed research and development, and the experimental farms of La Pocatière and L'Assomption would have survived. In the farm community, as well as many others, we question the relevance of paying taxes to Ottawa when we do not get in return the necessary resources to develop our industry.

Also, we are still not getting our fair share of federal spending in agriculture, since we are only receiving about 12.4 per cent when 17 per cent of agricultural revenues come from Quebec. Meanwhile, the west is taking the lion's share with about 60 per cent of federal spending.

The situation in Quebec worsened since 1980, when our share of spending was 16.4 per cent. Moreover, taxes paid by our farmers help maintain policies which compete with their own production. Yes, many Quebec farmers are questioning the use of remaining in a country which lets them down at the slightest provocation. On the other hand, we know that we will have to counteract the fear generated by federalists.

The fear campaign began when federalist mercenaries published statements concerning the dairy industry in Quebec which, according to them, would be threatened by sovereignty. We are told that a sovereign Quebec would lose half its quota of industrial milk, which would lead to the closing of thousands of dairy farms in Quebec.

According to federalists, sovereignty would be catastrophic for the Quebec dairy farmers who supply the federation with 48 per cent of its industrial milk whereas Quebec only represents 25 p. 100 of the Canadian population.

Let us analyze the facts calmly. It is incorrect to say that a sovereign Quebec will no longer trade with the rest of Canada. The Quebec dairy industry is not a blessing, nor a gift or an advantage of federalism. It is just an economic fact.

Therefore, the worse case scenario should take into account the fact that the value of the trade between Quebec and Canada is more than \$80 billion and that trading is not one way only. If Quebec is to lose its trade with the rest of Canada, is not the reverse also true?

Comparing one scenario to another, members will admit that this one defining an economic area which is advantageous to both parties is more realistic. True, it will not win an Oscar in the horror category or for fiction. But it is also true that people prefer movies with a happy ending. Here is a true script: just last Wednesday, dairy farmers from Quebec and Canada signed a memorandum of agreement on the integration of marketing operations for fluid milk and industrial milk in six eastern provinces. In these six provinces, farmers will be paid the same price for their milk and will share a common quota.

(1655)

Together, these provinces represent 85 per cent of the Canadian industrial milk quota. Such integration will eliminate interprovincial barriers to milk supply. Quebec played a substantial role in this issue. Nobody was tempted to ignore it.

Without Quebec, the Canadian milk policy would fall down. The dairy farmers from other provinces know that and understand perfectly. In this pre-referendum period, they acknowledge the importance of economic integration with Quebec. We have put the federalist scare scenario far behind us, have we not? Canadian dairy producers know that the day after Quebec votes yes in the referendum, Canada will maintain an economic union with Quebec, not to please Quebecers but to protect its own interests.

Who would dare think of excluding Quebec from the supply management system, from quotas? Producers from other parts of Canada would have to compete with the highly competitive Quebec dairy producers and the Canadian market would experience a shortage of products from Quebec. The GATT would prevent Canada from slapping on new trade restrictions to prevent dairy products from Quebec from making inroads into its market.

The GATT prohibits the imposition of new restrictions on markets. Maintaining a common economic link would permit us to ward off pressure from the Americans, who have remained opposed to customs tariffs on Canadian dairy products. Federalists are also trying to use NAFTA to scare us.

Even though the United States always tries to get the most out of its trading partners, Quebec will invoke the GATT to protect its customs tariffs, just like the Canadian government does.

If we absolutely must talk about threats to the dairy industry in Quebec, let us talk about the latest federal budget. That is the real threat to the dairy industry. The government is reducing its industrial milk subsidy by 30 per cent over a two year period. Obviously, with 48 per cent of the quota for industrial milk, Quebec will have to absorb a large part of the cuts.

Calculating quickly, that will represent an income loss of \$3,775 for medium sized dairy producers, whose average net income is \$25,000. This will mean a 15 per cent drop in income, in addition to the increased cost of livestock feed stemming from the loss of subsidies for grain transport and feed transport, to which I referred at the outset.

I repeat that no compensation will be offered in this budget to Quebec farmers, who will be the hardest hit.

In closing, please allow me to quote the Quebec Minister of Agriculture, Marcel Landry, after the Martin budget was tabled. He said that Canada's new federalism is a big tax grab, a reduction of services, and national standards. On this subject, he recommends taking control over our taxes as soon as possible and starting to map our own paths for the future—

Supply

The Acting Speaker (Mrs. Maheu): I am sorry but the hon. member's time has expired. Questions and comments. The hon. member for Malpeque.

[*English*]

Mr. Wayne Easter (Malpeque, Lib.): Madam Speaker, I want to point out to the hon. member that I am one federalist who is not trying to scare Quebecers or Quebec farmers. I am trying to make sure the farmers understand the facts as they relate to Canada, especially in terms of the supply management system.

I am assuming it was an oversight on the part of the member when he talked about 12.4 per cent of the direct moneys to Quebec farmers and that he did not think was a fair share. Quebec has 48 per cent of the dairy quota.

Has the hon. member done any calculations? If he has could he table any calculations on the real benefit to farmers in Quebec of the Canadian supply management system in terms of dairy, poultry and eggs?

The member talked about the loss of the subsidy. I will agree that is a loss. I am a dairy producer and I accept the cutback in the subsidy in terms of my contribution to deficit reduction. At the same time I know full well, as does the member, the dairy industry operates on a cost of production formula which assures efficient farmers reasonable returns on their cost of production, labour and investment. That is a pretty good deal. We know they are getting that deal from Canada.

(1700)

I have a last point I want to make. It may just be a factual error, but I would not want the member to leave the wrong impression. The member said there was no compensation for the loss of the feed freight assistance program. Adjustment moneys have been put in place for the loss of the program. We face that in Prince Edward Island as well. In fact \$60 million has been set aside for farmers to use in order to adjust to the loss of the program.

[*Translation*]

Mr. Landry: Madam Speaker, it is a pleasure to respond to my colleague from Malpeque. He spoke about equity. He admitted in his speech that an inequity problem had existed for a long time between Quebec and the rest of Canada.

He said that he used to be a farmer in the Maritimes. He knows full well that, a few years ago, potatoes from the Maritimes were fully subsidized for export to the Quebec market, while Quebec farmers had to pay transportation costs for their potatoes. Farmers in Quebec and the Maritimes were competing for the same Quebec consumers. If we are going to talk about equity, we should really do so.

With regard to transportation, the Crow rate has been eliminated, but some compensation formulas are still unfair to Quebec. Twenty-five years ago, I was too young to be involved in politics but some politicians, in whose footsteps I have followed, have told me: "Jean, you will see when you grow up how difficult it is to fight the federal government". I now realize that what I was told 25 years ago is still true today. All I am asking the government is to be fair to Quebec and the rest of Canada.

Mr. Jean-Paul Marchand (Québec-Est, BQ): Madam Speaker, I would gladly let my hon. colleague from Mégantic—Compton—Stanstead speak but, as you so rightly said, I am the member for Québec-Est. My riding of Québec-Est is an urban riding. I am not from a rural but an urban riding. I know of a number of farmers in my riding but they are all retired.

I nonetheless appreciate the importance of agriculture. I know that agriculture is one of the pillars of the economy, particularly in Quebec, which is about to become a country. Agriculture is a basic economic sector. I also learned a thing or two about this sector from working, a few years ago, for Agriculture Canada minister Eugene Whelan, who was considered as one of the greatest ministers of agriculture in Canadian history.

So, I am familiar with this inequity issue that was discussed at length today. It is well known that Quebec farm producers were treated less fairly than those from the rest of Canada, and Western Canada in particular. The latest budget tabled in this House by the Liberals provides a most glaring example of inequity. It is plain obvious.

While Western producers are very generously compensated—we are talking about \$2 billion—subsidies paid to milk producers in the East are being cut by 30 per cent. I must say that this is nothing new. There was much talk about this here today. Quebec has not been getting its fair share for ages now.

(1705)

Had one quarter of federal spending for Canadian agriculture been going to Quebec, since it is normally calculated on a per capita basis, Quebec would have been much better off. Instead, Quebec got 10, 12 and sometimes as much as 15 per cent, but never a full 25 per cent share of federal spending. According to my calculations, on this basis, Quebec's shortfall for the past 15 years, since 1980, is between five and seven billion dollars.

Mr. Chrétien (Frontenac): It is a disgrace.

Mr. Marchand: Quebec has paid between five and seven billion dollars out of its own pocket in support of agriculture in Western Canada and the rest of Canada. If only Quebec farmers had benefited from such investments in their province, Quebec's agriculture would have been even stronger than it is, and that does not include the Crow rate, which cost the federal government between \$600 million and \$800 million a year. These

Supply

investments in western grain transportation were very discriminatory and they were made solely in favour of western farmers.

A quarter of that money came from Quebec and statistics show that, during the last 15 years, Quebec lost two billion dollars more. These are huge losses. When the federal government announces the elimination of the Crow rate and talks about a compensation package, it only has in mind western farmers, the constant winners for 15 years, with the grain subsidy and the unfair federal investments in agriculture. Quebec has always lost out. The unfairness is blatant, even more so when one recognizes that Quebec farmers earn on average about \$25,000 for their very hard work.

A farmer can work up to 80 hours a week. He works the equivalent of two jobs for a total salary of \$25,000. So, the 30 per cent cut in milk subsidies and the 15 per cent cut in farmers' revenues are a blow to milk producers. It is a blow because their revenues are not that high. The inequity is obvious and we have discussed the subject at length.

The overriding theme is that Quebec, in practically all areas, has always been subjected to this sort of unfairness. Even though the other members in this House will not admit it, Quebec has been a cash cow for the rest of Canada. This is obvious in every sector, whether it is the sale of goods and services, or the research sector. As regards the latter, over the last 15 years, Quebec has been getting, on average, 10 to 15 per cent of research investments. Ontario was the big winner, with an average of 50 per cent of the total federal assistance. Again, Quebec lost money.

I could give you a whole list of examples where Quebec was the loser, but I will stop here. At some point, Quebecers will have to put their foot down and say: "Enough is enough! We are fed up with these injustices".

Mr. Chrétien (Frontenac): Hear, hear.

Mr. Marchand: This is why Quebec farmers must also assume their share of the risks involved in that venture. Obviously, there are some concerns. Achieving Quebec's sovereignty will not be a breeze. Nobody said it would be. However, in the middle and in the long term, there is no question that Quebecers will benefit from such a move. This is no question about that.

There is a transition period which raises several issues, including for the farming community.

(1710)

Indeed, farmers too wonder what will happen once Quebec opts for sovereignty.

The hon. member for Lotbinière answered some very important questions earlier. The government is resorting to fearmongering when it says that Quebec dairy producers will lose all their quotas. Such arguments are not reasonable and are obviously based on emotions.

Quebec buys beef from Alberta, grain from the western provinces, corn and soya from Ontario. We buy a lot more outside the province than we sell. Do you think that, all of a sudden, the rest of Canada will refuse to buy our butter or our cheese, and that Quebec will no longer buy beef from Alberta? Of course not. It is totally unreasonable to think that the rest of Canada would force us into such an unfair situation.

I certainly believe that sovereignty will be beneficial to Quebec farmers.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Madam Speaker, I want to thank my colleague from Québec—Est who clearly described the obvious advantages for Quebecers to opt for sovereignty as soon as possible. It has also been demonstrated that the federal system does not work. I know that my Liberal and Reform colleagues do not like it when we talk about inequity, even though it reflects the real situation, so let us say that the federal system does not work, if this is the expression the federalists would rather use.

On that issue, the hon. member for Lotbinière was very eloquent. He used figures and several arguments to show that it is impossible to ignore how the Canadian Department of Agriculture has harmed the interests of Quebec.

Let me conclude my remarks which can be interpreted as a question to the hon. member for Québec—Est.

Without asking for more than what Quebec is currently giving to the federal government in the area of agriculture, and given the fact that Quebecers already pay 25 per cent of all federal taxes, if we were to get our hands on a similar proportion of the agricultural budget and to manage the whole thing, then we would be able to provide our farmers with an additional \$500 million—since the federal Department of Agriculture has a \$2 billion budget—in addition to the \$300 or \$350 million budget of the Quebec Department of Agriculture.

I know how capable, passionate and proud our Quebec farmers are and I am sure this will give them a competitive edge. So, I want to say thank you to my colleague from Québec—Est.

Mr. Marchand: Madam Speaker, I want to thank my colleague from Mégantic—Compton—Stanstead.

What he said is true. Quebec farmers will likely have a greater share of the province's revenues, money that was not available to them before because it was distributed elsewhere. But once

Quebec becomes sovereign, farmers will have the chance to receive more money from the government.

We must also recognize the strength of the UPA and of Quebec farmers. Our province is certainly the best organized province in the agricultural industry in Canada. It is in excellent shape. It is well structured. Farmers have a good knowledge of their trade which will allow them to take advantage of new markets, particularly of the new American market that is opening up. If I am not mistaken, under the new agreements, we will have access to 5 per cent of the American market. Therefore, Quebec farmers are in a good position to take advantage of Quebec's sovereignty.

(1715)

I would like to come back to the issue of milk quotas. Dairy producers must understand that Quebec will not become independent overnight after a victory in the referendum. There has to be a period of negotiations. The current agreements, such as the GATT and NAFTA, will stay in place. There will be negotiations between Canada and Quebec and they will not necessarily be conducted sector by sector, farmers with farmers, bankers with bankers. These will be comprehensive negotiations between Quebec and Canada. A framework will have to be established, and when the parties are able to look at the situation rationally, without letting their emotions interfere, the rest of Canada will understand that, in the agricultural industry, Canadian producers will have to maintain a good relationship with Quebec producers in all sectors in order to protect themselves against unfair competition from Americans.

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Madam Speaker, I am glad to have the opportunity to comment on the Official Opposition's motion denouncing the government for giving Western farmers an unfair advantage over their Eastern counterparts.

The facts do not support the motion. They show that each individual, each region and each sector contributes its fair share, no more and no less, to reducing the deficit.

The 1995 Budget contained fair and balanced measures to address circumstances that differ from one region and sector of the country to another. It is worth mentioning that our reform of the WGTA is consistent with the position adopted by the Quebec coalition in December 1994.

Generally speaking, the government is eliminating its transportation subsidy programs, including the WGTA in the West, feed freight assistance in BC and Central and Eastern Canada, as well as various transportation subsidies in the Maritimes. What we are looking at is not a proposal to draw a parallel between the East and the West, but rather a principle to be implemented nationwide.

Supply

However, where we have eliminated transportation subsidies, we are providing assistance to those who are hit the hardest, be they in the East or the West.

As the hon. members know, the Western grain transportation subsidy will be abolished as of August 1, 1995.

In the adjustment measures it has offered, the government took into account the potential impact of the elimination of this 96-year old commitment toward the Western grain industry. The prairie farmland owners will get an initial payment of \$1.6 billion in relation to capital, which is equivalent to three more years of the annual subsidy of \$560 million.

In the budget he brought forward, the Minister of Finance made it clear that this *ex gratia* payment to prairie farmland owners was to offset the potential impact of the WGTA reform on the land values. This is not a gift from above nor a regional development subsidy.

The financial aid granted is not excessive and does not provide undue benefits to Western farmers. However, it will help grain producers adjust to changes. The GATT Agreement established certain disciplinary rules for export subsidies, but the prairie grain producers still have to compete with subsidized wheat exports.

The dairy subsidy is to be reduced by 30 per cent over a two year period, but the government remains committed to maintaining our national supply management system.

(1720)

This system is one of the major benefits of federalism and it gives a reasonable income to efficient producers both in the east and the west.

Dairy farmers do not get a compensation package because their subsidies, contrary to the WGTA subsidies, have not been eliminated. But we are looking for ways to improve the dairy industry competitiveness. Consultations will take place with dairy farmers on the future of their subsidies.

We have been considering for 25 years the pros and cons of a reform of western grain transportation subsidies. So, we understand very well the reasons behind such a change. The solution we found with the industry takes into consideration the new circumstances of world trade, our fiscal situation and the need to be more sensitive to market forces.

This kind of dialogue did not take place in the dairy industry. We do not advocate any particular reform, but we think the time has come for us to determine with farmers and other players the best way to support the competitiveness of the dairy industry. We intend to initiate discussions this year.

Supply

The minister has announced that his parliamentary secretary, the hon. member for Prince Edward—Hastings, will hold consultations with the industry on the way we should use the large amount of money still available.

Cuts in agricultural spending take into account the improved financial outlook for the agricultural industry, the new discipline imposed by the new general agreement on international subsidies and the difficult fiscal situation of the government.

Interestingly enough, while the official opposition condemns us because we allegedly make deeper cuts in eastern Canada than in western Canada, others accuse us of doing just the opposite. Critics take the elimination of the WGTA subsidies out of context and ignore the \$1.6 billion compensation payment. The official opposition does the same with the 30 per cent reduction in the milk subsidies and forgets about factors that will cushion the impact of that reduction and the government's commitment to the national supply management system.

The 19 per cent cut in the agriculture department budget is exactly the same as the average reduction in all federal departments. In other words, the budget cuts at Agriculture and Agri-Food Canada represent about 4 per cent of the total cuts of \$7.2 billion proposed in the federal programs review. The fact that the AAC expenses represent approximately 4 per cent of the total federal expenses is not a coincidence.

We had some difficult choices to make given the critical situation of the debt and the deficit. All the budgetary changes reflect the need to materialize the government's vision of the agri-food sector in Canada and the need not to let the deficit jeopardize our future.

Our vision is based on financial security and the vitality and viability of that sector. Only a continuing and sustainable growth of the rural regions and the urban areas will make this materialization possible. This government's priority is to implement the necessary framework to help that sector find new markets, create jobs and ensure its own development.

An investment in the agri-food sector is an investment in growth for all regions of Canada—whether from the East, the West, the North or the South.

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Madam Speaker, I would like to commend my colleague for his balanced speech that looked at both sides of the issue. I would like to ask him a very important question.

I suspect—if he disagrees with me, I will not be upset in any way—that the motion put forward by the Bloc Quebecois today was just to score political points, to try to play one part of the country off against another.

(1725)

They did not sincerely believe that one region had been treated more or less favourably than another, they simply wanted to get one region to play off against another. They have

been unable to look at the situation and this issue in a balanced way. As I said earlier, I will not be upset in any way if my colleague disagrees with me. I would like to have his comments, sincerely and honestly.

Mr. Bertrand: Madam Speaker, I wish to thank the hon. member for Saint-Boniface for his question.

I sort of agree with what my colleague has said. It is true that our government was faced with very tough decisions to make and I sincerely believe that the decisions the Minister of Finance had to make were very difficult for all regions in Canada, whether in the East or in the West. I believe that the cuts that have been announced in the past or that will be in the future are fair and legitimate. I can hardly understand why the Official Opposition is trying to set the East against the West.

[English]

Mr. Bob Speller (Haldimand—Norfolk, Lib.): Madam Speaker, I wish to take the last couple of minutes to state my disapproval of the motion being put forward by the opposition.

I am surprised that my colleagues in the agricultural sector of the Bloc Quebecois would actually put together such a motion. I know and work with them very well in our committee. I am surprised that they are trying to suggest to the House and to the Canadian people that those areas of the budget related to agriculture are anything but fair to all areas of the country.

Everyone in the agricultural community recognizes that we require fairness in dealing with our debt and deficit situation. That part of the budget prepared by the Minister of Finance dealing with agriculture certainly was given a great deal of input by the minister of agriculture. They tried to deal in a fair and equitable manner with the areas of supply management and the western grain transportation issues.

One disappointment I have had since becoming chair of the standing committee on agriculture has been hearing hon. members in the House claim that one part of the country is getting a better deal than another part. I also was disappointed that a number of commodity groups and farm organizations spend too much time arguing over who got what rather than working and pulling together not only as commodity groups but putting together different aspects of an organization to help Canada in our commitments to export trade.

It will be in the export sector that agriculture and rural Canada will find the jobs in the future. The government has made a large commitment to exports. I feel that if the different groups get together and if the Bloc Quebecois put aside its partisan political interests, it would want to co-operate with all Canadians to make sure that Canada's agricultural products are exported around the world.

[Translation]

The Acting Speaker (Mrs. Maheu): It being 5:30 p.m., it is my duty to inform this House that under Standing Order 81(19) the time allowed for debate on the motion has now expired.

[English]

The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

NATIONAL SOLIDARITY DAY FOR THE ABORIGINAL PEOPLES OF CANADA ACT

Mr. Nelson Riis (Kamloops, NDP) moved that Bill C-244, an act respecting a national solidarity day for the aboriginal peoples of Canada, be read the second time and referred to a committee.

He said: Madam Speaker, recognizing that the starting speaker is allotted up to 20 minutes, I would like to seek the unanimous consent of the House to see if I could share this 20-minute spot with one of my New Democrat colleagues.

The Acting Speaker (Mrs. Maheu): Is there unanimous consent?

Some hon. members: Agreed.

Mr. Riis: Madam Speaker, I appreciate the generosity in allowing my colleague to join me in co-sponsoring the bill. In the Order Paper there are a number of co-sponsors. I refer specifically to the member for the Battlefords—Meadow Lake, the member for Regina—Lumsden and the member for Burnaby—Kingsway. Others have also indicated to me they are in support of the bill.

This is the second time I have actually tabled the bill. The first time it received the support of every aboriginal organization in the country. It received support from countless bands across the country and also from many urban organizations of aboriginal people and all the significant leaders of aboriginal peoples. To my knowledge no one has yet indicated their opposition to it, either among the aboriginal or the non-aboriginal communities.

We only have one hour for debate. In the closing moments I would hope either the debate would collapse, which would then allow a voiced vote to send it off to the Standing Committee on Aboriginal Affairs and Northern Development, or simply unanimous consent to send this off to the appropriate standing committee for continuation.

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The bill is fairly straightforward. I do not suspect it would take an awful lot of study and examination. There may be the will of the House to provide unanimous consent to move through all stages before the hour is out, which we have done on previous occasions.

Mr. Solomon: A great idea.

Mr. Riis: My hon. colleague from Regina—Lumsden suggests this is a good idea. We will see as the hour progresses.

The preamble of Bill C-244, an act respecting a national solidarity day for the aboriginal peoples of Canada, is as follows:

Whereas it is desirable that Canadians designate a day in recognition of Canada's original inhabitants;

And whereas Canadians seek earnestly to set an example of their commitment to honouring native cultures;

And whereas June 21, being the longest day of the year and marking the changing of the seasons, should be designated as a day in tribute of Aboriginal solidarity;

Now, therefore, Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

Therefore this act may be cited as the National Solidarity Day for the Aboriginal Peoples of Canada Act. If it passes it will be just that.

A point of clarification is needed. A number of my colleagues, particularly in the Reform Party, have asked whether this is a legal holiday. The point is not to make it a legal holiday but to designate it as a day when Canadians from coast to coast join with aboriginal peoples from coast to coast in acknowledging the tremendous cultural contribution First Nations and aboriginal people have made to this country. There is some question about who the first Europeans were who arrived on these shores. I take some pride in saying that my forefathers, the Vikings, were probably the first Europeans, although some people suggest it was the Irish. Some suggest the Chinese. Whoever they were it is important to say they arrived on the shores of North America and Canada to meet incredibly advanced cultures; cultures that had existed in some cases in rather hostile natural environments for hundreds and hundreds of years, thousands of years in many cases.

(1735)

They had developed not only an incredible harmony in terms of working with each other and complimenting each of the organizations, tribes, clans and cultures in existence but they worked and lived in harmony with the natural environment.

When the first explorers from Europe arrived on Canadian shores they found by and large people who complimented their efforts and assisted them. They gave of all their own resources and so on to facilitate in the exploration of what we call today Canada.

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Then the colonizers arrived. The settlers arrived. They met a relatively welcoming culture, a welcoming people who introduced them to the realities of living in this part of the globe. One can imagine the incredible suffering that would have occurred with some of these original settlers if the original inhabitants of those areas were not there offering co-operation, support, guidance and help at virtually every turn.

Things took a turn for the worse. It was then that we as a non-aboriginal culture began to practice what can only be called cultural genocide in many cases with intent, in other cases indirectly. The reality was disease, sickness, illness, violence and all sorts of aspects resulted in the genocide of aboriginal cultures, almost to their extinction.

Right now as we speak there are only a handful of original aboriginal languages left in the country. Thank goodness that at the 11th hour we have to give full credit to the aboriginal leaders across the country who stood up and said: "This is the end. We will now reverse this process". Through incredible leadership they have reversed the process of cultural extinction. Today aboriginal cultures from coast to coast are probably richer, more vibrant and more dynamic than they have been for a long time.

I want to refer to a number of aboriginal leaders in my constituency. Every member could stand in their place this afternoon and do the same. There are outstanding individuals who in a number of ways through their leadership ability and commitment to not only advancing the cause of their own peoples but the country as a whole have made these tremendous gains possible.

I refer to people like Chief Nathan Matthew, Chief Manny Jules, Chief Ron Ignace, Chief Richard LeBourdais and many others from the Shuswap nation of central British Columbia. I acknowledge those same statements could be made for aboriginal leaders from coast to coast.

Mr. Solomon: Chief Sol Sanderson from Saskatchewan.

Mr. Riis: Chief Sol Sanderson from Saskatchewan and David Ahenakew and others as my colleague says. There are so many. We owe them so much.

We must consider that before us in the next number of years probably the most important social issue will be the relationship between aboriginal people and non-aboriginal people and sorting out this complex and growing relationship.

I refer to the emerging reality of self-government, of self-determination and of self-reliance for aboriginal peoples, the resolution of land claims, cultural preservation, social and economic development, educational training and general cultural advancement.

I acknowledge the minister of Indian and northern affairs who has in his own way provided much needed leadership in a variety of these areas.

(1740)

When we look at the last 18 months, there have been significant advancements in terms of a move toward self-government, self-determination and self-reliance, particularly for progressive Indian bands across the country to say nothing of the Inuit, Dene and Metis advancements as well.

In order to permit my hon. colleague to say a few words, I will conclude my remarks by saying that at a crucial time in the First Nation's evolution in our part of North America, it is very appropriate for us as parliamentarians on behalf of those we represent to extend a hand in acknowledgement of the contributions made by the First Nations.

We must tell them we recognize and appreciate those accomplishments and that we would like to work co-operatively, positively together for the advancement not only of aboriginal peoples across Canada but Canadians generally. We do acknowledge the existence of First Nations and what that entails.

I would like to finish my remarks by referring to the Indian Act and how this act, in my judgment, was a lie from the beginning. The lie is betrayed in the first line of the act: "This is an act respecting Indian people". This was not an act respecting Indian people and it is for that reason I ask my colleagues to extend a hand now and recognize June 21 as a solidarity day for aboriginal peoples.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Madam Speaker, I appreciate the opportunity to speak on the fine motion presented today by my colleague from Kamloops. It is a motion to recognize a day of solidarity with aboriginal peoples. It shows a lot of understanding of the challenges that face our societies.

I would like to think that every day I stand in solidarity with aboriginal peoples. However, that is not the case across the country. It would be very useful to have a day to specifically remind ourselves of the injustices to native people and that there are specific things we need to do to address those injustices and meet future challenges.

The royal commission on aboriginal peoples has released an interim report on suicide. We must actively work to address the recommendations on that issue.

The Senate has just released a report on the treatment of aboriginal veterans from World War I, World War II and the Korean war. We must as a nation actively work to address the grievances of aboriginal veterans.

The House of Commons standing committee on Indian affairs has in the past reported on the lack and the inadequacy of housing in aboriginal communities. This issue must be immediately addressed.

An environmental panel looking at the acceptability of low level military flight training over Innu land in Labrador reported that land claims in jurisdictions must be dealt with quickly. This is a critical issue which the government must pursue as soon as possible.

The list goes on. Currently committees of the House are examining the issues of self-government, of aboriginal education, of aboriginal fishing and economic development, of mental health among aboriginal people and the future of resource management in areas where aboriginal communities are located.

There is an urgent need for Canadians of all racial and ethnic backgrounds to acknowledge the history, heritage and future of Canada's first peoples. The adoption of a day of solidarity is certainly one small step in the right direction.

In my own constituency much is happening in this regard. Within the aboriginal communities chiefs like the late Big Bear, Poundmaker, Ahtakakoo and Seekaskoch are focal points for the development of interpretive and educational centres. Non-aboriginal communities have begun to sponsor or jointly host powwows and other cross cultural activities.

Individuals like the Federation of Saskatchewan Indian Nation's Chief Blaine Favel have talked about the need to foster stronger human and economic ties between non-aboriginal and aboriginal communities and people. Tribal councils like the Meadow Lake Tribal Council are demonstrating that successful aboriginal businesses can contribute a great deal to the success of neighbouring non-aboriginal communities. There are negatives and positives in the relationships that exist between our societies. If we are ever to overcome the negatives and make the future positive we must take a few small steps first. This bill sponsored by the hon. member for Kamloops and supported by the hon. member for Regina—Lumsden and other members of the House provides us with just such an opportunity.

(1745)

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Madam Speaker, I rise to support this bill. I commend the hon. member for Kamloops for bringing it to the House. The day which he talks about would be a day of reflection.

I would like to quote Georges Erasmus, who said:

The history of our people needs to be told. We need to present accurately what happened in the past, so that we can deal with it in the future—I don't like what has happened over the last 500 years. We can't do much about that. But what are we going to do about the next 500 years? What are we going to do about the next ten years?

On this day of reflection these are the things which we should be thinking about. We should be thinking about the fact that when the Europeans landed here the Indians fed them, showed them how to avoid scurvy and asked for nothing. They asked Jacques Cartier for nothing. We should reflect on the Truro

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wampum, the covenant chain, the broken treaties, the food which they gave us.

My background is Irish and Italian. The Irish think that the potato came from Ireland. It came from the Indians. The Italians think the tomato came from Italy. It came from the Indians. They had over 1,200 different plants when we arrived. It was a self-sufficient nation.

We should reflect on their path of tears. We took away their voice. We made them non-persons. We put them on reserves. We put them in residential schools. It was not good enough to put them in residential schools, we moved them to other provinces. It was not good enough that they were in schools in other provinces, we said: "You shall not go home from the age of six to eighteen". They did not go home, not even for Christmas or holidays. Then we decided we would take away their language and their culture. To back all of this up and to make the kids go to residential schools we invented the pass laws. If the parents did not give up their kids to go to these schools they did not get a pass to leave the reserves.

Show me an Irish family or an Italian family or any other family that came to this country and was treated like that. In other words, the visitors to this country were treated better than the people who had been here for 10,000 years. We should reflect on that.

My friend reminded us that we should reflect on the Indian Act. It is archaic. It is an act which should not exist in any country.

We should reflect on the dams at Grand Rapids, Churchill, Nelson and Cheslatta that took away their livelihood. We took away their very being. We should reflect on what we did to the Haida Gwaii and the Micmac with our development of the forests. We should reflect on what we did with minerals. Because we needed minerals in northern Ontario, in came the Robinson Superior treaties. That is why we have those treaties, because we needed minerals.

In my area we took away the sturgeon and the wild rice. Not only were they food sources, they were religious things to them. They were there for generations and then they were gone.

We should remember our land grabs on those days, and the people who have come and gone: the Elijah Smiths; the elders of the Yukon; Jake Fire of the Mohawks, a traditionalist who came to a meeting unarmed and was shot; Frank Calder and the Sparrows. These are not individuals, these are families. For three generations the Sparrow family in B.C. has been saying the same thing. We should reflect on that and we should remember.

We should also reflect on what they are doing. They now have over 5,000 businesses, representing 31,000 employees. Twenty-five years ago only 600 to 800 aboriginal students were in post-secondary schools. Today, as I stand here, they have

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150,000 graduates, with 22,000 in post-secondary institutions this year and 23,000 who will be in post-secondary institutions next year.

They had the leadership and they were articulate. On this day that the hon. member is proposing we should think of that.

(1750)

In the past 17 months, and to me it feels like 17 years, we have tried to implement the promises of our red book. We have negotiated with the Micmacs. We have said: "You've done so well in education, now it is time to take over jurisdiction". The Micmacs in Nova Scotia are doing just that.

At the meeting when we signed the agreement, one of the elders now, but once a chief said: "You know when I started this, Ron, there were only four Micmacs in the whole province of Nova Scotia in post-secondary. I came to this meeting tonight to sign with high hopes in my heart. I saw a car there. There were three kids in this car and they were out of gas so I stopped and helped them. All three were Micmacs, all three were university graduates". We should remember that.

On the Manitoba dismantling, a year ago people in the House of one party thought it was craziness. Within three or four months the public said maybe it is important. A month before the signing they said it is historic. Now they say at Harvard that it is the most significant aboriginal self-government agreement in the world. That is the spirit.

In British Columbia it is difficult because we are doing contemporary treaties, in spirit and intent. There are now over 120 First Nations negotiating at five tables with 50 people from our side bringing in contemporary and modern treaties.

We intend to dismantle in northern Ontario. The meetings will be held in the next two or three months. We intend to move jurisdiction in Treaty 3 in the Fort Frances area and that is going on now.

We are moving oil and gas. This is the way it works. There are 110 oil and gas chiefs, 50 are on significant oil and gas reserves. They do not own it and they do not manage it. We have to give them that because it belongs to them. It is on their reserves. That will be done.

In Quebec we are dealing with the Inuit, the Cree, the Montagnais, the Huron. We are dealing with them face to face with dignity and respect, and agreements are being reached there.

The same thing happened in the Yukon. You all went through that as members. I would like to recall to you the night we voted. I looked up at the Yukon delegation sitting in the gallery. They were all in their traditional garb. We applauded and they applauded. They started crying and our hardened members here started crying. Hardnosed Liberals were crying over this. That is

the kind of commitment we must have. The same thing will happen in the Northwest Territories.

I wish I could go on and on, but my time is limited. I want to talk about what can be done and what we should remember on that day. How can we? It seems so simple but it is difficult. It is a triangle. At the top of the triangle is dignity, respect and self-government. At the bottom of the triangle are adequate health facilities, adequate housing facilities and adequate economic development. If we do not do these things at the bottom, the triangle is going to collapse.

There will be opponents. They will say we are bleeding hearts. They will say we have our agenda. They will say the Indians have too much right now. I do not feel I am a bleeding heart. I do not feel I have an agenda. I have eyes to see. Erasmus is asking us to see.

What will it take? It will take courage to stand up to these arguments. It will take knowledge of what is out there. It will take compassion. We have to have compassion. It will take an attitude that we will talk face to face. One Metis leader said to me: "We've talked back to back and side to side too long. We must talk face to face". We can do it.

In the Northwest Territories, they have nine official languages, four more than the UN. They have translation in their legislature. The Russians have come here to see what we have done. That is the attitude we should have as Canadians, not just doing a good job but the best job in the world, where people will come to us.

(1755)

Today the Irish, the Scots, the English and even the French are flying Canadian flags. If we are to have a flag in the aboriginal portfolio it should be the aboriginal people and other Canadians saying it is a flag of tolerance, a flag of dignity, of sharing and respect. It will work. That is why this day is important and that is why I will support it.

[Translation]

Mr. Claude Bachand (Saint-Jean, BQ): Madam Speaker, the Bloc Québécois also intends to support the motion moved by the hon. member for the NDP.

It is a subject with which I am familiar, and I have been trying to learn more about it for nearly a year and a half, since it is extremely complex. It is not easy to understand because after all we have 635 communities in Canada. When I say communities, these are often reserves spread out across Canada. And there are not only communities but also nations. Furthermore, there are nearly 50 different languages and dialects, which is rather surprising.

There is among aboriginal nations a definite desire to really go back to their own traditions and language, and they are to be respected for that.

Ten minutes is not much for a subject as complex and indeed edifying as this one, because it is always interesting to talk about this and see how these exchanges take place and how aboriginal peoples try to negotiate with us, because these negotiations are based both on tradition and the modern way of doing things. However, I have decided to concentrate on symbols in my speech, because aboriginal peoples use many symbols. I would like to talk to you about one which has my particular interest: wampum.

So what is wampum? There are several definitions. And although there is more than one definition, there is one that I find particularly interesting and I would like to expand on that.

Wampum refers to white and black beads, often strung together in parallel strands. At the time, especially in the seventeenth century, trade was very important. Often trading between the settlers and those who had been there for 25,000 years took the form of an exchange of presents, and wampum was something that was very important to them.

The origin of the word is Algonquian. I have here an interpretation of wampum which we are sometimes given on the Committee on Aboriginal Affairs. I tend to agree with this interpretation. Several chiefs came to explain what it meant, and I think wampum has both an historical and a contemporary connotation. I think that what is explained and interpreted in the wampum beads has an entirely modern application today.

So I will read what wampum means to most of the native chiefs, and this is the interpretation I attach the most meaning to. It goes as follows: "Our relations are not those of father and son, but of brothers. These two rows"—these are the two rows of beads I mentioned earlier—"represent boats sailing together on the same river. One belongs to the original people"—those who were here before us—"with their laws and customs, and the other to the European people, with their laws and customs. We travel together, but in our own boats. Neither shall try to steer the boat of the other".

I find this is very representative of the relations between us, the Europeans, and the native peoples. Naturally, I would add that we must not try to sink each other's boat, either. So we understand the symbolic importance.

In the 17th century, wampum meant a lot to the officers of the British crown, with whom gifts were exchanged. It was a very popular gift.

As is the case today, the more gifts there were, the more the exchange was important. Even today, I am offered gifts every time I visit certain reserves in Canada and Quebec—with very

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few exceptions. For our part, we also developed the habit of bringing along some little offering to give them.

(1800)

In many cases, the size or number of gifts is not as important as the symbolic value of maintaining this tradition of gift-giving. This allows a fruitful exchange with Aboriginal peoples because their traditions are being respected.

Although the Europeans knew that the wampum was a symbol of commitment, it seems that these commitments were not honoured. People must be made aware of this, and this awareness campaign could take place on June 21.

We denounced the old South African government over the issue of apartheid. I find it outrageous that in a country as open as Canada is at this time, there are still 635 reserves. We are ghettoizing these people by confining them to parcels of land. We took away between 90 per cent and 95 per cent of their lands, making billions of dollars in the process, in return for a social contract under which they were often set aside, ignored or shunted off to lands that were not even productive. We said in the social contract that we would look after them.

I think that if June 21 is ever designated as Aboriginal Solidarity Day, we should consider the impact of this legislation and the importance of dismantling it as soon as possible. Canada has had this law for 100 years and that is 100 years too many.

I also want to say a few words about June 21. This is an important date that was not chosen inadvertently. June 21 is the day of the solstice, that is, the longest day of the year. This is not just in Canada. Throughout the world, aboriginal peoples often celebrate this particular day. I was in Cancun, for instance, and I can certify that the Mayas, when they built their pyramids, were very much aware of the solstice.

On the longest day of the year, at a given moment, you can see a snake come down from the pyramid in Chichen Itza, the snake being, of course, a symbol of the longest day. The snake comes down from the pyramid at six o'clock in the evening, I believe, and often these temples and pyramids are built to mark the occurrence of the solstice. So June 21 is a very important date, and I think that if we decide on a national day, it should be June 21.

Finally, this is a day on which we should try and mix European and aboriginal cultures as much as possible. In a way this has already happened. The minister mentioned examples of food, of ways in which we exchange items, but there is also other aspects. If we take certain details of our daily lives as Europeans, for instance, what could be nicer than to go tobogganing with our children. Now the toboggan was invented by the aboriginal people, along with canoes, snowshoes, certain items

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of clothing such as moccasins. They taught us how to use furs and certain skills such as how to survive in the bush, how to trap animals and how to hunt. All of this we learnt from the aboriginal people.

We should use this day to increase our knowledge of each other's cultures which unfortunately, as I see it, have become increasingly isolated in the past number of decades.

So the answer is not the red book or the Canadian Constitution. It is up to us individually to have an open mind and be receptive to the other culture. We must show compassion, we must listen and we should keep an open mind. We should not let ourselves be polarized by our differences: the Canadian nation, the Quebec nation and the aboriginal nation. We should try to understand each other and be generous and open. If we do that, June 21 will only make us richer, and I think this day should be an opportunity for us to learn as much as we can about aboriginal culture, and we in the Bloc Québécois will be delighted to support this motion.

[*English*]

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Madam Speaker, I rise to address and support Bill C-244, which proposes to recognize June 21 as a national solidarity day for aboriginal peoples.

In the last two weeks Canadians have demonstrated an understanding of the important principles behind this bill, principles of celebrating equality and partnerships. Last Friday, aboriginal and non-aboriginal Canadians from across the country, including the Minister of Indian Affairs and Northern Development, gathered in Vancouver to celebrate the National Aboriginal Achievement Awards. Fourteen aboriginal Canadians were honoured for their outstanding contributions. On Thursday evening at nine o'clock, all Canadians can share in this celebration because it is being televised nationally on our CBC.

(1805)

Canadians also celebrated the uniqueness of our cultures and heritage on March 26 at the annual Juno awards. A touching tribute to Buffy Sainte-Marie in particular highlighted the central role of aboriginal cultures in defining the broader Canadian culture.

This is what we are talking about today, marking the achievement of aboriginal people and their tremendous contributions to this great nation. These contributions span the spectrum from politics, business and law to entertainment, athletics and culinary experience.

For generations aboriginal people have made a visible, internationally recognized contribution that has for too long been largely unrecognized in our country. I firmly believe in the principle of this motion, as does the government and everyone on this side of the House.

We had these very principles in mind when we sat down to write our red book. Our goal was and is for a future where aboriginal people enjoy a standard of living and quality of life and opportunity equal to those of other Canadians. Our goal is a future in which aboriginal people live self-reliantly, secure in the knowledge of who they are as unique peoples; a future where all Canadians are enriched by aboriginal cultures and are committed to the fair sharing of the potential of our nation; a future where aboriginal people have the positive option to live and work wherever they choose; and one where aboriginal children grow up in secure families and healthy communities with the opportunity to take their full place in Canada.

This government recognizes the special relationship that exists between aboriginal people, the first inhabitants of this land, and the Crown. We are committed to fulfilling our obligations and to building a new partnership based on trust, mutual respect and participation in the decision-making process.

It was for these reasons that we put aboriginal issues at the forefront of our agenda. I am pleased to see that my hon. colleague from Kamloops also regards aboriginal issues in such a serious manner.

The goal of enabling aboriginal people to assume their rightful place as full partners in Canadian society is not a goal of one group; it is a goal shared by millions of Canadians. Clearly aboriginal issues involve more than just our aboriginal people. They involve each and every one of us. That is why I believe it is important for all Canadians to participate in marking the contributions past, present and future of aboriginal people. In these efforts, our focus should be on partnerships, commemoration and positive action.

Clearly before a decision like this is made, it is essential to seek consent from the aboriginal community. When our ultimate goal is to create a full and equal society, it would clearly be regressive for us to sit here and legislate a special day for aboriginal people without their explicit support.

I strongly feel that the hon. member's bill is worthy of our consideration and debate, particularly as we celebrate the first year of the United Nations International Decade of the World's Indigenous Peoples. By supporting the United Nations recommendation to pronounce August 9 as an International Day for Indigenous Peoples, we may also have an opportunity to bring aboriginal issues further on to the international stage.

I want to thank my hon. colleague for bringing this bill before us. It is an important reminder that aboriginal issues must continue to be a priority for all Canadians. I thank him for the opportunity to participate in this debate.

Mr. John Duncan (North Island—Powell River, Ref.): Madam Speaker, it is a pleasure to participate in this first debate of Bill C-244, an act respecting a national solidarity day for the aboriginal peoples of Canada.

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I am sure the member for Kamloops initiated this bill with the best of intentions, borne out of concern for recognition of the contribution of native cultures to the Canadian mosaic. Canadians are proud of the uniqueness of native cultures and their contribution to what we call Canada. From coast to coast, respective Indian tribes have brought their own specific background and history to what we have built in this country. We in Canada are all unique as a consequence of native cultural contributions and from those cultural contributions brought by others over the past centuries. That understanding and respect for many cultures is why Canada stands as a beacon of tolerance, compassion and stability.

(1810)

Since becoming a member of Parliament, I have met and visited with aboriginal people from every region of Canada. The diversity among aboriginal peoples is obvious and they are the original Canadians. Their cultural legacy is a major contributing reason why Canada is different from the United States. Canadians enjoy this distinction.

I do urge caution in playing politics with the dynamism of native cultures. Our native people are a sensitive, intelligent and proud people who, despite years of inequities, outright discrimination at times and at other times criminal mishandling of their affairs by others, have continued to carry on their cultural pursuits and have developed a community of interest.

My party supports native peoples' independence and full-fledged partnership in this country, we support their self-sufficiency, and we support the removal of the albatross of the Department of Indian Affairs from their necks. We support their advancement, not a reinforcement of the past.

As I said previously, theirs is a dynamic culture that deserves to grow and flourish no less than any other in this country. The tremendous cultural contribution native peoples have brought to this country stands on its own merit. It is a rich and endearing culture, not one to be isolated and ghettoized, as we did under section 91.24 of the BNA Act and then again under many aspects of the Indian Act. This is what our native cultures are trying to shake off. The surly bonds of colonialism must be relinquished.

As I understand it, recognition by this Parliament of a day of recognition is innocuous in that there is no statutory holiday or out-of-pocket expenses associated with this recognition.

Is it necessary to talk about national solidarity for aboriginal peoples? This has connotations of Poland climbing out from under the yolk of communist oppression. Surely, we can celebrate aboriginal culture without calling it Solidarity Day. This

sounds confrontational. Let us not build walls. Let us nourish without singling out or separating our aboriginal peoples from the mainstream. Let us build on our strengths, our consensus, the very thing that has been the strength of Canada in the face of adversity.

Canadian consensus, more than any other government action, has protected the minority against the tyranny of the majority in modern times.

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Madam Speaker, I am pleased to have the opportunity to take part in this debate. I would like to commend the hon. member for Kamloops for bringing this issue to the floor of the House of Commons.

It has long been an important premise of this country that we work to achieve equality in this society. Unfortunately, this has not always been the case. For hundreds of years aboriginal people have not been afforded the same opportunities as many Canadians. It is time to attempt to correct these past wrongs. That is why this government is committed to taking action to help aboriginal people assume their rightful role as full partners in Canadian society.

As a member of the Standing Committee on Aboriginal Affairs and Northern Development, I would like to focus my comments on the work the government is doing in consultation with aboriginal communities and organizations. In our red book we dedicated an entire chapter to aboriginal issues. Most important in our platform was the recognition of the inherent right of self-government.

(1815)

In January 1994 the minister launched a national consultation process on how best to implement the inherent right. With these consultations now almost completed, I feel confident that we have some very exciting times ahead.

I would like to focus on three areas that are fundamental to achieving our goals: resolving land claims; changing the Indian Act; and dismantling the Department of Indian Affairs and Northern Development.

First we need to try to create certainty with respect to aboriginal rights and title as well as opportunities for economic development in aboriginal communities. Resolving outstanding land claims is part of that solution.

Claims fall into two categories: specific and comprehensive. The specific ones arise from the alleged non-fulfilment of treaties and other lawful obligations such as the Indian Act. Since coming to power our government has settled over 50 claims of this nature in all parts of Canada. Comprehensive claims, on the other hand, are based on the concept of continuing

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aboriginal rights and title which have not been dealt with by the treaties and other legal means. These agreements define the ways in which aboriginal people assert rights over land and natural resources.

Currently the Government of Canada, the provinces and territories and the First Nations are considering 11 of these comprehensive claims. Benefits of economic development which is most important will be part of these negotiations. We are moving forward on these claims with the goal of helping aboriginal people forge a path of self-sufficiency, a path that is an essential component of the inherent right of self-government.

At the same time however, there are some real obstacles. I am referring specifically to the Indian Act. The act gives the federal government the authority to strictly regulate First Nations and their lives. This includes reserve lands, elections, education, amusement centres, and so on. The act prevents the First Nations from managing their own affairs.

That is why the hon. Minister of Indian Affairs and Northern Development recently announced the willingness of the government to amend the act if First Nations want these amendments. This of course would be an interim measure. The goal of the federal government and aboriginal peoples is to make self-government a reality. Under that reality there would be no need for the Indian Act.

Clearly, all this means redefining the role of the Department of Indian Affairs and Northern Development. What it really means is that the department's responsibilities will gradually be turned over to First Nations and the department will not be needed.

December 7, 1994 was a historic day for the Manitoba First Nations. The government along with Grand Chief Phil Fontaine of the Association of Manitoba Chiefs signed the first dismantling agreement for the Department of Indian Affairs and Northern Development. This agreement will give full control of program administration to the First Nations people of Manitoba.

Moreover, it sets the stage for real change for both the federal government and First Nations. Dismantling will eliminate the federal government's role in decision making affecting the daily lives of aboriginal people, a role dating back to 1876. It will go a long way toward resolving and restoring dignity, honour, self-reliance and self-government to the First Nations.

It is important to remember though that dismantling will not occur overnight. We agreed in the red book to wind down the department at a pace determined by the aboriginal people. This is significant given that our objective is to create real and meaningful partnerships with the aboriginal people.

This cannot be done by simply unilaterally imposing our will and our impressions of what should be changed and how things should change. We take our lead from those aboriginal leaders

and communities who have their own ideas, time frames and goals. Dismantling will be achieved based on negotiated agreements, reasonable action plans and realistic timetables, all of which will be established jointly by the federal and aboriginal governments.

Most important, dismantling will assist First Nations in implementing their inherent right to self-government. Ultimately this means gradually shutting down the department's regional office in Manitoba.

Our government is seeking to refurbish our relationship and rebuild its nature on a government to government basis. We can change the way we carry out our responsibilities. We can try to correct our past wrongs. We are creating a process by which aboriginal people will control their own lives.

The Acting Speaker (Mrs. Maheu): It is my duty to advise the House that pursuant to Standing Order 44, the original speaker, the member for Kamloops, will automatically close the debate.

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, my comments will be very short.

This is one of those moments when the House of Commons works incredibly well on an issue in that all sides see merit in it. It is appropriate to recognize that all those who have spoken have done so in a sense as co-sponsors of this initiative. The positive aspect of Private Members' Business is that it is not a party event or initiative; it is simply an initiative that individual members take and it is supported in that fashion.

In light of what has been said and some concerns my hon. colleague raised regarding the term solidarity and whether that was appropriate or necessary, on second thought I tend to agree that mention of the term solidarity is not absolutely necessary. It is something that could be examined quickly in committee.

For clarification, I would like to seek the unanimous consent of the members of the House to send this off to committee for further consideration.

The Acting Speaker (Mrs. Maheu): Is there unanimous consent?

An hon. member: No.

Mr. Riis: Madam Speaker, on a point of order, I want the record to show it was a Liberal member at least—

The Acting Speaker (Mrs. Maheu): That is not a point of order; it is a point of debate.

Mr. Rideout: Madam Speaker, on a point of order, is it a request that this matter go off to committee or is it a request for a vote?

The Acting Speaker (Mrs. Maheu): The motion in effect would be to adopt it at second reading and send it to committee. We do not have unanimous consent.

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There being no further members rising to debate and the motion not being designated as a votable item, the time provided for the consideration of Private Members' Business has now expired and the order is dropped from the Order Paper pursuant to Standing Order 96(1).

Mr. Solomon: Madam Speaker, on a point of order. I wish to comment with respect to the Speaker's last words. I am not debating the Chair and I want that clearly understood. I want to put on the record that I stood in my place and I wished to say a few words about this business before it expired. The Speaker was busy doing other things but I wanted to participate—

The Acting Speaker (Mrs. Maheu): If I may remind the member, when the member for Kamloops rose that meant debate had closed.

The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

SUSPENSION OF SITTING

The Acting Speaker (Mrs. Maheu): We will suspend the sitting until 6.30 p.m.

(The sitting of the House was suspended at 6.24 p.m.)

SITTING RESUMED

(The House resumed at 6.28 p.m.)

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

INTERNATIONAL TRADE

Mr. Stéphane Bergeron (Verchères, BQ): Madam Speaker, a few weeks ago, I questioned the Minister for International Trade about the trade dispute between the U.S. and Canada over goods subject to quotas, such as poultry, eggs and dairy. At the time, the trade minister was unable to give farm producers the assurance that Canada's position will prevail over that of the U.S. Canada's position, according to which the GATT Accord takes precedence over NAFTA regarding agricultural commodities subject to quotas is steadfast and flawless.

Since the Americans never challenged the tariff structure submitted by Canada during the Uruguay Round, particularly with respect to yogurt and ice cream, it would be very difficult for them to come and ask Canada for tariff concessions for these commodities now.

That being said, the restructuring necessitated by the shift from a quota system to a tariff system will particularly affect dairy producers, 50 per cent of which are found in Quebec.

Throughout this transition period, dairy producers will have to contend with the federal government's decommitment in several areas. Of course, this decommitment will have a major impact on them, as it will affect their competitiveness in the short, medium and long term.

First, in the short term, the federal government's decision to reduce by 30 per cent, over the next two years, its subsidies to industrial milk producers will result in significant losses for these producers.

Indeed, the Quebec federation of dairy producers estimates that these cuts will result in a 15 per cent loss of revenue for industrial milk producers. This translates into a loss of \$3,775 for a medium-sized dairy farm producing 25,000 hectolitres of milk.

These losses, which will result in a shortfall of close to \$34 million for the Quebec industry, will also be felt when, as is the case now, there is a need to invest in modern infrastructures to compete with American producers.

Incidentally, dairy producers, unlike western farmers, will not benefit from any compensatory measure following this reduced federal assistance. Again, this shows the double standard applied by the federal government.

The withdrawal of federal support to the dairy industry will also have an impact in the middle and in the long term, since several so-called green programs, under the GATT, will be eliminated. These programs deal with genetic evaluation, milk recording, dairy animal improvement, and research.

Reducing or eliminating funding for these various programs will have very serious repercussions, because these moves not only threaten the programs that already exist, but they also affect Quebec's and Canada's ability to remain leading innovators in the dairy industry on the world scene.

While we are cutting that which would allow us to stay on the cutting edge in this sector at the very centre of our economy, the Americans are planning to invest more than \$600 million over the next five years in so-called green farming programs under the terms of the Uruguay Round agreements.

What logic did the federal government use when it decided to cut research and development programs in the dairy sector, although studies show that for each dollar invested in genetic improvement or in quality control in the dairy sector, Quebec and Canada taxpayers reap seven dollars in benefits?

No, dairy producers vigorously oppose any funding cuts to so-called green programs because the industry regards them as a priority. Obviously, there is no way that I or the Bloc Québécois can support such acts on the part of the government and that is

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why I am behind the dairy producers all the way when they petition the federal government to stop dismantling their industry.

Not only is the government jeopardizing the future of our dairy producers, but it also seems that its incompetence is robbing the dairy industry of its means to grow in an increasingly competitive world market.

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.): Madam Speaker, it is a pleasure to respond to the comments of the opposition this evening. However, I must remind the member that his comments in no way, shape or form are related to the question he asked in the House. That is what I will be responding to because I believe that is what his constituents want an answer to.

The United States has requested a NAFTA chapter 20 consultation concerning the application of Canada's World Trade Organization tariff equivalents to U.S. dairy and poultry products. The initial round of consultations took place on March 1 in Ottawa.

We in Canada have consistently maintained that both the FTA and the NAFTA make clear that Canada has preserved all its GATT rights with respect to supply-managed agriculture goods, including the right to apply the World Trade Organization tariffication provisions to U.S.-origin agricultural goods. In our view, Canada's approach to tariffication of dairy and poultry products is fully consistent with our international trade obligations under both NAFTA and the WTO.

With respect to ice cream and yoghurt, in response to the 1989 GATT ice cream and yoghurt panel report, we indicated that Canada would implement the panel findings in the context of the Uruguay Round. In the Uruguay Round, Canada and all other WTO parties agreed to tariffify their import restrictions. In our view, Canada's tariffication of quotas on ice cream and yoghurt addresses the GATT panel report of 1989.

(1835)

I can assure this House, all the dairy farmers and the opposition that we will continue to strongly defend Canada's tariffication approach on all supply-managed commodities.

HEALTH

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Madam Speaker, my question is for the Parliamentary Secretary to the Minister of Health.

On March 27 of this year, Statistics Canada released its study on 39 medical procedures performed in hospitals across Canada. One of the procedures studied was hysterectomies. The hysterectomies that are performed on the women in my riding of Cumberland—Colchester are at a very high rate, as a matter of fact an alarming rate, the highest in the country. We have almost

1,137 hysterectomies performed per 100,000 women, when the national average is approximately 437.

In the county next to mine, Annapolis Valley, the rate is 137 per 100,000 women. That is a significant spread. Ten times more hysterectomies are performed in Cumberland County than in Annapolis County and they are in the same province of Canada.

This is a health issue. We know there are major causes of female problems that warrant hysterectomies. The number one cause is cancer of the ovaries, the cervix or the uterus; trophoblastic disease is another cause; fibroids; endometriosis; birth control in women where pregnancy would have meant certain death; and a few other reasons, such as Down's Syndrome, resulting in mentally handicapped children.

Hysterectomies are a very normal procedure, but they are an invasion of women's health. That concerns me very definitely and very sincerely.

We have tracked down the sincerity and the integrity of these numbers. They originated in the Department of Health in Halifax, Nova Scotia, and they have been tracked to the hospitals. The numbers have great significance, they have integrity and they are valid.

My question for the parliamentary secretary is, will we investigate this phenomenal anomaly, which is very significant to the invasion of women's health? Whether it is due to overzealous doctors looking for cash crops on surgical procedures or whether it is due to fundamental underlying health problems for the women of Cumberland County, I would ask the parliamentary secretary to pursue this great anomaly.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Madam Speaker, the hon. member asks a very interesting and a very pertinent question. It is one in which we are very interested at Health Canada, mainly because it has to do with the issue of the health of Canadians and of Canadian women.

Before I speak any further on the issue, I want to tell the hon. member that the issue of the number of services delivered has to do mostly with provincial governments and the medical profession. Therefore, that is not something I can comment on. At the same time, I can tell the hon. member that variations by region and by area may sometimes have some very valid reasons in specific interventions in health.

Be that as it may, the federal government is very interested in overall health care servicing: the type of services we get and the quality of services given across the country. We are working with provincial governments and with health care providers to find out how it is we can improve the quality of care and the appropriateness of service.

For example, the Minister of Health has just given money to the Canadian Medical Association to provide Canadian clinical practice guidelines. We need to look at the appropriateness of care to set clear guidelines and priorities for care so that we are

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doing the right things to the right people at the right time. This kind of thing is what we are interested in dialoguing on, an evolving evaluation of care, et cetera.

With respect to the issue of women's health, that is of great concern to us. The minister has committed herself to looking at health issues. We have not done enough research and enough work on women's health issues to be able to assess hysterectomies, the validity of them, when they should be done and how often they should be done. We are going on very old data. We need to set up centres of excellence for women, which we are committed to, which will investigate, do the research, get the data and look at the appropriateness of care for women in this country.

I am glad the member asked the question because we believe it is something we need to look at. We have already embarked on the kinds of dialogue we need with the providers and with the provinces to ensure that we provide appropriate care in this country.

(1840)

[Translation]

YOUTH STRATEGY

Mr. Antoine Dubé (Lévis, BQ): Madam Speaker, on March 30, I asked the Minister of Human Resources Development a question on the effectiveness of his Youth Strategy. Of course, since his answer was not satisfactory and contradicted his own department's assessment of his own program, I would like to get back to this matter. Allow me to reiterate my quotes, taken from page 2-41 of the Estimates for the Department of Human Resources Development.

The first one stated that program evaluations revealed no significant improvements in terms of job opportunities compared to what could have been anticipated without the Youth Strategy program. The second quote, a little further along, indicated that the Canada-New Brunswick Youth Strategy also increased participants' dependency on social assistance. Still further along, the Strategy is described as not obviously affecting dependency on social assistance in Newfoundland. Participants and non-participants alike were more dependent on social assistance after the program. Considerable money was spent.

For example, the Canada-New Brunswick agreement provides that \$120 million will be spent. The Youth Strategy program in Newfoundland will spend \$56.6 million. If I have the time, I would like to give you some statistics for Quebec to show that young people's dependency on social assistance increased not only in New Brunswick and Newfoundland. I will give some statistics for Quebec.

In 1991, Quebec had 116,000 welfare recipients under 30 years of age. In 1995, we now have 140,000 young people on welfare, of whom 74,000 are under 25, if we want to correlate this with the figures from Statistics Canada used by the Department of Human Resources Development. I find it hard to understand, and I hope the parliamentary secretary will be more persuasive than his minister, that although according to a document prepared by the department, an internal assessment of this program shows there has been an increase in the number of young people on welfare, the minister says it is the best program in the world. I find that hard to believe.

There is also the fact that last year, we had cuts in unemployment insurance totalling \$2.5 billion. Bill C-17 increased the waiting period for unemployment insurance benefits, reduced the benefits themselves, and also reduced the benefit period. As a result, there has been a significant increase, in Quebec and other provinces as well, in the number of people who go from unemployment insurance to welfare. The most frequent casualties of this situation are young people, because they have 40 per cent of the insecure jobs in Canada and are the first to be unemployed, and thus the first casualties of cuts in unemployment insurance. Their only alternative is welfare. I wish the parliamentary secretary would be a little more forthcoming than his minister about the assessment of this program.

[English]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, first I would like to thank the hon. member for the sincerity expressed about young people. I know he is a member who truly cares about young people.

Going back to the original question about the programs in Newfoundland and New Brunswick, he said: "The results were devastating". That is why the Minister of Human Resources Development has decided to discontinue this ineffective initiative and to focus on what really works in this country for young people.

It is also important to remind the hon. member that this initiative dates back to the Conservative years. Our approach toward young people has changed quite drastically to the point at which if we look at budgetary items related to youth employment we have seen an increase over last year even though we must consider our fiscal situation.

The youth internship program is exclusively designed to help young people make the transition from school to work. Over 2,000 young Canadians will have benefited from our sectoral streams. By that I am referring to the programs launched in the environment, in logistics, in Canadian auto repair and services, electronics, electrical, manufacturing, tourism, all jobs with a

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future. Also in the community and school based stream approximately 80 projects have been initiated. Over 4,000 participants have participated.

The funding for youth internship programs has been increased to \$118 million in 1995–96 from the 1994–95 figure of \$25 million. This speaks to the excellent record the government has established in the area of youth.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38(5), 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 6.46 p.m.)

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