



House of Commons Debates

VOLUME 133

NUMBER 067

1st SESSION

35th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, May 10, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Tuesday, May 10, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to the Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's responses to 11 petitions.

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INTERPARLIAMENTARY DELEGATION

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, in accordance with Standing Order 34(1), I have the honour to table in the House, in both official languages, the report of the Canadian Group of the InterParliamentary Union. This is the report of the official delegation that represented Canada at the 91st InterParliamentary Conference, held in Paris, France, from March 19 to March 26, 1994.

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[*English*]

COASTAL FISHERIES PROTECTION ACT

Hon. Brian Tobin (Minister of Fisheries and Oceans) moved for leave to introduce Bill C-29, an act to amend the Coastal Fisheries Protection Act.

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

PETITIONS

ETHANOL

Mrs. Marlene Cowling (Dauphin—Swan River): Madam Speaker, it is my pleasure to rise in the House today, pursuant to Standing Order 36, to table a petition which has been duly certified by the clerk of petitions.

An ethanol industry will provide definite stability for agriculture, particularly in western Canada and for the Canadian economy, as ethanol is one of the most environmentally friendly fuels available.

Some 200 petitioners have called on the government to extend the exemption on the excise portion of ethanol for a decade to allow the strong and self-sufficient ethanol industry in Canada to go forward. I present the petition on their behalf.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, Question No. 19 will be answered today.

[*Text*]

Question No. 19—**Mr. Charest:**

What is the estimated total dollar impact that will result from individuals making a capital gains election to secure a lifetime exemption for gains accrued prior to the budget day for (a) the guaranteed income supplement, (b) veterans allowances, (c) the child tax benefit, (d) the old age security repayment, (e) the age credit repayment, (f) the alternative minimum tax, (g) the GST credit, (h) other non-refundable credits, (i) other programs and other features of the tax system; and, in each case, what is the estimated number of people affected and the average increase in taxes or loss of benefits; and what is the overall total effect of this?

Mr. David Walker (Parliamentary Secretary to Minister of Finance): The precise dollar impact that the election for the \$100,000 lifetime capital gains exemption will have on the various provisions mentioned in this question, such as the child tax benefit or the alternative minimum tax will depend on the number of people and the income and age characteristics of those who choose to use the election.

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The election allows individuals to exempt up to \$100,000 of capital gains. In most cases the cost associated with using the election will be relatively small compared to the potential tax savings of exempting capital gains. Nevertheless, it will be up to the individual to determine whether he or she wishes to utilize the election.

[English]

The Acting Speaker (Mrs. Maheu): The question enumerated by the parliamentary secretary has been answered.

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

The Acting Speaker (Mrs. Maheu): Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

(1010)

[English]

AGRICULTURE

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food) moved:

That this House note the proactive work of the government, in co-operation with farm organizations, industry representatives, and the provinces, to enhance the agriculture and agri-food sector of the Canadian economy, contributing to the well-being of farmers, food security for consumers, sustainable agriculture, economic growth and jobs, and building the sector to be among the best in the world.

He said: Madam Speaker, allow me to begin debate this morning by saying what a pleasure it is for me to be back in Canada and back in the House after my recent travels on behalf of Canadian agriculture and agri-food.

In mid-April I went to Morocco with my colleague, the Minister for International Trade, for the signing of the new GATT agreement and to continue our very difficult negotiations with the United States on a variety of bilateral trade issues in agriculture between our two countries.

After Morocco I was in east Asia with the Governor General and 15 Canadian farm leaders and agri-business leaders to promote trade with the countries of that particular region of the world. It was a great honour to be part of that state visit. It was a pleasure to meet personally and directly with so many of Canada's major international customers and to hear directly from them about what they are looking for from us.

Canadians have a good reputation in the Asia-Pacific region based upon our past history of friendship with the countries of that part of the world and based upon our strong reputation as a supplier of the world's highest quality products. Our delegation was warmly welcomed at every stop. I think we helped to

solidify our bilateral relations in each of the countries that we visited.

Still there is no place like home and I am indeed happy to be back. I feel I should warn hon. members opposite that having dined in Asia upon worms, sea slugs and scorpions, I am ready for any challenges that might arise in the House.

Our government has been in office now for six months. We were elected on a platform that we put forward in our red book. We have spent the first half year implementing the fundamentals of that platform. We promised job creation, fiscal responsibility and a more responsive government, a government committed to integrity. We have been delivering on those commitments.

Job creation for Canada is inextricably bound up in the issues of international trade. Our top priorities have been concluding trade agreements and developing new markets. The trips I have made in the last month or so to Morocco and the Far East and our extensive round of bilateral negotiations with the United States are important parts of delivering on that job creation promise.

We have also made a number of key moves on fiscal responsibility, particularly the budget presented in February by my colleague, the Minister of Finance. While I am speaking about the Minister of Finance, I would like to thank him and thank all my caucus colleagues for pinch-hitting for me last week in the agriculture debate which was called while I was away.

As far as responsive government is concerned, we are involved in extensive consultations in all areas of government every day with Canadians from across the country, not just with businesses and organizations but with all Canadians: workers, farmers, students, people who make the country function day by day. Of course we still have a lot to do. As they say, Rome was certainly not built in a day. However I believe we have laid the foundation and we are getting on with the job in agriculture, agri-food, and a broad range of government priorities. As the Prime Minister said last week, we are offering Canadians a good government and we will try very hard to continue to do so.

(1015)

In the agriculture and agri-food sector we promised to pursue financial security for farmers, food safety and security for consumers and a sound environmental policy over all.

The motion before the House today talks about making our agri-food sector one of the very best in the world. That is our goal and nothing less will do.

Last night I had the opportunity to attend in Toronto a final meeting of the Agri-Food Competitiveness Council of Canada. It is a group of individuals representing a broad cross-section of the agri-food industry in this country. They have been at work over the course of the last three years to develop the concept of competitiveness in the agri-food industry and to describe how that concept can be incorporated in the establishment and

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functioning of government policy and how that concept can be used to enhance the quality of our agri-food sector in Canada.

The Agri-Food Competitiveness Council has established for itself the objective of making Canadian agriculture and agri-food number one in the world in comparison with its international counterparts. That is a goal and an objective which I share, and this government shares, an objective which is embodied in the motion before the House today.

I consider it my great good fortune to have been asked by the Prime Minister last November to preside over the very important agriculture and agri-food sector of the Canadian economy. This sector is vibrant and exciting. It is a very important part of the Canadian economy, accounting for a significant portion of our gross domestic product and a significant portion of Canadian jobs. It is also an area that I believe has huge potential for the future in terms of economic growth and job creation which were the fundamental underpinnings of our red book commitments in 1993.

However, this portfolio is no place for a faint heart. This sector is entering a period of change and reform of significant proportions. Our government has spoken often of the major reforms we anticipate in such fields as social security, which has been the subject of previous debates in this House.

The changes to be expected in agriculture and agri-food, while perhaps less talked about than some other areas, are of a similar magnitude and importance for the farm and food sectors of Canada.

Let me deal for a moment with the issue of financial security which I mentioned is part of our red book commitments.

Farmers constantly tell me that they want to earn their incomes from a decent marketplace and not from the high levels of subsidies that have prevailed in agriculture over the last number of years. They do not want handouts. They want a decent market. However, they will continue to need some reasonable degree of protection as a matter of public policy against the vagaries of the market, the weather and external disasters which are beyond their control.

Therefore, we are pursuing a two-pronged approach to financial security. As our platform promised, we are working on developing a new safety net system for agriculture in Canada based upon the income of the whole farm to replace the ad hocery of the past and the current, very expensive patchwork of programs.

This idea, the whole farm income concept, has won the support of farm organizations and the provinces. A national farm safety nets committee and federal and provincial officials are pressing forward with a number of proposals that will be presented for consideration at the next meeting of federal and provincial ministers of agriculture which will be held in Winnipeg in July.

The fundamental principles underlying our work with respect to the safety nets programs and this concept of whole farm income are as follows. First, to the largest extent possible, what we do in farm safety net programming must be GATT consistent so that we do not in future trip over trade rules that can destroy the best domestic programs.

Second, our programs must be production and market neutral so that farmers are making their own production and marketing decisions and those decisions are not driven by this or that subsidy from a government.

(1020)

Third, the programs must be actuarially sound and fiscally responsible. That goes without saying, given the economic context in which all governments in this country find themselves at the present time.

Finally, our programs must be user friendly from the farmers' point of view so they are effective, affordable and easily understandable by farmers.

While we are working on the safety nets front, at the same time we are also working very hard to ensure that the agriculture and agri-food sector has access to the domestic and international markets which will ensure prosperity for the future. That is why we plunged into the GATT negotiations and in the short time available to us, between the date our new government took office, November 4, and the conclusion of the GATT negotiations in the middle of December, in that very short time span I believe we came out of the process with a deal that does meet the fundamental needs of our country.

Searching for those good international markets is also the reason why I have travelled to Mexico, South Korea, China and Hong Kong in the last few weeks promoting trade and helping to open doors to our exporters.

For the same reason the Minister for International Trade and I have sat eyeball to eyeball with our U.S. counterparts to try to settle some long standing bilateral issues in agricultural trade between Canada and the United States. That trade amounts to something in the order of \$12 billion a year in total. It is big, it is important, it has been growing and it is mutually beneficial on both sides of the 49th parallel. It is obviously advantageous if we can arrive at an overarching framework agreement that will in the final analysis lay to rest the disputes that we have been working on once and for all and allow our trade opportunities between these two countries to grow and flourish in the future.

The negotiations have been difficult. The issues at stake here are not easy to resolve. In the process of the negotiations I believe that Canada has been fair and flexible. Our approach has been to try to maintain existing levels of trade between our two countries and to work toward enhanced levels of trade wherever reasonable and realistic.

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This process started last November in our negotiations with the U.S. and it has been a difficult process. As a matter of principle, we have committed ourselves not to get into any kind of horse trading of one group of farmers against another, or one region against another, or one commodity against another. We believe that the various issues on the table for resolution need to be dealt with on their own merits, individually in their own right, without any tradeoffs as between commodities, regions or farm groups.

We are ever mindful of the fact that we are here in this government and at the negotiating table on behalf of Canada to serve the whole country and not just one part of it.

In the bargaining we will not roll over and play dead. We will not sign a deal that does not respect Canada's national interest. If the United States should decide at some point to act unilaterally against Canada with what we consider to be unfair or punitive measures, then Canada will fight back to defend its vital national interests.

That having been said, however, I would like to emphasize that we are not spoiling for a fight. I will keep talking at the negotiating table as long as there is something useful to talk about. As Winston Churchill once said, jaw, jaw is better than war, war. Of course he was not talking about a trade war but I think the quote applies just as well in our present circumstances.

If we can have a good agreement it would obviously be in our interest to have one. Canada is prepared to keep the negotiations going constructively until we arrive at the most reasonable result.

(1025)

When the new GATT agreement is in place some time in 1995, we will have at long last an effective, rules based trade environment in the world for agriculture. To help position Canadians to take maximum advantage of our agri-food trading opportunities, our platform suggested two initiatives.

One initiative is the establishment of an agri-food industry council to advise the government on all matters related to improving Canada's market position and the promotion of economic growth and jobs.

As I mentioned a moment ago, there has been an institution in place over the last three years that has been focusing on the competitiveness issues in agriculture, namely the Agri-Food Competitiveness Council. That council will be going into the sunset, if you will, in June 1994 because it was scheduled to wind down at about that time.

However, building upon the good work of the Agri-food Competitiveness Council over the last three years and building upon the other consultative efforts that have been undertaken by

the government in our first few months in office, we can see in the months ahead the foundations upon which we will build our agri-food industry council as suggested in our red book at the time of the election last year.

The other proposal we talked about in the red book was for a foreign agri-food marketing service. This service would enhance the ability not only of the government but of the private sector to identify international market opportunities. It would receive the best possible market intelligence from around the world and would position Canadian exporters to the greatest advantage possible to take advantage of those marketing opportunities. That is another proposal from the red book on which I propose to move in the months immediately ahead.

In implementing both of these initiatives, we are seeking to achieve an objective which the agri-food industry has already established for itself. That is the objective of increasing agri-food exports from Canada by 50 per cent over the course of the next five or six years.

The industry wishes to see our present level of exports, which is in the range of \$13 billion annually, rise to a level in the order of \$20 billion annually by the turn of the century. Our initiatives in terms of agricultural competitiveness, trade and marketing will be aimed toward helping our private sector and our farm organizations achieve that ambitious export objective.

While I was in Asia over the course of the last two or three weeks, I was discussing with our buyers and potential buyers what we need to do in Canada differently or better in order to expand our trade. There are a couple of important messages that flowed from those discussions overseas.

First of all, we must take every possible opportunity to diversify our marketing potential and our marketing opportunities. We have perhaps in this country over the last number of years been preoccupied with our trade prospects on the North American continent. The reason for that is understandable. Markets in North America are close to us. They are well understood by us. They are reasonably easy to access. The infrastructure is there. The personal and cultural links are already in place. The trade in North America is rather simple and easy for us to comprehend and exploit.

It is more complex and more difficult to seek and pursue and exploit markets that are overseas in Japan, Korea, China, Hong Kong, in the whole Asia-Pacific region or in Latin America. While we would never want to diminish our trading opportunities in North America, we have to be very mindful of the huge opportunities that exist elsewhere in the world, particularly in the Asia-Pacific region, which is the fastest growing economic zone on the face of the earth, and in Latin America, which is the second fastest growing economic zone on the face of the earth.

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We have to broaden and diversify our trading horizons in order to take those vast markets elsewhere into account.

(1030)

Second, we need to listen very carefully to what those markets are telling us. I think we have had a tendency in this country to say that we should simply go out there and sell whatever it is we might choose to produce. Maybe we have to turn that equation around the other way and think more of how we can produce what it is the world wants to buy. We have to listen to our customers, listen to our markets and make sure that we are producing, processing, further processing and adding value in a way that will tailor make our products and our commodities to suit the markets into which we wish to sell them.

Third, we have to put ourselves in a position to deliver into those markets in a timely way. We in this House and in the Canadian grains industry all know that in the last couple of months we have had some enormous difficulties in delivering on time. That is an issue that not only the grains industry but this government takes very seriously.

In that spirit over the course of the last number of days I know the subcommittee of the House Standing Committee on Agriculture and Agri-Food and the subcommittee of the House Standing Committee on Transport have been conducting very useful hearings. They have come forward with some ideas they wish the government to consider. They may rest assured the recommendations coming from those subcommittees will be given very careful consideration as we try to get to the bottom of what has gone wrong in terms of grain handling and transportation in this country over the course of the last number of months and producing the formula that is needed to solve those problems and to correct the situation for the future.

Furthermore, I have invited many of the major players in the Canadian grain handling and transportation system to meet with me on Monday of next week at a private meeting in Winnipeg. The doors will be closed, our jackets taken off and sleeves rolled up to focus expressly on this problem this year and to find out what we together can do to resolve the difficulty.

I am not interested in finger pointing and blame laying. That is an exercise that is a mug's game that quite frankly gets you nowhere. I want a good, thorough, candid, honest assessment of the facts. I want practical solutions to deal with the problem so we can alleviate the situation as much as possible this year and then for future years make sure that this country does not get itself into that kind of jackpot again.

It is a serious problem and I want all involved to know that the Government of Canada takes it very seriously.

Beyond the meeting next Monday in Winnipeg I also hope to engage the western grains industry in some broader discussions

that go beyond the immediate problem with delivering our products through the congestion on the west coast. I want to involve the grains industry in an exercise of coming together to develop a common vision of where we want this industry to go in the years ahead.

I want to invite farm leaders and those who are involved in operating various parts of the system to think about the year 2000. What kind of a grains industry and a grain handling and transportation system do we want as we turn the century and look toward the future.

Let us begin planning and working together now to develop that system so that when we get to the turn of the century we have positioned our country in the most advantageous way to take advantage of our marketing opportunities around the world.

Our meeting on Monday in Winnipeg is partly to deal with this initial urgent situation on the west coast and partly to begin that process of looking toward the future and building toward the future in the kind of grain handling and transportation and marketing system we want to have by the year 2000.

Let me just say a word about orderly marketing. That has been a very vital topic of discussion from time to time in this House and in the standing committee on agriculture.

(1035)

One of the great success stories in the Canadian agri-food sector over the last few decades has been the supply management concept that was invented by a previous Liberal government about a quarter of a century ago. Supply management has helped the agri-food sector in eastern Canada, especially Quebec, to prosper.

Knowing how important supply management is to the Atlantic provinces, Quebec, Ontario and British Columbia, our government made a very special effort to ensure that it is protected under the new international trade regime. We will have to make some changes to supply management in the wake of the GATT just as we expect other countries will have to adjust some of their practices and systems to conform with the new General Agreement on Tariffs and Trade.

The agreement that we achieved in Geneva and signed in Marrakech allows us to impose strong tariffs in place of what used to be import border controls. Those systems of tariff equivalents will ensure that our orderly marketing systems can continue to function successfully in this country for as long as we domestically want them to do so.

Quite apart from the GATT there are other changes that will be required in our supply management systems if those systems are to thrive into the future and to contribute effectively to economic growth.

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We need to find a new domestic consensus on how our supply management system should operate, a consensus that removes some of the rigidities that are currently threatening to destroy the supply management system from within, never mind any international trade rule changes. Perhaps the largest challenge to our system is not international but in fact domestic and finding that domestic political will and that domestic consensus to allow our systems to function into the future.

My parliamentary secretary, the hon. member for Prince Edward—Hastings, is heading a small federal-provincial industry task force on orderly marketing that will make recommendations to federal and provincial ministers of agriculture when we meet in Winnipeg in July.

That task force has been hard at work since last January. We have already received one interim report from the task force. The work has been well received to date. Obviously more remains to be done. My provincial colleagues and I are anxious to receive the final output from the task force process so that we can position ourselves to meet the GATT requirements well in advance of the implementation dates in 1995.

I want to say a word about food safety and security. Canadians have been blessed over the years with the world's best and safest food supply. Our platform promised to maintain this standard of excellence.

Maintaining our exceptionally high food safety record and our internationally recognized animal and plant disease status is critical to consumer and foreign customer confidence in food supply. It is an essential selling point in marketing our agri-food products both at home and abroad.

My department's food production and inspection branch is working now with industry on a business plan that will ensure the health and safety of our food supply while at the same time trying to improve efficiency.

At present the federal, provincial and municipal levels of government all have a role to play in food inspection. The responsibility is further divided among agriculture and food departments, health departments and consumer and corporate affairs departments.

We are seeking a national inspection system that would streamline delivery among all of the various jurisdictions and inspection agencies. It would also provide equal treatment for imported products which under current rules sometimes escape inspection.

We will not compromise on the excellent food safety record that Canada enjoys but I believe we can reduce costs and better help our industry to compete.

The motion before the House today also deals with the environment. There is no subject more important over the long haul than the environment. When future generations write the

history of this century, they will look back at our generation and judge how we have discharged our responsibilities to maintain the environment that we inherited. More than any other generation that has gone before us we have it in our power to ensure the sustainability of our environment. We can no longer claim ignorance of the consequences of our actions.

(1040)

Our agri-food platform placed a high priority on conserving our soil and water resources. It stressed the importance of integrating economic and environmental goals. Now we are working with all interested parties to do just that, to develop long term approaches to sustainable agriculture that integrate our environmental goals and our economic and social goals.

Our rural areas and farming communities must be safe, healthy and vital places now and long into the future. These long term approaches will guide us as we develop a new national soil and water conservation program. This involves reviewing our programs on the economic side, for example, for their environmental impacts. It involves continuing to help our agri-food industry acquire the environmentally sound input products, technologies and practices that the sector needs to meet our goals for a sustainable industry.

In this regard I am working now on improvements to the present regime governing pesticide availability and use in Canada. Again, my parliamentary secretary is playing a large role in this endeavour to ensure that Canadian producers are not placed at a competitive disadvantage in the marketplace.

Alongside our concern about the environment and our desire to be competitive and to reach out into global markets goes our very great emphasis on research and development in Canadian agriculture. There are those who might believe that R and D is a kind of exotic frill that you throw aside when times get tough and hope you can pick up again when you are feeling more affluent. But science, research and development are not something you can turn on and off like a tap. It requires persistency and consistency of focus and effort and financing.

That is why in dealing with the budget for the Department of Agriculture for the current year, while we have had to absorb the same kind of restraint that applies to every government department across the board, in making our spending and priority and allocation decisions we have tried very hard to retain our emphasis on research and development, absorbing some deeper cuts elsewhere in order to preserve R and D. I think we have been able to do that in the budget for 1994-95.

In addition to that we are launching some new initiatives with the private sector, some joint ventures in research and development funding with the private sector to leverage more private dollars into agricultural science. We are thereby building the pot bigger and deeper for the funding that is necessary for research and development in this vital part of the Canadian economy. Only by being on the leading edge of international science will

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we be able to retain our position on the leading edge economically of agriculture and agri-food in the world.

I want to say a brief word about rural renewal. That is a responsibility that falls to me under the mandate given to me by the Prime Minister. Shortly after the election he asked that I establish within my department a rural renewal secretariat to provide a focus within government and between governments for rural issues and rural people. That rural renewal secretariat is now up and running within my department.

Part of its job is to co-ordinate the activities of the federal government on issues that relate to rural Canada. Part of the job is to act as a liaison between federal departments, between the federal government and the provinces and between governments and a whole range of agencies and organizations in the private sector so that we can clearly identify the thrust that we want to achieve on behalf of rural Canada.

(1045)

Within my department a variety of programs bear on the question of rural renewal. There is of course the system of farm debt review boards across the country. There is the farm business management program. There is the Canadian rural transition program. There is the rural opportunities initiative. There is also the Farm Credit Corporation which has, as of last year, undergone an expansion in its mandate to make it more flexible in dealing with issues that relate to financing in rural Canada.

There are also other related agencies such as the PFRA, the Prairie Farm Rehabilitation Administration, which has a long history stretching back to the 1930s in western Canada in rural development and rural renewal. There is also the co-operatives secretariat within my department as a method by which government can bring a special focus on the co-operative movement and how co-operatives, especially in rural Canada, can be involved in economic development, renewal, growth and jobs in the future.

I have established for myself an agenda for the balance of this year to review all of these various programs and initiatives that already exist within government to determine whether they are achieving the objectives that were originally established for them and to try to bring to all of these programs, agencies and initiatives a clear, sharp focus on the real issues of rural renewal and adaptation in rural communities. We will be focusing especially on value added, community based, economic diversification and development as an augmentation, if you will, to mainstream agricultural programming and policy. We want to have this special focus on the opportunities and the future for rural Canada.

Last October Canadians put their trust in this new government. Of all of the options available during the election, Canadians decided we were best equipped to lead Canada at this crucial time in our history.

In one of my first addresses as Minister of Agriculture and Agri-Food I told members of the Saskatchewan Wheat Pool last fall that we could not be all things to all people. We would be a sincere and honest government that would work very hard to earn the public's trust and try to be down to earth, fiscally responsible, open, accessible and accountable.

I also said that as minister I want to be a pragmatic problem solver. I do not want to get hung up on dogma or philosophy. I want to put myself in a position to act in the best interest of farmers and the Canadian agri-food sector. That is still very much my approach and the government's approach.

As I have travelled across the country in the last six months I have been struck by what I sense is a new feeling of optimism and confidence among Canadians and among farmers. I believe that Canadians generally support the direction that the government has taken in its first six months in office.

I believe that if we continue to implement our agri-food platform as described in the red book at the time of the election, four years from now our agri-food sector will have taken its place, as this motion before the House today suggests, as among the best in the world.

In closing I want to thank and to pay tribute to the members of my caucus, especially the rural members, who have been so vigilant, hard working and constructive in their pursuit of good agriculture policy. They are making a very solid contribution as they represent the vital interests of their constituents. I thank them very much for that hard effort.

I also want to invite the members of the opposition to play a positive role as well. No doubt we will come at some issues from very different perspectives, but I hope the bottom line will be that we all have the best interests of Canadian agriculture at heart.

(1050)

In the debate today and in all agriculture debates I hope we can set aside the partisan bickering, avoid the rhetoric and cheap shots and focus instead on the real issues. I want to assure members of the opposition that positive advice offered constructively will get a fair hearing from me no matter where in the House it comes from.

Having said that, I look forward to listening to the debate today. I hope it will make a positive contribution to the development of agriculture and agri-food policy for Canada.

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Before I take my seat I would advise the House that cabinet is meeting this morning and I may have to slip away in a few minutes to participate in the cabinet meeting. I hope members will understand that does not represent on my part any disinterest in what is going to be said today in this debate. I will only be absent for a few moments and will be following the debate very closely through the balance of the day.

Mr. Benoit: I rise on a point of order, Madam Speaker, to ask unanimous consent of the House to ask questions of the agriculture minister.

The Acting Speaker (Mrs. Maheu): I wonder if the minister heard your point of order. He has just said he had to leave for cabinet. Do we have unanimous consent for the minister to stay for questions?

Some hon. members: No.

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est): Madam Speaker, it is a great honour for me to speak on agriculture.

I extend my best wishes to the Minister of Agriculture on his return from his Asian trip. He has returned determined to act in the agricultural sector. I know that this is a very difficult field in which to work, and I also know that the Minister is beyond reproach, a person of high calibre in the world of agriculture.

This motion that the government is proposing to us today, dealing with agriculture and agri-food in Canada, must be read carefully. It must be read very carefully because it is made up of mere generalizations about Canada's farm economy, good intentions, statements of fine and good intentions that, for the most part, hide the tough reality that this country's farmers are facing.

It is fine with me if the government is bursting with fine and good intentions about agriculture and if, through its Minister, it makes promising statements about agricultural development; but can the spinelessness, the inertia, the near-paralysis that this government has shown in several fields since being elected barely six months ago be hidden? Can the iniquity that the federal government has shown toward Quebec for many long years be hidden?

In the motion we are debating today, for example, we read, and I quote:

That this House take note of the proactive work that the government is doing— to enhance the agriculture and agri-food sector of Canada's economy—

But I ask you, Madam Speaker, what proactive work has this government done lately? Is it the signing of the GATT, which from several standpoints has been a deep disappointment for Canada's supply-managed sectors, and which has produced for us, among other things, a worrisome situation in the poultry

sector? Is it the studies and reports, however manifold, by the kindly officials at Agriculture Canada? Is it the objective of increasing Canadian exports by 50 per cent in order to reach \$20 billion by the year 2000?

(1055)

Madam Speaker, I am quite prepared to be optimistic, like Canada's Minister of Agriculture, and it is quite all right with me if his fine intentions bear fruit, but all his fine words hide another reality: we must not ignore the fact that agriculture, in both the western and eastern parts of this country, is experiencing many significant, serious structural difficulties.

For example, the Minister has just trumpeted the fact that he spent three weeks in Asia to stimulate Canadian farm exports. In fact, the Minister signed one single contract with Korea: one small contract for 50,000 tonnes of feed grains, with a country that has been an established export market for Canada for several years. The Minister hastened to tell us that he has developed, in addition to this small firm contract, several new export possibilities; I stress that they are new export possibilities only, with no firm contracts.

Elsewhere, when we read the media dispatches recounting the ups and downs of his trip, what strikes us most clearly are the criticisms by the Japanese and Chinese of Canada's grain transportation system. That is no small thing, coming from the Japanese and the Chinese, and at a time when we in Canada want to expand our Asian markets. These longstanding customers had so many doubts about our western Canadian grain transportation system that the Chinese, in particular, did not sign a new wheat contract, and the Japanese decided to look elsewhere, to the Australians, for their canola supply; until now, Canada had a near-monopoly in canola exports to Japan.

All this happened because, in 1994, Canada has a grain transportation system that is no more effective than it was in 1908. Is this a reasonable objective, then: is it reasonable to increase Canadian farm exports by 50 per cent in order to reach \$20 billion by the year 2000 while, right now, we are incapable of meeting existing contracts because there is a crisis in transportation on the Prairies, costing the entire Canadian economy a great deal of money? This year alone, \$35 million will be spent in demurrage costs of ships waiting to load in the port of Vancouver.

Canada has already lost sales of approximately 200 million tonnes of wheat because of this ineffective and poorly-run transportation system. Listen, getting to and from the port of Vancouver by train is, on average, no faster today than it was 80 years ago. That does not mean that it is not in Canada's interest to increase its exports to Asia. That is even desirable, but if we use plain common sense, should we not first ensure that we have an adequate transportation system enabling us to meet our

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existing contracts with foreign countries before compromising ourselves in contracts we will be unable to meet?

That is as if a business person were trying to double his or her customers while not being able to meet the demand from present customers. That thinking shows a certain lack of logic. We can also wonder what Agriculture Canada, the federal government, and the Department of Transport are doing about grain transportation, because this system has been ineffective for more than a decade. It has not been ineffective for only a few months, as the Minister said.

In the 1970s I was an assistant to one of the greatest ministers in Canada's history, Mr. Eugene Whelan, and the grain transportation problem existed then too.

There have been at least three separate federal statutes, two government agencies, two departments, and several other interested parties governing grain transportation: such an administrative mishmash that one wonders whether any planning has taken place.

(1100)

At least, it is obvious that no one can take responsibility for the present crisis. Mr. Warren Joly of the Western Canadian Wheat Growers' Association said, and I quote:

[*English*]

The Western Canadian Wheat Growers Association said: "We are in this mess because of a disastrous policy and now we are trying to address it with an inefficient, knee-jerk system".

[*Translation*]

The minister has received a dozen suggestions for improving the system, a very inefficient system. I would even be tempted to ask him to set up a commission of inquiry to find long-term solutions to setting up a transportation system in the West that would meet the needs of Canadians.

And to think that in spite of the crisis the port in Thunder Bay and the St. Lawrence are not used at full capacity. Over the past ten years their use has decreased by nearly 50 per cent. In fact, the seaway is steadily losing quantities of grain to the detriment of eastern ports. Since 1984, the amount of grain transshipped has dropped from 12 million to 6 million tonnes. However, a Great Laker can carry an amount equivalent to 250 railway cars, and the turnaround time in Thunder Bay is four days shorter than it is in Vancouver.

According to Mr. Glen Stewart, president of the St. Lawrence Seaway Authority, the Western Grain Transportation Act encourages pouring grain into the Pacific ports, and this is detrimental to the St. Lawrence. The situation is understandable up to a point, because we do have more clients now in the Orient than we do in Europe. But this does not explain how grains going to Africa and Europe first go to Vancouver and are then sent

through the Panama Canal. Even though there is a crisis in the western grain transportation system, only 35 per cent of the grain goes through Thunder Bay and the St. Lawrence.

Are we to conclude that Agriculture Canada is unable to develop a good western transportation system, or must we conclude that Agriculture Canada is promoting western agriculture to the detriment of the east? Canadian products are of high quality and world renowned, but it is obvious that Agriculture Canada, a part of this federal government, is doing a less than satisfactory job.

As a department, Agriculture Canada has a long history. Initially, its primary responsibility was to ensure western development and, to some extent, Agriculture Canada's attention has remained focussed on the interests of western Canada. Frequently, this duty to promote western development was carried out in a manner that was extremely prejudicial to the interests of Quebec.

We just have to look at the estimates for Agriculture Canada over the past 10 or 15 years. In 1980, for example, Quebec received \$300 million from the federal government, and the west, that is, the prairie provinces, received \$1 billion—55 per cent of Agriculture Canada's budget. In 1987, Quebec received \$410 million, while the West received \$4 billion—76 per cent of the total budget. Last year, Quebec received \$372 million, while the West received \$1.5 billion—more than 50 per cent of Agriculture Canada's budget.

The federal government's unfair treatment of Quebec is demonstrated in a variety of ways.

(1105)

In the 1980s, for instance, federal spending went up eight times faster in the West than it did in Quebec. In 1987, Quebec contributed more than \$1 billion in taxes for the development of western agriculture. Quebec spent twice as much money on western agriculture as it did on its own agriculture, through the Quebec government.

Grosso modo, from 1980 to 1992, the amount of aid to the West increased from 42 per cent of the federal budget to nearly 64 per cent, and the amount of aid to Quebec went from 30 per cent down to only 10 per cent; this means that the 25 per cent of Canadians who live in Quebec pay into a system that gives back only 10 per cent. This is not very profitable for farmers in Quebec.

Speaking of grain transportation, why is it subsidized all the way to the Pacific going west, but only as far as Thunder Bay going east? And still speaking of transportation, why are so many railway lines being shut down in Quebec, on the pretext that they are not cost-efficient, while nearly 25,000 km of lines are maintained in the West, even if they are not cost-efficient, on the pretext that they are essential for the Canadian economy?

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Agricultural diversification is yet another situation where we find Quebec has been unfairly treated. While the federal government has been investing for many years in western diversification, Quebec has received nothing. Over the past ten years, the area used for potato crops in the West has increased 30 per cent, while in Quebec, it has increased only 2 per cent. And I could add a number of other examples.

In 1988, a report produced by the Coopérative fédérée du Québec, the Union des producteurs agricoles, and the Ministry of Agriculture, Fisheries and Food, summed up perfectly the effects of the federal government's discriminatory policies toward Quebec by saying, and I quote: "The inequitable policy affects the level of competitiveness of Quebec farmers in comparison with their counterparts in the West, particularly in terms of grain and livestock production. Canada's agricultural policy contributes to the displacement of livestock production from the east to the west of the country".

A further illustration of Agriculture Canada's feeble defence of Quebec's interests is the case of Grand Pré milk, produced by the Groupe Lactel. Grand Pré milk has been sold in Puerto Rico for 15 years, accounting for 40 per cent of the Puerto Rican market. In 1991, the Americans changed the health standards. Grand Pré milk lost this lucrative market.

A change in health standards was tantamount to the Americans' imposing a non-tariff barrier on us. In spite of this, the federal government did not respond. They could have taken certain measures, but they decided to do nothing, and their inaction led to the consequences I mentioned.

Why did the federal government not take action to protect a sector that was lucrative for Quebec, whereas in other sectors—there are many examples—the federal government took immediate action, such as the recent case, for example, of American beer in Ontario. In this case, the federal government responded very quickly in protecting the interests of breweries in Ontario. The interests of Quebec do not prompt the same response in the Department of Agriculture.

The most recent example of the government's spinelessness and inertia is, of course, the GATT. Article XI of the GATT was important for producers working under a quota system and of extreme importance to Quebec, since 42 per cent of its agricultural monetary earnings come from such products.

The Minister had promised to protect article XI, but he came back empty-handed with nothing but tariffs that are supposed to have the same effect, but that bring the whole supply management system into question again. We can see its effects in the poultry sector; a trade war has arisen between Quebec and Ontario.

(1110)

With the new tariffs, farmers will have to adapt to an entirely new system within six years. That is a very short time for those farmers.

Earlier, the Minister of Agriculture was telling us how he wanted to negotiate with the Americans, sector by sector, following the GATT agreement. In fact, that is not what he is doing; he is negotiating a package deal with the Americans because, when all is said and done, he has not succeeded in establishing clear directives under the GATT. Even the new tariffs of 300 to 350 per cent have succeeded in flooring consumers once again: they have the impression that they are paying too much for their food products when that is not the case.

In its negotiations with the United States, Canada seems to want to fold once again where products affecting Quebec, including ice cream and yogurt, are concerned. According to all reports on the negotiations, Canadians appear to be giving the Americans greater access to the Canadian ice cream and yogurt market, in order to protect the volume of wheat exports from the West. Is this not another case in which Quebec comes out the loser in federal agricultural negotiations?

The Bloc Québécois is warning the federal government. We will never agree that the interests of farmers in eastern Canada should be sacrificed in order to allow better access to the American market for Canadian durum wheat. We will oppose any tradeoffs between the regions in order to reach an agreement with the Americans.

Agriculture Canada appears to have a carefree and careless attitude toward the development of agriculture in Canada. That attitude is surely not the fault of the present Minister. And we are well aware that agriculture is not a very easy sector of activity. No doubt the present Minister has many problems with his party, because it seems that, when agricultural issues arise, they are always set aside or not given as much attention as issues affecting other sectors. So it is not the fault of the present Minister, but we have a system that seeks to make cuts to farm programs, at a time when great changes are taking place in agriculture.

Basically, Agriculture Canada is operating in a laxist mode, letting market forces take over. Instead of protecting farmers and encouraging the infrastructure in order to increase the number of farmers, it lets market forces take over and seems to encourage the largest integrated companies that have ever more control over the agricultural sector. This means that farmers will eventually become employees, not independent managers. It should be noted that farmers have very low incomes and work an abnormally high number of hours, and that 73 per cent of them declared off-farm income in order to supplement their income.

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Half of the farmers' wives have no income for the work they do on the farm, because farm businesses do not generate enough income. Farmers are not rich operators. In 1992, nearly 22 per cent of farms lost money. This trend toward loss of income and loss of farms is part of a longstanding pattern. There are fewer and fewer farmers in Canada, and active farmers are less and less well off financially. It cannot be said that this is a passing phenomenon; it is a trend that has been evident for a some years.

(1115)

Who then can say that farmers are well served by Agriculture Canada? Surely not Quebec farmers. How can the government claim in the motion before us today that it is contributing to the well-being of farmers and to job creation?

This government, which claims to be concerned about the well-being of farmers, is in the process of dealing another blow to the farm economy. A tax on food, a proposal currently being discussed by the government, could have a disastrous effect on farmers. Imposing a tax on agriculture, which is already in an extremely tenuous situation, would be tantamount to taking an additional one billion out of farmers' pockets. One billion more to be subsidized by farmers. As a result, a great many of them could be forced into bankruptcy.

Despite the uncaring and unfair attitude of the federal government, Quebec farmers have rallied solidly behind their association, the UPA, and have shown that they can compete on world markets. They are eagerly looking forward to Quebec's sovereignty because they already know that the money Quebec spends to support agriculture in Canada will be available for Quebec farmers. In view of the federal government's actions over the past ten or fifteen years, Quebec farmers have had to band together and build a strong organization. The way in which they have organized themselves has proven to be the envy of other provincial farm organizations. Their organizational ability is their strength.

Farmers also realize that they will be the first ones to benefit from sovereignty since the Quebec government will then have money to spend in the regions. It will begin by shoring up the regions with money from new taxes and it will ensure that structures and support systems for farmers are in place. This group will be first in line to benefit from this situation and that is why they are eagerly looking forward to this day. They have already established several organizations in anticipation of sovereignty.

At a Montreal gathering in 1991, farmers recognized the importance of decentralization. They called for powers to be redistributed from the top down to give regions more autonomy and more decision-making authority. I am confident that this will prove to be the strength of Quebec farmers.

In conclusion, I have to say that the government's motion, however well-intentioned it may be, is full of oversights and neglects the problems which Quebec farmers are facing. I am

proud of Quebec's farming community and I know that it will be the first to benefit from the money flowing from Quebec sovereignty.

[English]

Mr. Easter: Madam Speaker, I rise on a point of order. The minister made it clear this morning that he would not get caught in horse trading, region against region or commodity against commodity. The member is misinformed in terms of the—

(1120)

The Acting Speaker (Mrs. Maheu): I am sorry, I am afraid that is more a point of debate than it is a point of order.

Mr. Leon E. Benoit (Vegreville): Madam Speaker, I thank the minister for this open debate on agriculture, a debate which is truly needed.

I believe that government involvement in agriculture over the past 20 years has created one disaster after another. I say this with absolutely no intent to attach blame or to point a finger but rather to emphasize the need for well-focused changes in the direction and the relationship among government, farmers and agri-business.

I appreciate the minister's speech this morning and I agree with much of what he said. The real test of course is in the interpretation. It is my greatest hope that his interpretation is at least similar to mine.

We urgently need a change in the direction of our agriculture policy. We must all put aside partisan politics and old disagreements and work together toward policies which demonstrate that we have learned from the mistakes of the past and recognize the new realities of the future. When I say we, I mean everyone who has a stake in agriculture at all. This includes farmers, businesses which buy, sell or process farm products, government agencies and regulatory bodies and the various levels of government.

I must also stress the need for all members to really listen to the ideas presented by the members of the other political parties. One thing I know for sure is that we all have the best interests of farmers in mind as we go through this debate today. I have no doubt about that at all.

Because we are all sincere I believe we owe it to each other and to the people we represent to try not to distort the intent or the proposals and the ideas that each of us present here today.

Farmers tell me that they are frustrated with farming because they have little control over their business and have too few choices when it comes to buying and selling. They feel they have too little control over factors such as unfair restrictions and access to markets due to trade wars between Europe and the United States and unfair import restrictions into Japan and Korea; a grain handling and transportation system which fails them again and again and is much too expensive; safety net programs which do not work well and are ever-changing

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causing instability; and high taxes and high input costs which make it difficult to compete.

They feel they have too few choices because marketing systems restrict their options and because overregulation limits their ability to find alternatives to dysfunctioning programs. With these concerns in mind I will briefly outline the principles which guide Reform agriculture policy.

Canada's agriculture policy should focus on allowing a self-reliant, market driven industry to develop. Reformers believe that all sectors of agriculture can be competitive if given a fair environment in which to operate both within Canada and in the world marketplace.

The role of government in this market driven industry is twofold. First is to provide market responsive education and training, infrastructure and regulation which will allow farmers and the rest of the agriculture industry to become and remain self-reliant. Second is to support and defend farmers and agri-business against situations over which they have little control such as unfair foreign subsidies, trade distorting influences and certain natural hazards.

Government should not be a partner with farmers or agri-business because government has proven very clearly in the past that it is a partner that farmers cannot afford and one that cannot be trusted.

During my speech today I will present an overview of Reform agriculture policies under the headings of safety nets, marketing reforms, transportation and grain handling, research and market development, and creating a healthy business environment for agriculture.

As I present our policy I will point out specific examples of lessons we can learn from certain policy initiatives of the past 20 years. Emphasis will be placed on the need to reduce regulation and legislation which has a negative impact on the industry by limiting options.

(1125)

Also there is a need to reduce overlap between federal departments that affect agriculture, between the federal government and other levels of government, and between government and industry. Removing regulations and reducing overlap will reduce the size of government and reduce costs. Removing these hurdles, barriers and red tape will also increase the bottom line for farmers and agri-business.

Increasing farmers' profit margins will reduce the draw on safety net programs. Government involvement in safety net programs may be necessary to support and defend farmers against the negative effects of circumstances over which they have little or no control. These situations arise from foreign subsidies and other trade distorting actions, natural hazards and to some extent market cycles which occur in the open market.

Safety nets must be market neutral and available in an equitable way to all sectors of the industry.

To this end, Reform has proposed three safety net programs: first, a trade distortion adjustment program; second, an income stabilization program; and third, an improved crop insurance program. We also propose keeping the Advance Payments for Crop Act to reduce the cash crunch induced selling in the fall, and vigorously enforcing countervail duties where dumping can be demonstrated.

The trade distortion adjustment program would compensate farmers from all sectors for damage done by subsidies in other countries, or limited access to markets through unfair import tariffs and the like. The program would include automatic triggering mechanisms based on the historic volume of exported products. It will not require producer premiums and will compensate farmers for a predetermined percentage of damage done by a subsidy on a competing commodity, or by unfair restrictions to market access.

It is our sincere hope that future GATT agreements will eventually reduce the amount of funding needed under this safety net program.

The Reform income stabilization program would shelter farmers in all sectors from the impact of market cycles which occur in an open market environment. This program could use NISA as its base, but would be modified and expanded in the following ways.

It would apply to all commodities in all sectors, that is, it would involve the whole farm approach. Supply managed sectors will have access to this program as tariff levels are reduced enough that the uncertainty and the instability of the marketplace creep into their pricing system.

Contributions would be based on gross margins in a way which would apply fairly across all sectors. The 3 per cent interest bonus would be replaced by tax deductible contributions.

The total level of government matched and unmatched funds will be subject to a regenerative cap which will be equitably applied across all sectors. There will be no limit on the level of contribution per farm unit so we would not discriminate based on size.

Upon a farmer's retirement these funds may be transferable to an RRSP or a RRIF.

The Reform Party also proposes as a part of the safety net package an improved crop insurance program to protect against some of the damage caused by natural hazards. The requirements of this program are: getting enough farmers involved in a particular area to make it administratively sound; maintaining present federal-provincial farmer funding arrangements and being actuarially sound within that arrangement; providing all risk yield loss protection; and a nationally consistent design across all sectors.

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In implementing these or similar programs there are some important lessons we can learn from past and present programs.

Take GRIP, please. I have heard this a lot over the past few weeks from my constituents. There are more holes in GRIP than there are gopher holes in Saskatchewan, and that is a substantial number.

I could spend the rest of my time complaining about the flaws and problems with GRIP, but I know that most members already understand these problems and see the flaws. Besides, it would definitely ruin my day, probably everyone's day. Let us not get into finger pointing, but let us make sure we learn the lessons that have to be learned from programs like GRIP.

That is a brief summary of our safety net proposals. As for marketing reforms, we believe they are required to allow farmers to build more profitable, self-reliant industry. The Reform Party supports the right of farmers to form and operate co-operatives, commissions and marketing boards, as long as these bodies receive their direction from the farmers they serve. Farmers must be free to build a viable, self-reliant, market driven industry in which they can make their own decisions about how products are marketed. Government need only provide the basic rules and minimum scrutiny of these groups.

(1130)

Most of the farm organizations and marketing boards in place could continue to operate under the policy we are proposing. Some organizations will however need substantial changes to make them work well in the world marketplace. Two examples are the Canadian Wheat Board and supply management.

There is substantial support across the prairies for major reform of the Canadian Wheat Board. Farmers feel stifled and unfairly limited by the monopolistic powers of the board. While there is considerable support for maintaining some aspects of the Canadian Wheat Board, farmers want the ability to bypass the board when they feel it is not doing a good job of marketing or when they see better opportunities which they can access either directly or through a grain company.

The Canadian Wheat Board then should be reformed in the following ways. First, farmers should control the board. A board of directors should be elected by farmers and replace the appointed commissioners. This board of directors could choose to keep all or some of the commissioners. Those who argue that the wheat board advisory committee already gives farmers some control over the Canadian Wheat Board are wrong because the wheat board advisory committee has absolutely no power.

Second, the mandate of the Canadian Wheat Board should be expanded to include any grains, oilseeds or specialty crops that it chooses to handle, but farmers must be allowed to compete with the board through grain companies or directly.

The third change to the Canadian Wheat Board would be that farmers have the right to choose between a pool price or a daily cash price. Some of the current wheat board powers should be maintained, for example the power to pay out advance payments on grain and the power to provide loan guarantees as long as other countries continue to use this practice.

I have received a few form letters from people worried that I am proposing the abolition of the Canadian Wheat Board. Of course that is not my intent or the intent of Reform. I want to take this time to assure them that I do not believe the wheat board should be abolished but rather improved to serve farmers better. Farmers want more choices and they must be given more choices.

I believe these changes to the Canadian Wheat Board will increase the price farmers get from the marketplace. This increase in market revenue will reduce payments needed for the safety net programs.

Since the first Reform task force met in 1990, of which I was a member, Reformers recognize that with new GATT deals supply managed sectors will need to adjust to freer trade within a global marketplace.

As a farmer it has been extremely difficult for me to watch as governments have pretended supply management can remain as it is. This stand has been taken mainly for political purposes and is a disservice to supply managed farmers. It is time for politicians to be open and honest with farmers from the supply managed sectors and help them prepare for the reality that as tariff levels drop they will be forced to compete especially with American producers.

On a positive note, a huge American market will open up to Canadian farmers. The extremely high tariff levels currently allowed under the GATT agreement will most likely be reduced at a faster rate than is projected right now. The free trade agreements, pressure from the Americans, and possibly new GATT agreements will cause this accelerated reduction in tariffs.

Canadian supply managed farmers can compete with anyone in the world if they are given the opportunity to do so. I encourage the government to do what is right instead of what is politically easy. I encourage the government to prepare supply managed farmers and to allow them to prepare themselves for the new challenges and opportunities ahead.

I would like to talk a bit now about what is wrong with the transportation and grain handling system. Simply put, it does not accomplish what needs to be done, that is move farmers' grain. It is one of the most heavily regulated parts of the agriculture industry. There is too much legislation and too many bodies involved to properly manage the system. There are no incentives or penalties in place to make it work better.

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(1135)

A few days ago there were about 1,000 cars of canola meal sitting near Lloydminster. Why, at a time when the industry desperately needs more cars to deal with the problems in moving grain, should there be 1,000 cars sitting on a siding near Lloydminster? I will bet a brand new pair of cowboy boots that if the system had the incentives and the penalties in place this 1,000 car mistake would have never happened. Or, if by chance it did, it certainly would have been dealt with very quickly. We need the incentives and the penalties.

At the joint agriculture and transportation subcommittee meetings on grain held last week there were two interesting proposals for dealing with this highly regulated and overadministered system.

The Grain Workers Union suggested that there be a czar who would be a type of overseer for the entire system. While the GTA was intended to be that czar it did not succeed partly because of interference from the Canadian Wheat Board. We tried the czar solution and it has not worked, at least so far.

The second proposal came from United Grain Growers. It suggested deregulating the industry and putting into place a system of initiatives and penalties to increase efficiency. However, when asked if a better solution would be to let railways take control of car allocations, the representative from UGG agreed.

With these changes guidance would come from the National Transportation Act as it does for others involved in transportation. To make this work it would be necessary to put the Crow benefit directly in the hands of farmers, either through our trade distortion adjustment program, a similar program or some type of pay the producer option. This would be a more viable solution to persistent grain transportation problems.

Reform's policy on transportation subsidy is to direct the Crow benefit into our trade distortion adjustment program. This takes care of the dilution problems that arise from some of the pay the producer options. Our policy will still provide for the benefits the pay the producer options provide by forcing the railways to become competitive. Furthermore, it will encourage more value added on the prairies through diversification and further processing. If the government were serious about jobs it would pursue a method of giving farmers control over the transportation dollars. That would create real jobs, long term jobs and productive jobs on the prairies.

Reformers believe that the grain handling industry should be deregulated, that railways should be responsible for car allocation, and that they should be administered through the National Transportation Act.

Problems in the grain handling part of the system contribute to problems in grain movement. Frequent and unnecessary strikes and lockouts have cost Canadian farmers through lost sales, demurrage, et cetera. Strikes should not be allowed in the grain handling system. A mechanism must be put in place to deal with labour disputes before a contract expires. This solution will work well for grain handling companies, for workers and most important, for western Canadian grain farmers.

I would like to touch on two more areas in conclusion: research and development and creating a healthy business and trade environment. Research and development must be a top priority in any agriculture policy. Private industry depends on research and marketing agriculture products for its very existence. Therefore it is important that government work to co-ordinate its research with that of the private industry.

The auditor general's report stated that there are over 800 research projects funded by Agriculture Canada. These projects seem to be uncoordinated and improperly prioritized. While Agriculture Canada has been moving in the direction of private industry guidelines, there is a need for more of the stimulus behind these research projects to come from the private sector.

Reformers strongly support and promote an open market system as a type of economic system within which business operates best. Reformers recognize that to make an open market system work well there must be some regulation. The government's role is important in dealing with certain situations, for example unfair trade practices on the part of other countries. That is why Reform proposes much tougher anti-combines and fair competition legislation and recognizes the need to enforce import control regulations when dumping occurs. We believe this type of system works much better than the heavily regulated system of substantial government involvement that we currently have.

(1140)

In summary, having proposed these substantial agricultural reforms, my greatest concern is that the government has and will continue to make cuts in agriculture spending before it has released farmers from the burden of overregulation. For example, the government followed through with the 10 per cent cut to the Crow benefit which was implemented by the former government. This reduction in spending was not preceded by the necessary changes in regulation which would free up the transportation system and let farmers get around the heavily regulated system.

I cannot stress enough the importance of getting farmers and farm related businesses more choices through less regulation and better co-ordinated programs as funding in agriculture is decreased. Better targeted spending with fewer and more co-ordinated programs will allow for further spending cuts of between \$150 million and \$200 million with about the same amount of money going to farmers.

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Once again, I thank the minister of agriculture for allowing this very important debate. I urge him to examine carefully the alternatives we present on this side of the House, as well as the alternatives from members of other political parties.

Mr. Wayne Easter (Malpeque): Madam Speaker, I enjoyed listening to the remarks of the hon. member for Vegreville, but there was a considerable number of contradictions in them. I refer specifically to the case the member mentioned about 1,000 cars of canola meal that sat on a siding in Lloydminster for a month. There is no question that was a problem for the transportation system.

The member was talking about how well a deregulated system would work. In fact the reason those 1,000 cars sat on that siding was that some private individual or company tried to gain advantage for itself, was able to load those cars and get around the regulatory system. As it so happened the ship was not in port. The product could not be moved. While it was trying to obtain individual gains, complications for the system as a whole were caused.

As the committee recommended, the rules under the Western Grain Transportation Act need to be applied more vigorously. The GTA did not do its job. In the regulatory system the rules and the penalties need to be applied. In its proactive way the subcommittee on transport and agriculture made the recommendations to get around the problem. I am sure the ministers will act on them next week.

Mr. Benoit: Madam Speaker, I would have been very surprised if the hon. member had not stood and made a comment or two. I appreciate his comments.

I see no contradiction in what I said about the cars sitting near Lloydminster. I have proposed in my speech that there should be a system of penalties and incentives in the system. Right now we have hopper cars that have been paid for by the taxpayers of Canada and by farmers directly through the Canadian Wheat Board. Yet there is no way the system can charge railway companies or shippers demurrage or some other kind of penalty for not using these cars properly. If we had that type of mechanism in place this absolute blatant abuse of the system would not happen.

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, I agree with the member for Malpeque who listened closely, as I did, to the comments of the member for Vegreville.

The comments were riddled with contradictions. One of the biggest was early in his remarks when he talked about the fact that governments should not be a partner with farmers or with agri-business. Then he went on to outline the Reform's three-

point program which puts the government in partnership with farmers and agri-business. It did not make sense.

Would the member qualify or further explain what he meant by saying that there should not be any partnership and why he called for a partnership?

(1145)

At the same time I would like him to deal with the issue of the majority deciding an issue. Clearly in Saskatchewan the majority of farmers who attended government sponsored discussions on transportation, clearly those who have attended the conferences of the Saskatchewan Wheat Pool, the National Farmers Union and other farm organizations in Saskatchewan have spoken in favour of the status quo for grain transportation and the maintenance of the Crow benefit.

Yet the member who believes very strongly in letting the majority decide continues to argue that the interests of the large corporations and the large farmers should be put above the ordinary producers throughout Saskatchewan and other parts of the prairies.

I would like the hon. member who speaks eloquently about agriculture and other issues to explain these things to me and other members of the House.

Mr. Benoit: Madam Speaker, I have never been accused of speaking eloquently before. I appreciate that very much.

Mr. Vanclief: But accused of other things.

Mr. Benoit: I have been accused of a lot of other things, that is right.

First of all, in terms of the majority of farmers deciding, it is very simple to deal with. The hon. member feels he is right, I have a good feel for what the majority feels. Let us hold a plebiscite and decide the issue. It is as simple as that.

In terms of a partnership, my concept of a partnership is two or more bodies that work very closely together and have equal control. I believe the safety net programs the Reform Party is proposing take that government control and interference out of the safety net mechanism, so it is not a partnership. This is money provided by taxpayers to help farmers deal with situations which are largely beyond their control. I think that is legitimate, but it is not a partnership, nor should we have a partnership.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Madam Speaker, I hate to prolong this discussion on the contradictions in the hon. member's speech, but I do not know how we can do anything but.

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In one minute within his speech, as the previous member from the other side has just suggested to him, he goes on and on about government involvement. Then, as has been well said, the member for Vegreville certainly has not answered very well on how he separates his comments about no government involvement.

It reminds me of a phone call I had from the hon. member's province two or three weeks ago. It was from an individual who said there had been a meeting of 150 randomly selected farmers. They did not want anything to do with supply management. They did not want anything to do with any type of organized marketing in any way, shape or form. They did not want anything to do with any government support. They did not want anything to do with the NISA program. I said: "You do not want anything to do with government". He said: "That is right. All we want is government there if there is a trade war and if there is a weather problem".

I ask the member to comment on whether this is how he feels the government should be involved in support in a safety net program for agriculture. As I said to that gentleman, it seems he did not want to have fire insurance on his barn, but if it started to burn down he wanted the right to go to town and the insurance company would be obligated to sell him a policy at that time.

Is that the way the hon. member thinks a government should plan ahead for the future of this important industry? We as a government are in the safety net. We are meeting with farmers. The majority of the people in the national safety net are key players, participants from the grassroots in putting that plan together, the task force on orderly marketing in the dairy, egg and poultry industries, all of the players involved in that industry are around the table.

I suggest to the member that he notice what is being done. Government's role is to listen to opposition, listen to the grassroots and facilitate with the restrictions, legislation and financial restrictions in a responsible manner for the good of all Canadians. I would suggest that is being done.

Mr. Benoit: I appreciate the comments from the hon. parliamentary secretary to the agriculture minister.

For such a strong attack on what I said, I am not so sure that in the area of safety nets we have such different ideas. I guess that will be determined down the road.

(1150)

However, both prefer some kind of whole farm approach to the problem. I have never said no government involvement. I said this industry is tremendously overregulated. There is much too much government interference. We can get rid of a lot of it. I believe the safety net programs that I outlined will cut down on the amount of government involvement tremendously. It will take the market distortion out of the system that is there now.

I did not want to get into the flaws of the GRIP program, but GRIP has just demonstrated almost everything that can go wrong with a government program. It really has. It was supposed to be market neutral and it is far from that. It encouraged farmers to grow wheat at a time when the market said not to grow wheat. There were flaws in the basic design of the program and there were lots of flaws in the administration and in the overlap of administration between the federal government and the provinces.

GRIP is a program that interferes in farmers' business and in their decision making process way beyond what any government program should.

I am saying there is a matter of degrees here. I assume with our difference in philosophy the programs the Liberal government comes up with to replace the programs in place now will involve too much government involvement but I am going to continue to give input along the way. Hopefully I can at least affect somewhat the outcome of this process.

Mr. Nick Discepola (Vaudreuil): Madam Speaker, pursuant to Standing Order 43(2), I will be sharing my time with the member for Gatineau—La Lièvre.

[*Translation*]

Madam Speaker, I am delighted to speak in this debate on agriculture, since it is a subject of vital importance to my constituency of Vaudreuil, which is largely rural. Most of my constituents earn most of their living from agriculture: dairy farming and grain farming.

Overall, agriculture in Canada and in Quebec is modern and efficient, very much thanks to the partnership established by the government and the agricultural community. These structures are the results of adaptation. In a context of ongoing change, this sector must continue to adapt. In its policies and programs, the Canadian government will continue to help this sector adapt to new market conditions and improve its competitiveness.

Our government will maintain and even increase its strategic investments in research, infrastructure development and skills development. Partnership with the farming community and the provinces will help us determine the best way to use these resources. Partnership is essential if the industry as a whole is to take full advantage of the opportunities the new trade agreements offer.

[*English*]

The agri-food industry is a pillar for the Canadian economy. All Canadians and Quebecers profit from investments in this industry. Our government is committed to helping farmers in every region of Canada, but we must recognize that this kind of support comes in many different ways.

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The federal government's intention is to act in the best interests of the agri-food sector. This commitment applies just as well to farms in Quebec and in the prairies, for they are all essential elements in the whole Canadian agri-food system.

Statistics do not reveal the whole picture and can often be deceiving. We must look beyond the numbers and the columns. Government support in the agri-food sector cannot be evaluated solely on direct payments to producers through various different programs. We must take into account indirect transfers such as research or market development and those governed by controls such as border control for quotas.

Canada is recognized world-wide as a healthy and high quality agri-food producer and exporter. Agricultural producers across Canada profit from this fine reputation. Quebec's agri-food sector holds a predominant place within the Canadian economy. This is a very tangible factor, one which many regions seek to emulate.

On average a Quebec producer earns the highest net income in the country. In 1993 the income produced by agriculture activities reached \$3.8 billion. This represents 16 per cent of total Canadian revenues, while manufacturing brought in \$11 billion. In the last 12 years in financial terms, the global income of Quebec farmers has increased 67 per cent.

(1155)

In 1993 the value of Quebec's agri-food imports reached \$1.2 billion or 9 per cent of the total Canadian export market proceeds. Quebec's hog industry holds 32 per cent of the Canadian market and is the number one seller abroad. In 1992 it accounted for \$294 million or 40 per cent of all Canadian exports in this sector.

I am not taking into account the enormous potential of world-wide commercial markets. The hon. minister of agriculture has seen it himself when he recently travelled to Asia. Some of Quebec's industrial leaders such as the president of the Union des producteurs agricoles, Mr. Pellerin, and the president of the Coopérative fédérée de Québec, Mr. Massicotte, were part of the commercial delegation travelling with the hon. minister of agriculture.

[*Translation*]

There are 38,000 farms in Quebec; they help supply over 1,000 processing plants and 12,000 food stores. Quebec agriculture and the Quebec agri-food industry account for 15 per cent and 21 per cent respectively of Canada's gross domestic product in those sectors. Hundreds of thousands of jobs—415,000 jobs—depend on the Quebec agri-food sector: that figure represents 22 per cent of jobs in Canada's agri-food industry, and 14 per cent of all jobs in Quebec.

In the processing sector, the Quebec food and beverage industry accounts for 25 per cent of the Canadian market. That is a vital market. Among Quebec manufacturing industries, the processing sector is in first place in terms of value added and deliveries, and in second place in terms of direct jobs.

The processing sector has grown by 24 per cent in seven years. Nearly one-third of deliveries from the Quebec agri-food industry are destined for the rest of Canada. Agri-food sales to the provinces are three times higher than exports of the same products on world markets.

It must be recognized that this success of Quebec's agriculture is the result of the work of the people in the agricultural community. The performance I have just highlighted, however, was made possible by the support of public administrations. Indeed, the two levels of government have been intimately linked to that prosperity. And, whatever the Opposition may say, the federal government plays a role of the utmost importance in the agri-food sector. It carries out its mandate in a fair manner, taking into account the special needs of each region in the country. We provide energetic support for the expansion of industry by working in partnership with the provinces, the sectors of this industry, and the farmers.

Our income security programs, our research initiatives, our agreements with the provinces, our food inspection program, and our commitment to rural regions and to the environment are designed to ensure the vigour and growth of this industry. Our government works with the industry and the provinces in order to ensure long-term stability for producers. Together, we shall develop an income protection system that will meet the basic needs of all sectors without distorting market signals, a system that will allow farmers to make enlightened decisions based on co-operative advantage, not government programs.

The agri-food sector is an important source of jobs and economic activity. That is not the result of chance, after all! The federal government is a key player.

(1200)

We have a role to play and we will play it, now and in the future. We will continue to help the industry to grow by setting up programs to promote the development of new products and new markets and improve productivity, programs to help processors, programs to promote training and programs to provide easier access to credit.

As far as GATT is concerned, the rules may have changed somewhat, but the Canadian government has successfully negotiated an agreement that protects supply management and its foundations. The Canadian economy and the economy of Quebec will benefit substantially under the agreement concluded at the GATT talks, and it is also a good agreement for Canadian and Quebec agriculture. In the course of the GATT negotiations, the Canadian government was able to obtain tariff levels that will ensure not only the survival of supply management, as I

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mentioned earlier, but also its future prosperity. The tariffs will be in effect long enough to provide a stable and secure framework for producers in the industry.

The case of our trade relations with the United States is a good example of this government's determination to defend the interests of the Canadian agri-food industry. Our firm response to the Americans and their threats of trade sanctions against Canadian wheat was praised by the industry. If necessary, we will react as promptly and vigorously in any other sector. We will not play off one region against another or one group against another group.

The Department of Agriculture and Agri-Food has 1,400 employees in Quebec. At the national level, 23 per cent of the department's employees are francophones, and the federal government invests an average of \$360 million annually in the agri-food industry in Quebec.

Madam Speaker, I will share my time with the hon. member for Gatineau—La Lièvre. He will need a little less time, and I will now start my concluding remarks, since I have about a minute or two left.

I would like to quote very briefly a number of revealing figures: Federal investments worth \$42 million annually in the food inspection sector whose 850 employees are spread throughout Quebec's regions, and \$27 million annually plus 415 jobs in research. Incidentally, Agriculture and Agri-Food Canada has had a network of research establishments in Quebec since the beginning of the century. We are everywhere: Saint-Hyacinthe, Lennoxville, La Pocatière, Sainte-Foy and Normandin, to name only a few.

The federal department also spent \$65 million in recent years on building or updating its research facilities in Quebec. The federal government also finances many research and marketing projects under the Canada-Quebec agreement on agri-food development and the agreement on regional development. The list of programs and agreements is a long one, representing tens of millions of dollars, and this does not include the dairy subsidy, \$107 million for Quebec in 1992-93, and the fact that the agri-food sector in Quebec benefits from research carried out elsewhere in Canada, and vice-versa. Research funding provided by Agriculture Canada benefits all Canadians and all Quebecers.

[*English*]

In closing, our mission is quite clear. Under the auspices of consultations and through a policy of dialogue the welfare of all Canadians will be served by maintaining the wholesomeness and the marketing value of agri-food products, by developing

the region's potential and diversity and by protecting agriculture resources and the environment.

Yes indeed, the agri-food industry is facing great challenges but we will meet them together. We will carry out our program in a spirit of partnership and respect for provincial jurisdictions.

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est): Madam Speaker, I thank the hon. member for Vaudreuil. There is no doubt that with regard to research, Quebec is not unfavourably treated at Agriculture Canada, but that may well be the only one where it is not at a disadvantage. This business of federal spending inequity between Quebec and Western Canada is old news.

(1205)

For the hon. member for Vaudreuil's information, inequities have existed for decades, in the sense that the federal government has been giving Quebec much less than its fair share by comparison with Western provinces. In Quebec, organizers, the Ministry of Immigration and farm organizations have met on several occasions in 1988, and in 1991, to denounce this ongoing inequity.

I want to tell the hon. member for Vaudreuil this inequity turned out to be for the best. The fact the federal government was not as involved as expected and not contributing as much as it should drew Quebec farmers closer together. That is why in Quebec, farm organizations are so well organized, motivated and aggressive; they never had the chance to grow as dependent on the federal government as some other provinces.

That is why these organizations can courageously and confidently seek harvest markets abroad. It is also why Quebec farmers are waiting with anticipation for sovereignty, because then, they will benefit from investments made in their regions to strengthen infrastructures that will help them. There is no doubt farmers are among those who stand to gain the most from sovereignty.

A second comment regarding GATT. The hon. member for Vaudreuil praised this agreement, like all government members do. He said farmers would benefit from tariffs that would help support the supply management system for a good while. But the transition period is one of the terms and conditions so poorly negotiated by the government. Six years is a rather short transition period. To compensate for article XI, the government could have obtained at least ten years to give time to the agricultural industry to adjust.

Farming is not like toy manufacturing; it is an extremely complex industry that requires a very long time to adjust to new conditions. We must admit that the Canadian government has shown weakness in the GATT negotiations by accepting a

transition period of only six years. This is one aspect among many in which the federal government was not fair to Quebec farmers.

Mr. Discepola: Madam Speaker, I am not sure that a question was asked. If the hon. member wants to ask me a question, I will be pleased to answer it. So far he has only made comments.

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, of course, agriculture is a crucial sector in our country's economy. Like the industrial and technological sectors, it plays a capital and inescapable role. That much is crystal clear. The General Agreement on Tariffs and Trade better known as GATT will come into effect in 1995.

For the first time in the history of international trade, GATT will subject the agricultural sector to a set of predetermined trade rules that will apply to all countries.

(1210)

Article XI has been replaced with customs tariffs that will allow our supply management systems to survive in a new era of international trade.

It is impossible to overstate the importance of the agriculture or agri-food sector in our national economy, and I listened with interest to my colleagues opposite, the hon. members for Québec-Est and Vegreville, whose criticisms were not unjustified, far from it. I agree with them that there is certainly room for improvement and, as the hon. member for Québec-Est talked about grain transportation, there is no question that this government must resolve the issue of grain transportation.

It is true that it does not make sense, that there are no excuses in the world. But let us not forget that the problem has been around for years. We are not more responsible than others, except that our government has a duty to find a solution.

Although the grain and wheat sector was extremely important, previous governments let the situation deteriorate from month to month. There is no excuse and I am sure that the Minister of Agriculture and the Prime Minister are very aware that solutions must be found.

We cannot let a sector of our economy suffer as was the case in the past. There are so many issues at stake in the agricultural sector but I just want to address a few that were mentioned by our colleagues.

The hon. member for Québec-Est said that the failure of GATT with article XI—well, a failure—when all the countries in the world agree on an issue and want a trade agreement, it would be rather difficult for us to go against an agreement signed by all the other countries. Some claimed that the six-year transition

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period was too short, but I think that six years is more than enough time to adjust, especially with today's technologies.

Let us consider the little time we had to adjust to free trade. I do not want to start an argument with my colleague, but you used to belong to a political party that was in favour of free trade and you did not criticize the fact that we had very little time to adjust to the changes caused by free trade.

Free trade came in at a bad time and many Canadian companies were affected. The hon. member's own leader was one of those who favoured that free trade agreement—even your other colleagues in the Parti Québécois did all they could to elect the previous government in 1988.

In any case, that transition period was so short that we have suffered the consequences. We must be consistent and know what positions we took in the past. So your argument about six years for agri-food does not stand up. I think that six years is reasonable. It is one of the factors.

Our colleague from Québec-Est also mentioned a company. I do not know if it is just by chance or because the field interests me, but he referred to a Quebec company called Interl Marketing Inc. which produces Grand Pré milk. This Quebec company exported its product to Puerto Rico where it held 40 per cent of the market and provided a good return to Quebec.

This problem arose a few years ago and I was interested in it. When I was in the opposition, I had the opportunity to raise the issue in the House and to make representations for the company.

(1215)

I spoke many times with the company president, Michel Gilbert, and very recently I wanted to find out what the decision was. A panel of Canadians and Americans was set up to solve this problem, since Grand Pré makes its product in accordance with hygiene and other standards. I wish to inform my colleague from Québec-Est that I received a letter from Mr. Gilbert which says: "Thank you very much, Mr. Assad, for following up the above-mentioned matter. As a result of your efforts, the minister"—meaning the former minister, Mr. Wilson—"finally decided to refer the matter to a panel".

This question of Grand Pré is an important factor. They went to the panel. I heard recently that this panel's decision will be known in a few weeks. Like the officials at Foreign Affairs who are dealing with this issue, I am sure that the decision will be favorable and that Grand Pré products will be back on store shelves in Puerto Rico and regain the market which they held before. This is an important point.

Since the free trade agreement, many Canadian companies, not only industrial companies but also agri-food, have had difficulties. We know that the Americans have used tactics to limit access to the U.S. market because they knew that we could compete and had quality products.

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As our minister said, the quality of Canada's agri-food is probably among the best in the world. That is no exaggeration; we know it is true.

As regards the part of the Department of Agriculture's budget allocated to the West, to Quebec or to any other region, the hon. member for Québec-Est said that the situation may be a blessing in disguise, because since Quebec farmers were receiving less, they set up various co-ops such as the UPA, an organization with which I worked in the past when I was a member of the National Assembly. This may provide part of the answer; it may be true. However, I am not prepared to say that Quebec did not get its share.

Let us go back to the days of Eugene Whelan, the former Liberal Minister of Agriculture who created the supply management system and quotas for dairy products. I know that the hon. member for Québec-Est worked for Mr. Whelan's department then. When milk quotas were established, which province got the lion's share? It was Quebec of course. That province was providing 48 per cent of the total dairy production. This was a major component of the province's agricultural sector. I knew many Quebec farmers who had milk cows. This was a phenomenal success for these people. Their family farm increased in value, they had a guaranteed income, and things were going well. This is something which must not be overlooked when you look at the situation of Quebec's agricultural producers.

Indeed, it is a blessing in disguise that we have to create various bodies. I attended several meetings held by the UPA and other agricultural organizations in the riding I represented as member of the National Assembly, and it is true that many initiatives were taken by our farmers in Quebec, but this is to their benefit because the market is very competitive right now. The technological sector has a major role to play. This past experience will certainly help us in the future.

As regards horticulture, I had a meeting a few days ago with officials from a Quebec provincial organization. I was told that a fantastic market exists, just south of here, in the Boston region and certain parts of New York State, where the population exceeds 15 million people. There is a very short but very important period during the year for Quebec producers, especially in the field of fruits and vegetables, when they can meet the demand.

(1220)

Over the years, the agricultural sector has taken an increasingly important place in our economy. I even said before that agriculture has become more important than national defence. If we leave that sector in the hands of our neighbours or other foreigners, we will pay for that and the price might be very high. Consequently, I believe it is necessary, and in fact it is this government's responsibility, to correct the mistakes made in the past. I am convinced, considering the Minister of Agriculture's determination, that we can arrive at solutions.

I hope that the hon. member for Québec-Est will stop comparing the East and the West, or Quebec and the West, because this simply does not solve our problems.

The Acting Speaker (Mrs. Maheu): I am sorry, but the hon. member's time has expired. We now move to questions and comments.

[English]

Mr. Leon E. Benoit (Vegreville): Madam Speaker, I have a question for the hon. member.

He pointed out during his debate, quite proudly it seemed, that Quebec had received a lion's share of quota under supply management particularly in the dairy and that it was probably more than a fair share. Does the member feel that it is fair for any part of the country to get more than what would be considered a fair share of any type of program, or quota in this case?

Does the member feel that is one of the problems with the present supply managed system as it is now in that it will not allow one part of the country, which maybe can compete and should and does have a natural advantage of some type or some other type of competitive advantage, to improve competitiveness to gain a larger share of the market?

Does the member feel that this is part of the problem with the system, at least as it is now?

Mr. Assad: Madam Speaker, I must say to our colleague from Vegreville that I have always been sold on the system we have whereby we have control of the markets and the production. I have always been sold on that aspect of it.

The member posed the question: Is it good that one section can benefit by this and another section will suffer? I do not believe so.

To go back to the member's first question, I mentioned that when we came in with the gestion de l'offre—I forget the term in English unfortunately, but marketing boards or whatever it is. It is true that when it came to milk production, Quebec was the big winner with 48 per cent of the production in Canada. At that particular time in our development, yes Quebec was the big winner, but I do not think we expected it to be the big winner all of the time and it was not. There were other times when it came to agriculture in Quebec that it was not the big winner. It was probably the west that benefited. However, that was another particular time.

Over a period of 25 to 30 years, if we have in mind to correct the shortcomings, we will all benefit. We cannot feel that at one time we benefited more than at others. It just so happened that the milk production and the way we had structured it was very favourable for Quebec. But it was very favourable for the whole of Canada also in the way that our farmers were guaranteed a price and they could produce a product that was second to none from the point of view of quality and otherwise.

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I do not see any problem. We have to look at the long term in agriculture. That goes for our attempts by our new Minister of Agriculture to open up in Asia and elsewhere. It is going to take time. In time we can solve our problems providing we all work together and not one against the other.

(1225)

[Translation]

Mr. Jean-Paul Marchand (Québec-Est): Madam Speaker, it is actually a comment. In general, I am completely in agreement with the member for Gatineau-La Lièvre. There is little disagreement. The member for Gatineau-La Lièvre is a highly respected member of the Committee on Agriculture and Agri-Food.

I simply wish to say that, yes indeed, concerning the milk quota, Quebec was given very generous treatment, but that may be the only sector in the federal system in which Quebec was so favoured. For example, unfortunately, in 1991, the sales of Grand Pré milk to Puerto Rico were lost. The member told us that he still hopes to win back this market for Grand Pré milk, I hope so too. Now that we have a new Minister of Agriculture, perhaps he might be persuaded to assist this industry, which accounted for 40 per cent of the Puerto Rican market.

In conclusion, article XI was concerned with free trade, but there is a difference between an open market and free trade. But, to start with, since we are speaking of Article XI, six years may not be long enough in the sectors that have quotas for such a fundamental structural change.

Mr. Assad: Madam Speaker, I would just like to bring to the attention of our colleague that the period is long enough, I am convinced, to adapt to new international regulations. The problem with the six years does not lie there.

What I am concerned about in the six-year period, is whether our neighbours to the south will really follow the rules of the game. I do not wish to prejudge, but we have seen in the past that our neighbours to the south, the Americans, do not always follow the spirit of the agreement. The issue of Grand Pré milk that you have raised is a classic example. In my opinion, they found unfair tactics to prevent Grand Pré from keeping its products on the shelves of stores in Puerto Rico.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, I am honoured to speak to you about agriculture today. I am very pleased to see that the Government has followed the example that the Official Opposition set for it by focussing the debates on agriculture. I feel that this subject is very important and goes beyond partisan matters.

The Official Opposition's first day this year was devoted to agriculture, and we now have another opportunity to make our views known. This is rather the way I see it, an opportunity to say what we feel the government should do with respect to agriculture in the years to come.

I will be speaking about this issue as a representative of the riding of Kamouraska—Rivière-du-Loup, whose long agricultural tradition makes people very proud. This can be seen in the dairy industry, where producers have made their mark and have distinguished themselves among organizations across Canada as being very competent; the same is true in other production sectors. There is also a riding where there are institutions such as the Institut de technologie agricole and the federal government's experimental farm in La Pocatière, which certainly played a role in the development of agriculture in our region in the past.

However, I feel we should draw attention in the House to the fact that agriculture in Quebec reflects to a certain extent the situation elsewhere. We have gone from a protectionist system, a Canada-wide protected system in which Quebec's production was concentrated more in the dairy industry, and the West had certain other advantages. Now we have moved to an open system in which we will compete with the rest of North America, the Americas and the entire world. In this open system, the divergent interests that can be found in the various regions of Canada will be even more present than in the past. In a closed system, there were certain rules within which we were able to interact, but now, we will no longer be in control and we will have to ensure that each region is able to find its place in the scheme of things.

(1230)

Another point is that we had a centralized system under which milk was trucked in to be processed near the markets. Under the new system, the open system, we will have to maintain a centralized approach for mass production, but at the same time, we should allow for something that does not exist today, namely, decentralizing milk supplies to small processors of agricultural products.

For instance, in Saint-Jean-Port-Joli, in my riding, we have a factory that processes organic milk. Near Trois-Pistoles, a small cheese factory, the Fromagerie Petit Loup, has started producing cheese for local markets.

In the maple syrup sector, there has been a substantial increase in exports, but there is still room for expansion. I think the minister should realize it is important to leave room for new players on our export markets. A number of large co-operatives have been involved in exporting maple syrup for a long time, but there could be room for small operators as well. In my own riding, la Cuvée de l'érable would like to develop the equivalent of an "appellation contrôlée" which already exists for wine.

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These people have good ideas. They do not have much money, but they manage. What they need is some help in reaching those export markets. Right now, they are not always in a position to take advantage of these markets, and it would therefore be useful to have programs to help these small operators.

It has been said repeatedly, and I heard this at the Bélanger-Campeau Commission from the present Minister of Foreign Affairs, that in the future, we will no longer enjoy the same protection for milk production in Canada. What happens if Quebec becomes sovereign? GATT and the free trade agreements have changed the rules. The answer is, of course, that we will have to manage on our own, because we no longer have any protection. When time comes, we will have to be able to compete and face foreign markets.

In this connection, it will be very important for Quebec to diversify its products. I am thinking, for instance, of fresh lamb which has increased market share but should be able to take an even larger share of the market. This market would require Canada to look at what New Zealand, among others, is doing in that area, so that we could take a larger share of the market. This would have a beneficial impact on stabilization payments. At the present time, because we cannot sell our production in a more effective way, there are stabilization costs that could be avoided.

Beef production is another sector where production diversification should take place. Quebec does not have its share of the Canadian production and now that the Canadian system I was mentioning earlier has collapsed under international pressure to open markets, we will have to find ways to have more beef processing in Quebec.

There could also be a debate on hog production. There is a very hot environmental controversy in this area, because environment protection organizations want a production method that is not harmful to the environment. However, we know that production could be increased in Quebec and Canada, as we have developed a very enviable reputation in hog production. We should have the possibility, in the future, to intervene more adequately in that field. We should inform the whole population, because the debate around hog production is a very emotional one. The government has the responsibility to provide information where needed to ensure that people understand the situation.

(1235)

What I would like to say is that in the future—because we are really talking about the agriculture of the future—we should have flexible, focused and supportive structures, capable of reacting rapidly to changing signals in the market place. In the past, since we were in a protected system, we did not have to watch markets so closely.

In the next few years, if we do not watch how the markets evolve, we may find ourselves in situations where we will produce things that consumers do not want. We are going to have to adjust very quickly, and it is very important for the government to understand that, in this area, its huge bureaucracy does not always respond with the necessary speed and that the impact on the economy could be disastrous, especially if we do not adopt adequate policies in that respect.

The main criticism I have regarding today's motion is not so much the use of the words "pro-active work", but the fact that we are still in the consultation mode. Agriculture is a sector in which the government is going to have to stop consulting and quickly implement a global intervention strategy.

It is all very well to say that we support producers, that we have a good relationship with all the organizations, but if we miss the boat, it will not solve our problems. We need an interesting global strategy.

This strategy should first promote export assistance programs. We should pave the way for new players and, since they will no longer be protected, we should help those farmers who saw themselves only as producers, play an increasingly larger role in the food chain as a whole.

Regional research and development is another issue dear to my heart. We already have the facilities. I mentioned the experimental farm in La Pocatière, but I believe that in the future, it will be important to establish adequate research and development institutions in regional areas to provide direct service to local stakeholders. We will have to avoid making the mistake of concentrating research and development establishments near major centres because, by so doing, we would prevent research and development from meeting the needs of local producers.

There is a slightly more touchy issue I would like to raise regarding the government motion, namely the fact that the government should not forget the Quebec industry. Allow me to quote what Agriculture Canada said about the Quebec agri-food industry in its corporate intervention strategy. Page 5 contains a few words about the human and cultural side of the industry and they read as follows: "Despite the efforts of the Canadian government to provide services in both languages, many Quebec entrepreneurs make too little use of the national development tools available to all Canadians. Canadian associations often have trouble adjusting to this reality. As a result, Quebec's industry often tends to withdraw into its francophone environment, a situation which presents an additional challenge for regional departmental authorities".

Mind you, these words were not written by nasty sovereignists, but by Agriculture Canada's regional management committee for the Quebec region. We on this side are truly

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concerned that in the future, language will not prevent Quebec farmers and stakeholders from getting the credit they deserve.

I would also like to mention new areas such as big game and cattle production, backgrounding, ethanol production which has already been mentioned by other members from other regions, and feed exportation.

These are areas in which we need to expand, something which was not necessarily done in the past, perhaps in light of the protectionist system in place. I mentioned the response to environmental challenges. I think it is rather obvious that if agriculture is to retain its favoured status with Quebecers and Canadians, it must meet the environmental challenges of the 21st century. This is an important consideration.

(1240)

Human resources development is another important intervention sector where the Canadian government is much weaker, not because of the individuals in the system but because of the system itself. Perhaps more than other sectors, agriculture is one area that reflects the Canadian federal system's paralysis and inability to adequately meet human resources development needs.

While Canada is one of the countries that spend the most on job training, it is also one of the countries that spend the least on the person being trained in the end. In an open system like we have today, it can be said that, at the end of the day, human resources are a country's only competitive advantage.

Therefore, we have to give our agricultural labour force the training it needs to adjust to new crops and new market demands, to ensure that our people can deal with the changes. I think we must recognize our shortcomings in this respect.

The current Canadian educational structure is very out of date and does not allow us to meet needs quickly, especially in agriculture where this type of adjustment will be needed in the next few years.

I also think it is important to have an intervention tool flexible enough to accommodate various sectors such as dairy products, pork, horticulture, grain and maple syrup production, which all need their own intervention strategies. Our good old bureaucratic dinosaur may find it difficult to meet the needs of each sector and we must find adequate and effective ways to spend the money in the right places and to delegate to the right entities to avoid losing money in the bureaucratic channels and to give much more to the producers, the processors and those who put their products on the domestic and international markets.

In conclusion, Canadian agriculture as it now stands gives me the impression that it will be very difficult if not impossible to have a Canada-wide balanced policy that would not put one of Canada's regions at a disadvantage. Access to markets to the South, North-South markets, whether in British Columbia, the Western provinces, Ontario, Quebec or Atlantic Canada, will

necessitate a number of very well-structured actions, and definitely not competition between provinces by which one part of Canada would gain something over another because of its more political weight.

In that area, we have reached the same point as with the rest of the free trade issue. In the 19th century, we used to need large government structures to create vast markets, with the political market and the economic market being one and the same. We have moved beyond that now. We no longer need these big political markets to create economic markets. This happens to be one of the reasons why Quebec as a whole has supported free trade, because the concept, the essence of free trade—not the transition phases but the very principle of free trade—would be beneficial to Quebec in that it would promote increased trade with other countries, the United States in particular, as well as a return to the direction development should always have had in North America, that is to say from the North to the South, as opposed to the more artificial East-West direction established by the Canadian confederation, which does not really meet the needs of the continent in terms of development.

So, this is one thing we have to contend with in the agricultural industry, but I bet you that with their drive, farmers will manage to get by in the future. It would be important however that the governments support them appropriately. Whether you look at the future from a federalist standpoint for Canada or from a sovereigntist one like I do for Quebec, in either case, an extremely decentralized approach is called for. The centralized approach some may have known in the past will no doubt rebound on those who chose that particular approach.

We need a different approach for the various regions of Quebec.

(1245)

We need a body that can make decisions quickly and we need integrated regional development. I will give an example from our area. A milk-processing plant in Trois-Pistoles closed. Now all we see are milk trucks going to Montreal and the processed milk comes back in plastic bags. This is very bad for regional development. A region is not there only to provide raw materials; it can also do processing and occupy markets. I think that free trade will be an opportunity if we take the time to adjust and can meet the needs of the market.

In conclusion, I will simply reread an excerpt from article 31, which I mentioned last week during the opposition day debate on agriculture: "The future depends on decentralized authority in the hands of regional decision-making bodies that are in touch with local reality. Unfortunately, the shared jurisdiction for agriculture and the very different interests of Canada's main agricultural regions provide poor support for the initiatives of Quebec farmers". Quebec farmers are doing the same thing as the Bloc Québécois; they are using the federal system so that Quebec gets as much out of it as possible. But like many other interest groups in Quebec, they are beginning to realize that

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sovereignty for Quebec is an essential tool if Quebec agriculture is to win on the markets of the 21st century.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I listened to the comments made by the hon. member opposite who uses sovereignty like sugar. Just as you put sugar on cereals and other things, the hon. member uses sovereignty here and there to try to sell it. However, he chose a very inappropriate time to do so.

For example, he said that we no longer need major markets, referring to the East–West market. If the hon. member knows agriculture like he claims to—and I am convinced that he does, after listening to him talk about dairy trucks in his riding—he should also know that this same East–West market buys some of his province’s milk production, since that production far exceeds the needs of Quebecers. There is nothing wrong with that; in fact, it is a good thing and we should not deny that this situation exists. We must not say, as the hon. member seems to imply, that it is bad. Why should it be bad for Quebecers to sell milk elsewhere in Canada? Why is the hon. member trying to deprive his own constituents of this benefit?

Mr. Crête: Madam Speaker, I think I will have to start over again, because the hon. member does not seem to have understood very well. I referred to what the future holds, because we have to look to the future, not to the past. And if the government thinks otherwise, it will have to make some adjustments. In the future, the markets for our agricultural products, whether it is milk or anything else, will be the North American and international markets.

There is no doubt that markets are necessary for these products. We approved the free trade agreement and insisted on having acceptable conditions precisely to have access to the largest possible markets. I never said that we did not want to sell milk in Western Canada. I said that the old system, which protected production, is being replaced by a new global market in which we will have to compete.

The major part of my speech had to do with suggestions I made to the government concerning what, in the years to come, should be put in place in the agricultural sector. I only referred to the issue of sovereignty at the end of my speech, and I did so to clearly indicate that small economies such as Norway, Sweden and other countries with a population of less than ten million people can do better than the current federal system, which was not able to adjust over the years. I gave the example of vocational training where, again, the federal system was not able to adjust and avoid creating a situation in which there are about 1.5 million unemployed for 500,000 jobs available. Any system which gives such results deserves to be changed.

(1250)

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, after listening carefully to the member opposite, I can tell you that he did not clarify anything. He said in his speech, and he can read it himself in *Hansard*, that the East–West trade in agricultural products was not proceeding naturally. He even said we were faced with an artificial situation.

Earlier, he tried to make amends by saying: “Well, I was not talking about the past, but about the future.” Does the hon. member consider that the east–west trade in dairy products from Quebec to other regions in Canada is artificial? Because if that is the point of view of the Bloc Québécois, I can assure you that it is not the opinion of Quebec producers.

Interprovincial trade, in dairy products for example, seems to me very logical, but they want Quebec producers to believe that it would be better for them to have access to the bigger US market than to sell their milk elsewhere in Canada. To paraphrase Mr. Winston Churchill, who made sure he was using parliamentary terms, the opposite of the truth has never been stated so clearly before.

Mr. Crête: Madam Speaker, I will not use the words “bad faith” because I believe they are not acceptable here.

I have always maintained that, right now, the Quebec farm industry is ready to compete on international markets. That includes the Canadian market and the American market. And with the appropriate tools, we will be able to compete in the world market. However, to achieve this goal, we must be able to diversify our production and to go from a protected economy to a market economy where we will have more freedom.

As far as our trade activities with Western Canada are concerned, I see no problem with that, but I hope that we will be able to improve the Canadian system which has often impeded on the marketing of Quebec products on foreign markets, because the networks needed to achieve the expected results were not in place.

[English]

Mr. Leon E. Benoit (Vegreville): Madam Speaker, I have a question for the hon. member.

If his party’s cause is successful and Quebec does separate, understanding that Quebec has a large share of market quota in dairy products now, how does he expect dairy farmers in Quebec will deal with the large loss in market share that will certainly occur with a separate Quebec?

How are they going to deal with that huge loss of income and their lack of access to the Canadian market? I would assume that if supply management remains in place that the quota for the rest of Canada will be redistributed among the other provinces.

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[Translation]

Mr. Crête: Madam Speaker, that is a very good question. Quebec farmers began to think about this question some years ago. What has been undertaken in Quebec is a diversification of production.

There have been production increases, and I gave some examples of them in my speech, such as the diversification of production in the area of pork, for example. In the area of milk, there is also the issue of processing products better, as well as targeting specific niches.

I gave the example of Saint-Jean-Port-Joli, where there is plant that processes biological milk, but in North America there are possible niches for this type of product, which will mean that, instead of selling the traditional quart of 1 per cent or 2 per cent milk and trying to market it to all of North America, we will be able to offer a product like biological milk processed into milk, cheese, etc., to a niche of the population interested in that type of product.

The other factor aside from milk is that there are all the other kinds of changes. It is acknowledged, for example, that in the entire Lower St. Lawrence region, the whole St. Lawrence River region really, there is excellent land and production there can be diversified. I do not say that the federal system has "imprisoned" Quebecers in milk, and that they were not pleased by this, I say that the advent of the GATT, of the international system, has led to changes and that it is necessary to face them.

(1255)

The way that can be done in a sovereign Quebec will be to have total control over the way in which we want to conduct our agriculture in the future and thereby reach the right markets, without being caught in a federal system that would have to defend not only our interests but the interests of the West, which is quite natural, and the interests of the Atlantic provinces, whereas for Quebec, those interests, in the future, will coincide less and less with those of the rest of Canada.

[English]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Madam Speaker, I would like to point out to the House and to all those who are watching, particularly the dairy producers in Quebec, that the member opposite in the last few minutes commented at one stage about wanting protectionism for the dairy industry. In one of his last statements he said: "The Quebec dairy industry wants to move to a free market system". I suggest that he cannot have it both ways.

His colleague who spoke before him this morning made the statement that in his view the agreement that was reached at

GATT has destroyed the orderly marketing system for dairy, eggs and poultry in Canada. There is nothing further from the truth. If anything, it strengthened it considerably, compared to what it could have been had we not negotiated as a government as well as we did on behalf of and with the producers.

In his very next statement his colleague said that the tariff protection that is there is going to make the product too expensive for consumers. I want to point out to people that the Bloc Québécois seems to want it both ways. I suggest as the member for Vegreville said that if that is what they want and at the same time they want sovereignty and separation, they better start looking for markets.

I have had a lot of dairy producers from other parts of Canada than Quebec approach me recently and make comments about where that quota is going to go if and when Quebec separates.

[Translation]

Mr. Crête: Madam Speaker, I hope that I will have the same amount of time as the Member took to ask his question.

I feel that in the whole range of trade between Quebec and the other provinces, be it in agriculture or other areas, it is very much in people's interest, especially in Ontario, to find out who the other's best customer is. Trade between Quebec and Ontario benefits both parties. The same holds true for the other provinces. When I say that we will have access in a sovereign Quebec to the North American market, I mean that Quebec will be a party to free trade agreements and the GATT as a sovereign state, as all other countries have done.

Canada will be the first state to have an interest in Quebec's being a party to such agreements, because as long as it cannot, we will have a difficult situation on our hands. I would like to conclude simply by saying that it is important to point out that in the past, we operated according to a given system. We are now in a state of transition, and in the future we will have to interact with foreign markets. It is in this context that our agriculture initiatives must be as flexible and as mobile as possible.

[English]

Mrs. Karen Kraft Sloan (York—Simcoe): Madam Speaker, I will be sharing my time with the hon. member for Malpeque.

I have been listening to the most recent comments. While some members of this House feel that separation is a fait accompli, I can assure members that members on this side of the House do not share that point of view.

I believe that the number one priority of government is the health and well-being of its people. This government is committed to promoting and sustaining the health and well-being of rural communities through agricultural policy renewal. Our agri-food industry is at risk and we must stop its erosion by using agricultural resources more effectively.

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This government is committed to rebuilding our rural communities by ensuring a more equitable share of the food dollar for farmers and their families. A healthy community is one that is not only economically viable but is also environmentally sustainable.

(1300)

One of the measures that this government will undertake toward this end is rural renewal. Rural renewal is a multi-disciplinary, multi-sectoral challenge that must be addressed through a multi-departmental approach. The challenge is to form effective partnerships to bring about healthy rural development.

To encourage this the minister of agriculture has established a rural renewal secretariat that is working in partnership with all branches and levels of government as well as the private sector. The objectives of the secretariat are: to assist rural people in the realization of their developmental goals; to provide collaboration among various government programs and farm community organizations; and to promote and facilitate improvement in the economic, social and environmental conditions of Canada's agricultural communities and rural areas so that they may be sustainable and self-reliant contributors to Canada's economy.

This rural renewal secretariat is being developed through a reallocation of government resources. No new money is being used. We are not reinventing the wheel. A myriad of approaches has been tried in the past with questionable results. What most of these initiatives have clearly discovered is that rural Canada cannot be sustained by government transfer payments and cannot be rejuvenated by top down policies and programs.

The approach that shows the most promise is one which will promote and facilitate bottom up initiatives, recognizing that it is at the grassroots level where the ideas are found and the drive and dedication to make things happen occur.

The role of the federal government must be to provide the policy environment and the tools for community driven rural development. This is the course of action this government has already embarked upon and this is the course of action that will bring results.

The people who live in rural Canada must be the driving force. They are the key to building healthy rural communities. There are success stories out there, stories of people starting with an idea, creating a local business and providing employment for local people. It is the objective of the rural renewal secretariat to share these case studies to assist others in turning their ideas and their resources into sustainable businesses.

The challenge this government has taken up is to create an environment which provides rural Canada with the necessary tools to give it the opportunity to succeed.

In the red book this government committed itself to stabilization programs to reduce the impact of fluctuating markets. I am glad to report that this government has embarked on a consultative process to refurbish Canadian farm safety net programs.

This government is also actively pursuing several research and development initiatives. The government realizes that research is a key component to competitiveness in the agri-food sector of Canada. Programs include the oat research program and the PSE pork research program; not only programs but also the actions and attitudes of the minister, his parliamentary secretary and my colleagues who are actively involved in the rural caucus.

One thing is very clear. Members of the rural caucus, whether they are from the west, north, Ontario, Quebec or the maritimes, are dedicated and determined to ensure a high quality of life for the members of our rural and agri-food communities.

While the agri-food industry is not part of my own background, I live in a small village, Mount Albert, which derives its existence from the surrounding farmland. As a member of Parliament I have had the wonderful opportunity to get to know individual agri-food producers.

In the riding of York—Simcoe which I represent the First Nations people laid the foundation for our agricultural traditions. Later the United Empire Loyalists and Quakers were among the first settlers to break the land and till the soil. To this day the riding of York—Simcoe retains its agricultural heritage.

The close proximity of the Toronto market contributes to the prosperity of local agri-food producers. Since the York region is the fastest growing area, the market for York—Simcoe agri-food producers is continuously growing. The wonderful infrastructure of highways enables local agri-food producers to reach their markets.

(1305)

In addition, the close proximity of St. Lawrence Starch provides an excellent opportunity for corn producers to sell their corn.

Potatoes grown in the Mount Albert region and the Alliston area are arguably the finest in the land. Although my colleagues from P.E.I. may differ, I believe York—Simcoe potatoes are superior.

The geographical position of the riding and the nature of the soil enable farmers to cultivate a variety of crops. Lake Simcoe is an undeniable drawing factor to the region and part of the watershed that helps to sustain farms in the surrounding regions.

The tourists and cottagers will note the large number of dairy and beef farms that grace the landscape of York—Simcoe. There is also the world renowned Holland Marsh. Despite its small size, the Holland Marsh produces 85 per cent of Ontario's celery, 75 per cent of its onions, 95 per cent of its lettuce and 60 per cent of its parsnips.

The Muck Research Station is also located in the Holland Marsh. This station researches all aspects of vegetable production on muck or organic soils. Extensive weed, insect and disease control research trials are conducted in co-operation with industry, Agriculture Canada and the University of Guelph.

In the Bradford district there is also the integrated pest management program which continues to develop and evolve. IPM encourages responsible crop management and a sustainable, quality food supply for Ontario. The IPM program now includes onions, carrots, celery, lettuce, potatoes and sweet corn. As a result of its implementation insecticide use in onions has been reduced by 80 per cent.

With the assistance of Agriculture Canada, this program has become a leader in IPM development in Canada and North America. It is partnership programs like the Muck Research Station and the IPM program that Agriculture Canada needs to continue to sponsor in order to further world development.

This government is tackling the rural renewal challenge in an open and honest approach based on consultation and fostering partnerships. Success or failure rests not in Ottawa nor in our provincial capitals. Rather, it rests within our rural communities so that they can become sustainable and self-reliant contributors to Canada's economy. If rural Canada prospers then all of Canada prospers.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, the hon. member is to be commended for her speech, especially when she stressed the need to ensure that our rural communities will have a satisfactory quality of life in the future. She said at the beginning of her speech that no Bloc member should assume that sovereignty is a fait accompli. During the election campaign, we told Quebecers that we were sovereigntists and that we were there to defend the interests of Quebec, and what we have been saying this morning is part of that approach because, surprisingly, Quebec rural communities were practically unanimous in voting for the Bloc to represent them in the House of Commons. So we can at least respect the opinions of the people who elected us.

I have the following question for the hon. member: Is she prepared to ask her government to include as part of its future policy on agriculture that farm products can be processed in the producing areas, so that for instance, if an area produces milk, beef and grain, first and second level processing can be done as

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much as possible in the area, and that it would provide programs to encourage this approach?

[English]

Mrs. Kraft Sloan: Madam Speaker, I thank the member for his comments. I would like to be assured with the fact that the Bloc is not working toward separation in Quebec.

As far as the member's comments about having processing done locally, if we think of what community economic development is all about, it is ensuring that we have healthy local economies. By that I mean economies that serve the local community and do not contribute to environmental degradation but contribute to the ability of people to work locally so that they can spend money and spend time with their families locally.

(1310)

It is also very important when we are thinking of the agri-food industry to think of the effects of hauling raw materials over long distances and what that means for the quality of our food. That is a consideration as well.

However, as the hon. member knows, it is not government that dictates the policy of the private sector. Therefore while we can look at measures that encourage local community economic development it is not the federal government's place to tell the private sector where it has to produce and how it has to produce.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Madam Speaker, I listened with interest to the hon. member's speech in which she alluded to the fact that rural Ontario has a lot of challenges in front of it.

As a farmer I agree with her. In fact, one of the major problems, and I would like the opinion of the member on this, is a lack of education as to what happens in rural Ontario compared with what is happening in urban Ontario or Canada for that matter.

I am wondering if the member would tell me what kind of an education process she envisions to better inform urban Canada of what happens in rural Canada.

Mrs. Kraft Sloan: Madam Speaker, I thank the hon. member for his question.

He probably has some understanding of my background which is in education and not directly in the agri-food industry. It is absolutely crucial that those Canadians who live in the densely populated urban areas understand the impact of our agri-food and rural communities on their health and well-being.

The area of connection is around food. When we talk about the quality and sovereignty that this nation must have over its own food, when we talk about the right kind of price, fair pricing for our food, that is a point on which rural and urban communities can connect.

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There is a bit of a misconception out there that farmers are somehow benefiting greatly because of the price charged for food. If you look at what is actually given in terms of the farm dollar at the farm gate it is quite low in terms of all of the hands that this money flows through.

When consumers go to a grocery store or a restaurant they may be concerned about the price of food, but that is an important area to start talking about, what actually happens within the processing food management, food growing system. That is one area of interaction.

Another area of interaction is understanding the way our rural communities support our urban communities economically. What are the things our farmers need to have in order to have effective farms in agri-food businesses? What kinds of equipment and other supplies do they need? Also, there is the fact that they contribute to our towns and villages because they come into the larger centres and they shop and they buy.

I think if we take a look at food, that interface and the economic contribution even though there are fewer and fewer Canadians who are directly involved in the agri-food industry we will see what a tremendous benefit it is indeed to Canada.

Mr. Wayne Easter (Malpeque): Madam Speaker, it is certainly a pleasure for me to rise on this debate in support of the proactive approach the minister and this government are taking to enhance the agriculture and agri-food sector of the Canadian economy.

I might say in beginning that my colleague who spoke earlier should try some of those P.E.I. potatoes from that beautiful red soil. It is unlikely she would then go back to her own variety.

(1315)

The proactive approach starts right here in the House of Commons with the new government and in committees with the participation of backbench MPs, both from the government side and members opposite. I believe there is a new sense of democracy in the land. As a government we said we would give members of Parliament more power and that we would give a voice to committees. That is evident every day in the discussions in the various committees and is quite a turnaround from the past administration.

The tragedy of the past administration is that many of its policies are still ongoing today in the new administration.

Let us look at the work of the agriculture committee. I think it adds to the leadership provided by the government. The estimates we had before us and are before the committee as yet still contain some of the policies of the past administration. It will

take some time to get the new policies of the government in place.

The agriculture committee has been very serious in doing an intense analysis of the department's estimates and looking at ways and means that the department can better deliver services to the farm community. We have been very open about that analysis. We believe that the views of all members are important and should be considered. In that way the government gives a renewed voice to primary producers, to the agri-food industry members, through their members of Parliament at the committee and House of Commons levels.

Let us take a look for a moment at the aggressive direction the government has been taking in the past six months. Let me start with what is a very difficult issue, GATT article XI(2)(c). It has been raised by members opposite to a certain extent. They are claiming that we have undermined producers of their ability to survive and prosper in some areas. We did have a stacked deck against us, left there by the previous administration. We have set up a process to retain the benefits of the supply management system and at every opportunity we talk about how supply management could be used as a model of development for rural areas in other countries around the world.

Changes that happen at the GATT negotiations are not without difficulty, but that is what leadership is all about and that is what this new Liberal government is showing. We have admitted up front to the loss of article XI(2)(c). We did not try to put a spin on it as previous administrations had tried to do. In fact, because we believe in primary producers and have great confidence in the farm community, we have involved them in a process to retain the benefits of the supply management system and move on to greater prosperity we hope in the future.

At this stage I must address some of the points the member for Québec-Est made in suggesting that the government failed Quebec relative to article XI(2)(c). Nothing could be further from the truth.

It is because of strong national policies that Canada has put in place over the years—most of those policies were started under a previous Liberal administration—that Quebec has been able to make the gains it has. For instance, Quebec's net farm income has grown steadily over the past 20 years as a result of the stability and the national programs that we put in place. In fact the member for Québec-Est on April 28 had this to say: "With milk definitely we have had a certain advantage in Quebec over the west, that is for sure".

I do not mind admitting that the attempt of members opposite to try to misconstrue the facts and show that certain moneys are going west or going east and not going to Quebec are creating grave difficulties for us as a nation because the wrong impression is left. Let me tell you that this national government wants

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to ensure that dairy producers and chicken producers in all provinces retain the advantage that supply management has given them. We will continue to do so with the processes we have set up in order to see that supply management survives into the future.

(1320)

Let us examine the stance of this government versus that of the previous administration in terms of the trade action and trade rhetoric coming from our neighbours south of the border. The United States continues to challenge our agencies, our marketing of grain, ice cream and yogurt and other areas. It knows full well that we have won every trade dispute that has been put to any panel. We have won before the International Trade Commission, the General Accounting Office, the Binational Trade Panel under CUSTA and just recently under an international trade audit.

However, instead of lying down and dying the government has said, as the minister said this morning: "This minister will not lie down and die. Canada will fight back". That is leadership. He is standing up for our producers and our nation and that is something new.

Another example of the proactive policies of the government is that we recognize full well the trouble in the transportation sector in terms of the car allocations of grain moving west. We immediately came together and set up two subcommittees, one on agriculture and one on transport. These committees held two intensive days of hearings. Out of them we came up with some recommendations in which we basically suggested that the GTA, the Grain Transportation Agency, should apply the rules of the land.

Where the previous administration failed to apply the penalties that should have been imposed on the railways for not moving product and not putting the capital investment on the rolling stock into place, this government and its members through the committees have said that the penalties should be enforced and that the GTA should live up to its responsibilities. We have recommended that to the minister and the minister is moving forward. The minister of agriculture is moving forward to a meeting on May 16.

I have always been concerned about the policies that lead to a continuing reliance on off-farm income. Liberals will not be working toward removing more farm families from the land but rather working with them to strengthen their ties to the land and the farming community. The government will be working to ensure that farmers become less dependent on off-farm income which not only merely supplements family incomes but is often one of the pillars which ensures the very survival of farming operations.

We are pursuing policies in which primary producers can achieve the majority of their income from the farm. We will work toward implementing marketing programs to do this.

In conclusion, though the government has been very proactive and has provided strong leadership, one of the important factors is the minister of agriculture. Last weekend when the minister was in my riding he showed that he is a leader of the times, that he believes strongly in the Liberal policies that were in the red book during the election campaign. He is willing to sit down and listen to producers, discuss with them and build that strong rural community base in the interests of primary producers and the agri-food industry and businesses all across Canada that this country sorely needs.

Mr. Leon E. Benoit (Vegreville): Madam Speaker, the hon. member referred to off-farm income and that his Liberal government would do its best to ensure that farmers do not need as much off-farm income as now.

I wonder if the member could explain to me exactly how the government will do that. Will it have policies that discriminate against farmers who have off-farm jobs? Just exactly what can be done in terms of policy to stop the movement to off-farm income or to stop farmers from supplementing farm income with off-farm income?

(1325)

Mr. Easter: Madam Speaker, members should look at the kind of policies we talked about during the election, the emphasis on supply management, the emphasis on strengthening and enhancing the Canadian Wheat Board.

The Canadian Wheat Board is a prime example. It is an agency that maximizes the returns from the marketplace back to primary producers and has shown that it does a reasonably good job of marketing. Certainly it has been having some difficulties as a result of the unfair use of the export enhancement program in many of our foreign markets, but it is still able to maximize returns to primary producers.

The way we hope to achieve a lessening of the dependence on off-farm income is through good marketing structures, through assisting primary producers with better financial arrangements and through farm credit. As we get down the line and are able to put before the House of Commons more policies in the future, members will see the fruits of our labours in terms of giving primary producers the opportunity and the right to be able to earn the majority of their income from their on-farm operations.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Madam Speaker, I enjoyed very much the hon. member's speech. In fact I would like to say to the hon. member that if he does have a deal on potatoes, I do not have my garden in yet. I would be more than happy to take him up on that.

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One of the things I noticed as a new MP and a person who has lobbied for the farm perspective all the way through is that previous to the GATT negotiation and the signing of the agreement we have now, there was an us and them situation in agriculture, us being supply management and them being grains and red meat. The GATT agreement laid down a foundation for farm policy where it got rid of that situation within agriculture. We are now all beneath one umbrella working together.

I would like to know what the member's opinion is on the direction we are heading right now under the new GATT agreement, looking too at the situation that all our policies if we are going to deal internationally have to be green.

Mr. Easter: Madam Speaker, one of the endearing characteristics of this administration compared to the last is that when we run into some difficulties as we did with the supply management sector at GATT, it is willing to put its trust and faith in producers. It will bring producers together to try to have them understand directly the implications of some of the changes that are being made, to involve them in the process, to actually consult and to listen to those producers who are going to be directly affected by any changes that come about in the future. That is one of the characteristics of the government.

We are seeing it through our committee structure. We are seeing it through the minister of agriculture and the parliamentary secretary to the minister of agriculture. It is an ongoing process, building on our strengths, knowing the rules and knowing the obstacles that are before us. In that way we are going to again reclaim and regain a strong primary production sector.

Mrs. Diane Ablonczy (Calgary North): Madam Speaker, I would like to advise the Chair that Reform speakers will be dividing their time with the exception of the leader of the Reform Party who will be speaking later in the debate.

I would like to thank the hon. member for a chance to address the very important topic of agricultural reform. It is clear to many people that the counterproductive programs in place today cannot be fixed by simply cutting them without replacing existing programs with something else.

(1330)

Most hon. members would agree that changes are needed in how we help Canadian farmers compete in the world market of the 1990s. The question of what type of change has not yet been resolved.

I would like to talk about the problem of subsidies and how they relate to transportation. We know that subsidies largely do

not work. Not only do subsidies drain the public purse, they actually retard economic development.

We are fortunate in Canada to be able to learn from the mistakes of other countries like New Zealand, which had no choice but to drastically slash its farm and transportation subsidies. Between 1979 and 1983, a period of just over four years, farm subsidies in New Zealand tripled from \$440 million to \$1.2 billion per year. The former president of the Federation of New Zealand Farmers pointed out that these subsidies had inflated land prices, made it difficult for younger farmers to enter the industry, and ate up much of the value of the land.

The more the farmers received in subsidies, the more they had to pay in taxes for fertilizer, farm chemicals, machinery and transportation. The subsidies had a practical effect of limiting the choices of farmers when it came to deciding which products were the most economically viable to produce. Finally, the heavy subsidization paid for by the taxpayers of New Zealand encouraged wasteful and inefficient land and transportation practices.

The former finance minister of New Zealand, Roger Douglas, has a warning for countries with heavily subsidized agricultural sectors. He said the following:

New Zealand was able to demonstrate to the world the true effect of such subsidies, and I would say to those other countries: "The results of your policies are that your poor are poorer than they need to be; your jobless are more numerous than they need to be; your taxes are higher than they need to be; your economic performance is worse than it needs to be; and your farmers nevertheless continue to go bankrupt".

Sounds very familiar to us here.

In 1984 New Zealand ran into a debt wall. It was unable to borrow money to continue to fuel deficit programs and had to slash agricultural subsidies to almost zero. With no other choice the new New Zealand government withdrew agricultural subsidies and farm prices fell 40 per cent. The market values for some livestock fell to one-third of their original value and many farmers were driven off the land.

In spite of the hardships created by the withdrawal of subsidies, New Zealand today finds itself in an enviable position in the world market. The economic growth rate of the country will probably be about 3 per cent this year, the second strongest in the OECD. New Zealand now boasts as many farmers as it did a decade ago. Perhaps most important, farmers are free to choose what types of produce are the most economically viable.

The result of this is that New Zealand has diversified into many areas previously closed through directed subsidies and overregulation.

I believe Canada can learn a lot from the New Zealand experience. Canada is fortunate to have more time to change than New Zealand did. If we use this time to make wise decisions, Canada will be able to achieve the benefits of a

market driven agricultural economy without facing many of the hardships suffered by New Zealanders.

No matter how long we wait, Canada will still have to make the transformation from a centralized and over-subsidized farm economy to a market driven economy. If we wait too long we will not be able to assist our farmers in the transition.

One thing is clear. We have to change our policies. Three factors external to the agricultural sector are coming together to force us to change.

First, the General Agreement on Tariffs and Trade specifies that all members, Canada included, will have to modify their domestic agricultural programs to conform to a world of reduced subsidies and greater market access.

Second, there is an urgent need to keep Canada's debt from growing. Agricultural subsidization has put an enormous strain on our national resources and has had a negative effect on the industry.

Third and last, the Canadian agricultural industry needs to diversify if it is to survive.

(1335)

The subsidization programs by previous governments forced Canadian farmers to produce and export only certain crops and only in an unprocessed form. Farmers want to be able to choose which products to develop and how to transport them.

If there is a trade war in wheat but not in wheat products then it only makes sense to sell wheat products instead of wheat. In addition, these value added products will create additional jobs and will help us avoid trade disputes over grain.

Reform believes that we have to change our agricultural policies to reflect a more market oriented approach and that we should do so with the least amount of disruption possible. Whatever their failings, free markets drive efficiency. Events in New Zealand are only the latest of many examples which underscore this fact. Markets allow farmers, grain companies and carriers the freedom to choose. Change and efficiency in a market oriented system are driven by the free choices made by the market participants.

Also, it should be recognized that there are some circumstances, such as international trade disputes, that farmers cannot control. For problems like this we need to redirect the funds currently used to subsidize transportation toward a trade distortion adjustment program and crop insurance safety net system. To demonstrate how we think this can be done let me say a few words about Reform's policy on transportation.

Under the present system trains loaded with U.S. bound grain are travelling as much as 1,400 kilometres out of their way so prairie shippers can take advantage of attractive federal freight subsidies. Ironically, at the same time we are told that farmers

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stand to lose over \$200 million because there is poor grain movement.

Clearly the present grain transportation act does not encourage efficiency in the transportation system. The WGTA is a direct federal subsidy on grains and oilseeds paid to the railways. Because it encourages farmers to export grain instead of shipping it to Canadian processors, the WGTA results in the creation of provincial programs such as the Alberta Crow benefit offset program set up for the purpose of counteracting the WGTA, subsidies to balance other subsidies.

Second, the government currently subsidizes 57 per cent of the cost of shipping prairie grain by rail to various ports. This takes away any incentive for the railways to increase efficiency since they get paid anyway.

The third point is one of the most important. Under the WGTA farmers are given no incentive to diversify into higher value crops or to ship to domestic processing facilities. I can think of no better job creation program than to allow the market to create its own jobs in our dying rural areas by allowing farmers to make the decision based on cost effectiveness as to where they want to ship their farm produce.

Reform proposes that we do away with the WGTA subsidy and redirect funding to a trade distortion adjustment program to compensate exporting producers as a direct counter measure to foreign subsidies on competing products. This would force the railways to develop efficient methods of transportation and would allow farmers to choose which method of transportation is the most cost effective for them. At the same time it would encourage rural development by adding a market driven incentive to process raw goods into value added goods.

Reform also suggests the deregulation of the rail transportation system and the elimination of regional development as a goal of transportation policy. The markets are far better at creating development than the huge bureaucracy which currently exists.

Under the present system farmers can be held hostage to grain handling strikes at any time. The elimination of the WGTA and the creation of a more efficient system would allow farmers to seek alternative means of transportation if this occurred.

Let me end by saying that Canadians involved in the agricultural sector can and will compete in the changing world economy if only given the chance to take control of their involvement in the market. External factors will eventually force the necessary changes with or without our agreement.

Unlike New Zealand and other less fortunate countries, we have the chance to create a viable, self-reliant and market driven agricultural industry before we are forced to. Reform believes now is the time.

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(1340)

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Madam Speaker, I enjoyed the hon. member's speech very much. In fact the subsidies she talked about are a basic pet peeve of mine.

When they got into trouble in New Zealand, they had something they called welfare for sheep. That was the subsidy program they had. In 1984 when New Zealand had to realign its debt there was an 80 per cent write-off of equity in that country which I imagine the hon. member is well aware of.

As a poultry producer dealing under supply management at the present time in my farming operation I collect two subsidies, the farm tax rebate and the fuel tax rebate.

Since the early 1950s I have watched my industry go from producing a four pound chicken in 14 to 16 weeks to producing a four pound chicken in 37 to 41 days, a male or a female.

Under this type of system our industry has had a capital influx into research and development, R and D, which is one of the most important things in agriculture today. As a farmer I know that is true.

I am wondering what the hon. member thinks about supply management when she talks about the subsidy system from which we are not really collecting and being market responsive.

Mrs. Ablonczy: Madam Speaker, I thank the hon. member for his question. I am sure he knows a great deal more about this subject than I.

I think it is very clear given the trade agreements we are negotiating and have negotiated that supply management is no longer up for debate. It is going to be forced to be phased out by the requirements of the agreements we have negotiated with trading partners.

We have to think ahead about how we can make it easier for our producers to move into these new market realities. That could be by way of measures to ease the transition for them and to assist them in finding better ways to manage and to compete in the marketplace.

We agree with R and D. I think that R and D is one of the things this country needs and should continue to be encouraged by the government and by our tax system. We also could point out that more efficiencies have resulted as the hon. member has said. That again is proof positive we can do better when these things are managed properly.

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs): Madam Speaker, I listened with great interest as well to the hon. member's speech. I would like to remind the hon. member that Canadian grain exports were really not subsidized except through transportation until the late

1970s and to some degree in the 1960s. We responded to international pressures which created subsidies.

In terms of the figures, the subsidies for grain exports are highest in the European Community and second highest in the United States. There was one country which did not compete in subsidies. That was Argentina which is an example the hon. member did not choose, choosing New Zealand which approached this more recently.

Given the fact that the subsidization of grain exports in Canada apart from the transportation subsidy occurred after the 1980s would the hon. member have taken a different course? If we had not subsidized grain at that point, is it not quite likely that Canadian grain exports would have diminished to the level of Argentina's during that period?

Mrs. Ablonczy: Madam Speaker, I think it is fair to say that when we are fighting in an unfair competitive position where trading partners are being heavily subsidized that we must find ways to assist our own industries. That is why we welcome the recent GATT agreement which diminished these international subsidies and allowed us to compete on a more level playing field.

(1345)

At this point we are reversing that trend, as I understand it. Now the question is what we can do to make our industry more competitive in this new regime of freer and fairer trade.

Mr. Jay Hill (Prince George—Peace River): Madam Speaker, it is a pleasure for me to rise in the House today to address the subject of agriculture.

Because of my rather extensive experience and background in agriculture I have a bit of trouble when I read the motion as put forward. It talks about proactive work of the government and uses phrases and words such as co-operation, enhance, building the sector to be among the best in the world, and sustainable agriculture. Sustainable is a good catch phrase. It is one that we as farmers have heard and used ourselves for some time now. Farmers are not looking for fancy catch phrases or motions but some assurance of where we are headed from this point.

As I have said I was born and raised on a farm. As such I have had the enjoyment of learning firsthand about picking rocks on our land. I have been involved in farming virtually all my life. For many years I operated about a 3,000 acre grain farm with one of my brothers who continues our family farming tradition today.

The farm was started by my father with the help of the Veterans Land Act shortly after the second world war. My family has quite a tradition of being on the land. Something I have witnessed and something I have personally felt is what I call the farmer's love of the land. The enjoyment of actually producing from one's own efforts is the very reason so many farmers today continue to struggle against all odds every year

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when the economics of their business would dictate that in reality they should just give up and do something else, do something more profitable.

This love of the land could be equated to the similar feelings I am sure aboriginal peoples have for their traditional lands, or that foresters feel for forests, or pilots for the skies. In short, farmers are happiest when they are working on their land or working with their livestock.

Back home right now I know they have started preparing the soil and planting the 1994 crop. As I said earlier, they desperately need some assurance from the government that it intends to support those efforts with more than simply more empty rhetoric.

Over the years I have been involved in many farm organizations working on behalf of my fellow farmers. For a while I was president of the B.C. Grain Producers Association. As such I served as the director responsible for grain with the B.C. Federation of Agriculture. I have had the opportunity to witness firsthand farm programs that I would say were designed by bureaucrats for bureaucrats. By that I mean programs that have been unnecessarily cumbersome and heavy in administration, programs designed more to justify an ongoing need for government jobs than for sustaining agriculture.

The reality is that farmers are not asking for a handout. They never have and they never will. They just want to be able to earn a decent return on their investment and labour. In short they need to know if their industry will be protected from circumstances completely beyond their control.

Because farmers sell their products on the world market they are price takers, not price setters. When our competitors, namely the EEC and the U.S., choose to continue the seemingly never-ending trade war, it is our farmers who are caught in the middle.

City dwellers simply do not understand some of the sacrifices their rural cousins are called upon to make. I am speaking about the need for off-farm income. It has been well documented that in order to sustain farm operations farmers' wives are working off farm. Farmers may spend many days themselves in the wintertime away from their families just to sustain their farming operations. Also they have to make do with much lower standards of living in some cases than those of their urban neighbours.

(1350)

I am concerned that when urban people drive by and see a farmer working his fields they relate his efforts to a small businessman rather than to an industry. They should be better educated about the situation. When they see a farmer and consider the need to sustain agriculture and to assist farmers, they must look at it as a primary industry similar to forestry, oil and gas or mining rather than a small business. It is not fair to

equat farming with small business because like forestry, it is renewable.

I have always been somewhat upset when I pick up a newspaper and read about another subsidy to farmers. We have to recognize that all industries at different times, especially our natural resource industries, call upon both levels of government to support them. At different times both levels of government provide tax incentives or royalty holidays or initiate specific programs to assist major industries. As I have said, agriculture should not be viewed any differently.

Over the years there has virtually been a flood of farm programs supposedly designed to assist farms to remain sustainable. As has already been outlined, some programs have taken the form of transportation subsidies, the Crows Nest Pass rate which eventually became the Western Grain Transportation Act. There are various feed freight assistance programs and those types of things. Some have been designed to protect farmers from natural disasters, natural elements. Crop insurance is a program put in place to provide that type of protection.

There have been many others implemented to protect farmers from price fluctuations in the marketplace. The western grain stabilization program was such a program. It was proclaimed in 1976 and was eventually dissolved 15 years later in 1991. I know from personal experience on our farm that in consultations among my father, my brother and I, we chose not to participate in that program because we could see that it was not sustainable. By the way it was initially set up, it was not a good program for farmers.

As president of the B.C. grain producers I was personally involved with the special Canadian grains program that came about because of the trade war. In 1985-86 it was recognized that the WGSA was simply not addressing needs because it did not foresee how badly prices would drop.

We have moved through myriad programs over the years, and now we have come to GRIP and NISA. I am sure I could spend a lot more time than I have available today talking about all the problems that have developed with GRIP and NISA. Actually NISA is the one program that has been a relatively bright light in the darkness of government programs.

Despite all the problems with the programs that have been created in the past, we still talk about being proactive and co-operating with farm groups and farmers. The discussion seems to centre around which commodities to include in new programs on the horizon to replace GRIP and NISA.

As mentioned by my colleague earlier, Reform suggests a different route. It suggests elimination of the present farm support programs and instead the diverting of funds into basically three separate programs. The trade distortion adjustment program is an all-sector program, an all-inclusive program designed to address some of the concerns of my hon. colleague

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across the way and what is going to be facing the supply management sector and other sectors.

We talk about a program specifically designed to offset foreign intervention and foreign competition through unfair subsidies our foreign competitors might be granted that we in this country do not have. We talk about other areas. As I have said, NISA has been a relatively successful program. We talk about making it more inclusive and making it applicable to all sectors of agriculture rather than just the grain sector.

(1355)

We would continue to require crop insurance to offset the elements, the natural disasters that always occur and that farmers must be protected against. That briefly outlines my past history and what I say our government must move toward in relation to farm safety net programs.

Mr. Wayne Easter (Malpeque): Mr. Speaker, the member for Prince George—Peace River talked about the Reform agricultural policy. He also talked about the elimination of farm support programs.

Could he be a little more specific so that we on this side would have the benefit of knowing what farm support programs that are in place now he wants to eliminate? Could he give the specifics on that?

Mr. Hill (Prince George—Peace River): Mr. Speaker, I thank my hon. colleague on the other side of the House for his comments and question.

There are a number of programs. The two I specifically referred to were the gross revenue insurance program and the Net Income Stabilization Act. There is also the feed freight assistance program that we talked about. My colleague referred earlier to western grain transportation. There are a number of programs for livestock, feed development initiatives, and economic and regional development agreements. A wide range of programs are presently in place.

Rather than having all the specific programs that actually end up distorting one sector of agriculture to the detriment of another, Reform is suggesting that we should be looking at the whole farm approach to protect farmers regardless of whether they are producing chickens, grain, milk or whatnot. We have to protect all farmers in all sectors against unfair foreign practices. To do so we need to move toward all farm and all sector programs with both our trade adjustment distortion program and our new income stabilization program, which would be an enhanced NISA and applicable to all sectors instead of only the ones it currently covers.

The Speaker: It being 2 p.m., pursuant to Standing Order 30(5) the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[English]

CANADIAN MILITARY HERITAGE MUSEUM

Mrs. Jane Stewart (Brant): Mr. Speaker, this past Saturday I had the pleasure of participating in the opening of the Canadian Military Heritage Museum in the city of Brantford, Ontario.

In the words of the board members, Canada's military heritage collections are part of the history of all Canadians. The story of our military past should be understood and made meaningful to all Canadians, many of whom have had no direct experience of war or the part played by conflict in Canada's history.

The museum is a wonderful museum. It has displays of original armaments, vehicles and uniforms from Canada's earliest conflicts right to the present. Most striking are the pictures that depict Canadian men and women in the heat of battle.

I would like to congratulate those who have made the museum a reality and invite all Canadians to Brantford to share in the Canadian Military Heritage Museum.

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[Translation]

THE ENVIRONMENT

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, the green revolution launched by Horne, a copper smelting operation in Noranda, is worthy of note today since it stands as proof that a mining company can conduct its operations without polluting the environment.

The company derives no less than 15 per cent of its supplies from various recycled products. More than 150 suppliers from around the world do business with Noranda. These include such well-known companies as IBM and Kodak.

In addition to making an economic contribution, Noranda enriches the quality of life in the community by making substantial grants to local agencies.

The technology employed at the Horne smelter goes far beyond our borders. Agreements for the export of continuous smelting technology have been concluded with China, allowing the Horne smelter to make a name for itself in terms of its technology, productivity and concern for the environment.

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[English]

GRAIN TRANSPORTATION

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, the joint subcommittee of agriculture and transport has been dealing with the crisis in grain movement in Canada. The testimony of these meetings clearly demonstrates there are too many uncoordinated and overlapping government organizations attempting to control and regulate grain movement.

There is no clear authority. One organization often interferes with the actions of another. This has led to a transportation and grain handling industry which has failed miserably. This is unfair to Canadian farmers.

Reform agriculture policy has always recognized the need for a less regulated industry and the evidence supports our position. The government must back off. We must allow farmers to control the system they pay for and which exists to serve them.

It is my sincerest hope that this government will recognize the need for less government regulation and for a more market driven grain transportation industry.

* * *

MINING INDUSTRY

Mr. Benoît Serré (Timiskaming—French River): Mr. Speaker, May 14 to 20 is mining week in Ontario. The mining industry has been and continues to be the cornerstone of our economy, representing 16.2 per cent of total exports.

I wholeheartedly support the “Keep Mining in Canada” campaign and the Save Our North organization which have been actively working to keep mining alive and well in this country.

As the member of Parliament for Timiskaming—French River, as a northern Ontario MP and as a member of the natural resources committee, I have been working and will continue to work to raise the profile of our Canadian mining industry and to push for mining incentives for exploration and development in Canada, especially in northern Ontario.

On behalf of all members of this House, I wish to extend my best wishes to the mining industry, to the over 100 mining communities across Canada, and to all Canadian miners and their families for a very successful mining week.

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KILLER CARDS

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, on behalf of myself and the many constituents who have petitioned this House, I congratulate the Minister of Justice for bringing forth draft amendments to the Criminal Code and the Customs Tariff Act.

These draft amendments would restrict the sale and distribution of serial killer cards and board games. We do not need products which commercialize and glorify violent crime. There is too much violent crime as witnessed by my constituents in the village of Clifford in the senseless shooting of Joan Heimbecker.

I trust that members from all sides on the justice committee will work co-operatively to achieve the restriction of these offensive products.

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[Translation]

SOUTH AFRICA

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, May 10, 1994 is a day that will go down in the history of South Africa. The swearing-in of newly-elected President Nelson Mandela marks the beginning of a new era of growth, common vision and national reconciliation.

Having witnessed the birth of a democratic nation, I was pleased to see that the Black majority was able to express itself freely, with pride and tolerance and without fear of reprisals.

With all communities working closely together in the fields of education and government, the new South Africa will become a model to be emulated by others.

[English]

The black majority's dream has been realized through Nelson Mandela's vision for a new South Africa in which a government represents all South Africans through a spirit of co-operation and peaceful coexistence.

This era of rebirth for South Africa will set an example for all African countries to strive to offer every citizen, regardless of tribal affiliation or racial association, hope for their future generations.

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[Translation]

WOMEN REFUGEES

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, according to a study conducted by Florida State University, women and children account for between 75 per cent and 85 per cent of the world's refugees.

(1405)

However, in the past ten years, one and a half times more men than women have been admitted into Canada as refugees.

Furthermore, the refugee selection process applied at offices located abroad is also biased against women. Indeed, women living in refugee camps must demonstrate their potential to integrate the country in question. Considering that in many

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countries, women receive less formal education than men, they are less likely to satisfy admissibility criteria.

It is time that we denounce this situation on behalf of all those seeking refuge in countries that respect human rights.

* * *

[English]

YOUNG OFFENDERS ACT

Miss Deborah Grey (Beaver River): Mr. Speaker, about one hour ago in my riding of Beaver River students and staff of J.A. Williams High School in Lac La Biche joined together to offer their sympathy to families that have lost loved ones at the hands of young offenders.

They joined to form a heart with the word yes underneath it; yes to major changes in the Young Offenders Act.

They are telling us it is not just the older generation that is concerned about youth violence, they are also concerned. They are puzzled as to why the identities of all young offenders are protected. What about the rights of citizens to be informed of potential dangers in their own neighbourhood? Young people who commit criminal acts must be held responsible. All Canadians are angry and frustrated at a court system that allows young criminals to thumb their noses at the law.

I congratulate the students at J.A. Williams High School for their initiative. We should listen to them and to millions of other Canadians. They are telling us loud and clear that yes, the Young Offenders Act needs reform. The government must act now.

* * *

COMMUNICATIONS

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, the constituents of London—Middlesex believe that communication is a vital link in the development of a unified community.

In 1993 a large area of land including the village of Lambeth was annexed to the city of London. Lambeth is now part of London and as such receives most of the same services and utilities as the residents of London.

There is one exception. That is that Lambeth residents are subject to long distance telephone rates when calling surrounding communities.

The community of Lambeth has a strong social and commercial dependency with neighbouring exchanges. It does not seem fair or equitable that Lambeth residents do not receive extended area service in the same manner as other London residents.

An overwhelming number of my constituents are in support of the CRTC providing extended area service to the Lambeth telephone exchange. On their behalf I ask that the government consider this unique situation which would go a long way in improving our vital community communication links.

* * *

KILLER CARDS

Mr. David Iftody (Provencher): Mr. Speaker, I want to address the issue of serial killer cards and games.

It is particularly troubling and indeed perverse to think that someone is profiting from the depiction of such horrific murders which serve to deviously corrupt our young people and attack our basic values of respect for life.

I applaud the Minister of Justice for introducing draft legislation banning the sale of such cards and games. He is leading the way to a more decent and respectful society.

I would encourage members of the justice committee who must now work at ways to refine and strengthen the legislation to follow through with firmness and determination. Let us put an end to this new form of obscenity and hate.

* * *

GOVERNMENT SERVICES

Mr. Alex Shepherd (Durham): Mr. Speaker, I would like to address a matter of great concern to the electorate. That is the quality of service that is delivered to the taxpayers by government.

Many of our civil servants are hard working, dedicated people. However, I have discovered many incidents of poor attitude and indeed the inability to deliver personal services in many departments of government.

A recent freeze on public sector wages has been imposed on government employees. This freeze is, at the choice of the public service, being borne by the junior employees; that is to say incremental increases have been curtailed. As a consequence the freeze on mid-line management is minimal as it would only forgo modest cost of living increases.

As it is generally the more junior ranks that deal with the public, I fear that this policy will further erode motivation and reduce service. This is occurring at a time when the private sector is embracing concepts like total quality management.

I believe that it is time the public sector did the same.

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[Translation]

BILINGUALISM BONUS

Mr. Louis Plamondon (Richelieu): Mr. Speaker, the Bloc Québécois applauds the government's decision to finally comply with the Federal Court of Appeal judgment and pay a bilingualism bonus to RCMP members who occupy bilingual positions.

This puts an end to a lengthy dispute between RCMP members and their employer who, must it be reminded, had decided not to provide this bonus, supposedly "to preserve cohesion within the forces".

(1410)

If it is serious about bilingualism, the government must continue to pay bilingual bonuses inasmuch as it provides true incentive and compensation for the added complexity of bilingual positions.

Considering there is much room for improvement in the federal Public Service, particularly with regards to the use of French, the government must make sure this bonus is awarded for language skills of the highest level to provide services of the highest quality.

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[English]

REFERENDUM '94

Mr. Ted White (North Vancouver): Mr. Speaker, I am pleased to report that all aspects of Referendum '94, the world's first electronic referendum, are running on target.

An independent auditor has been appointed to ensure security of the vote and we are in the process of enumerating all North Vancouver high school students for the separate voters list for students.

MT&T Technologies has had representatives in North Vancouver training the volunteers who will handle everything from voter enumeration to getting out the vote in the period of June 15 to 20.

The decision has been made to issue separate secret voter numbers to all MPs. Yes, even the Speaker will be able to vote in this referendum on three suggested changes to the Young Offenders Act.

The time is right. The topic is right. Canadians are about to show the world how Canadian developed technology can be used to run a secure democratic referendum as easily as picking up a touch tone telephone.

The Speaker: That is probably the only vote your Speaker is going to get in this Parliament.

* * *

CRIME PREVENTION

Mrs. Sue Barnes (London West): Mr. Speaker, today there is widespread concern that our communities are being threatened by youth crime. We should however, divorce perception from reality.

First, we must remember that most youths are law abiding, hard working young people. It is important to recognize that 60 per cent of crimes committed by young people are property crimes. Also, of all violent crimes reported in Canada 86 per cent are committed by adults, not youths.

The Minister of Justice will shortly introduce legislation that will propose specific changes to the Young Offenders Act. Canadians will also be heard by a committee when the legislation undergoes a thorough 10-year review.

The protection of society cannot be achieved solely by amending legislation. It is crucial that we adopt a multi-disciplinary approach to combat the underlying causes of youth crime.

Crime prevention is an important area where our communities can share this responsibility. We must not forget that the home is where most attitudes are first developed.

* * *

[Translation]

INFRASTRUCTURES

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I rise today to call the attention of the hon. members of this House to another action taken by our government to stimulate the Canadian economy.

Yesterday, in a joint announcement with the Quebec government, the Minister of National Heritage announced the extension of the Gaz Métropolitain natural gas pipeline in five regions of Quebec.

The \$34 million investment will be part of the Canada-Quebec deal signed under the infrastructure program, a program designed as a cornerstone of our commitment to put Canadians back to work immediately.

This announcement is solid proof that this program is working. The Gaz Métropolitain project will result in 1,820 jobs being created in the Lac-Saint-Jean, Abitibi, Mauricie-Bois-Francs, Laurentian and Estrie regions, which correspond to Bloc Québécois ridings.

Furthermore, the Gaz Métropolitain pipeline extension will pump \$125 million—

Oral Questions

[English]

SOUTH AFRICA

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, today is a historic day for the people of South Africa and indeed for the world.

We join in celebrating the end of the evil system of apartheid, the election of the first democratic Parliament, an election I had the privilege of observing, and the inauguration of Nelson Mandela as president.

Let us also remember the thousands who have faced exile and death on the long road to freedom, people like Stephen Biko whose grave and family I visited.

Let us pay tribute to all those Canadians who have worked in solidarity with the black majority in South Africa to help make this great day possible.

Most important, let us resolve to do everything in our power to support the new government of South Africa as it seeks to overcome apartheid's legacy and bring jobs, homes, land and peace to that beautiful land.

(1415)

[Translation]

As Archbishop Desmond Tutu said: "This is a day of liberation for us all, Blacks and Whites together". *Amandla!*

* * *

[English]

CAPITAL PUNISHMENT

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, three people were cruelly murdered in 1992 in a restaurant in the constituency of Cape Breton—The Sydneys.

When the member for that area was presented with a petition demanding the return of capital punishment signed by 60,000 people, his response was: "We'll give it serious consideration when bills are being drafted".

There are only 66,000 people—

Mr. Boudria: Order, order.

Mr. Goodale: Remember the rules.

The Speaker: Order.

ORAL QUESTION PERIOD

[Translation]

FOREIGN AFFAIRS

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Foreign Affairs.

Yesterday, after condemning the UN's decision to withdraw its peacekeepers from Rwanda, the minister said that in fact reinforcements should be sent to that country. However, on May 5, the Deputy Prime Minister, who disagreed with the minister, said that she refused to consider the feasibility of sending reinforcements and acting on the request made by the UN Secretary General.

In the case of Haiti, yesterday the minister seemed to support the U.S. proposal to send a UN force, although on May 4 in the House, the minister rejected out of hand the possibility of armed intervention.

My question is this: How does the minister explain this about-face by the government, this change of policy in its approach to the events in Rwanda and Haiti, and are we to understand that in the case of Rwanda, Canada not only supports the secretary general's request for additional peacekeepers but intends to participate personally?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I can inform the Leader of the Opposition there has been no change in policy. The Leader of the Opposition may want to see an element of contradiction, but I think it is a case of wishful thinking on his part.

Both in Rwanda and Haiti, the Government of Canada is pursuing very specific objectives: to persuade the parties to stop killing each other, and to support all humanitarian efforts to help the people in those areas. And in the second case, to bring Jean-Bertrand Aristide, the president in exile, back to Haiti. In both cases, anything we can do in co-operation with our partners and allies will be in line with the government's objectives.

We may have to fine-tune our approach in the weeks to come, but the objectives remain the same, and there has been no change in policy on the part of the government.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I would be more inclined to use the word "zigzagging" instead of fine-tuning in referring to the government's foreign policy.

I want to ask the minister, who is now mentioning the possibility of armed intervention in Haiti, why on May 4 he said in this House, and I quote: "Canada did not contemplate the possibility of an armed intervention, as we are convinced that stiffer economic sanctions would overcome the military junta"?

What made the government change its mind so that it could now consider sending in the troops instead of maintaining an economic embargo?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I may remind the hon. member that there have been quite a few zigzags in his political career. All things considered, I think—

Some hon. members: Oh, oh!

Some hon. members: Hear, hear.

Oral Questions

Mr. Chrétien (Saint-Maurice): Jacques Parizeau now has a wait and see attitude: The wait-and-see attitude is back.

Mr. Ouellet: He may call this zigzagging, but I can assure him that the Government of Canada is prepared to do whatever zigzagging it takes to get President Aristide back to his country. With our allies, and more specifically with Haiti's friends, we are pursuing a series of measures to convince the Haitian military that they cannot usurp the government, they cannot keep depriving the people of a democratic government, and that we will continue our efforts, first of all with measures we feel are effective, in other words, a total embargo, to bring back President Aristide.

(1420)

If this approach is not successful, we will consider the next alternative. For the time being, we have not changed our position, and we continue to believe that total sanctions will be successful as a way to take power away from the military in that country.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, after asking the Minister of Foreign Affairs about his government's position on international issues, I was somewhat surprised to see him stoop to domestic squabbling. We can assume that the minister who is responsible for the lofty domain of international affairs is never far removed from his partisan concerns.

Does this fine-tuning—to borrow a euphemism from the minister—of the government's approach to foreign affairs mean that Canada has not obtained all the guarantees expected from the Dominican Republic with respect to compliance with the economic embargo and that consequently, the minister is now going back to the American proposal because the total embargo contemplated by the minister is doomed to fail?

[English]

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I want to say to the Leader of the Opposition that in our discussions yesterday with the U.S. ambassador to the UN, we reviewed a series of initiatives that have been taken in order to make sure that President Aristide returns to Haiti.

It is quite clear that if we want to follow the agreement of Governors Island, at some point there will have to be the return of police forces to assist in re-establishing democracy in Haiti.

I suspect that the hon. member is misinterpreting when he talks about forces. We are not talking about military forces. We are talking about police forces that should go back to Haiti. I draw this to his attention.

Clearly our objective is to implement the Governors Island agreement. Canada is fully supportive of this. We have been in the forefront in making sure that sanctions are applied and that total sanctions are imposed by the UN. We are quite pleased that

diplomacy and our representations now have the full support of the American government.

* * *

*[Translation]***MIL DAVIE SHIPYARD**

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, my question is for the Prime Minister. In mid-June, the second to last frigate will be completed and 700 workers will be laid off at MIL Davie. In November, the frigate program will end and there will only be 80 employees left, who will maintain the shipyard. At best, if the Magdalen Islands ferry is built, construction would begin in February 1995 at the earliest. The government has everything it needs to make a decision, including MIL Davie's business plan.

Is the Prime Minister aware that his government's inexplicable slowness in making a decision on the islands ferry and the "smart" ship is doing serious harm to the Lauzon shipyard and making thousands of workers who are waiting for a decision lose all hope?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, as announced in the House this week, MIL Davie's business plan was filed only last week.

The hon. member rightly says that everyone is concerned about the future of the MIL Davie shipyard, but surely building the ferry for the run between Prince Edward Island and the Magdalen Islands will not be enough to keep MIL Davie going.

I wish to assure my colleague that the Government of Canada is trying to co-operate on this issue, but besides the recovery program for MIL Davie based on its business plan, financing would have to be found both for the ferry and for the "smart" ship. We are all concerned with this issue and we are trying to work as quickly as possible.

Nevertheless, we should point out that the financial plan was submitted only last week, as an opposition member indicated earlier this week.

(1425)

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, could the Prime Minister tell us how many more people will have to be laid off before the government makes a decision on construction of the ferry at MIL Davie?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, nobody wants to see shipyard workers laid off. Practically all Canadians across the country know what happened in the shipbuilding industry in British Columbia, Newfoundland, Nova Scotia, New Brunswick and Quebec. We know full well that we must try to maintain an industry that is important to Quebec and Canada.

However, in a project such as this, we must ensure that not only is the business plan tabled, but also that the financial

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statements are in order, and that shipbuilding has a viable future not only for the shipyard but especially for the workers.

We are all working on this. We met with Quebec ministers. We are now trying to find the financial resources needed to arrive at the solution that I am sure my hon. colleague would like to see as soon as possible.

* * *

[English]

YOUNG OFFENDERS ACT

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Prime Minister.

On Mother's Day a number of us attended justice rallies in Edmonton and Calgary. These were held to commemorate the deaths of Barb Danelesko, the young Edmonton mother who was murdered in her home by young offenders, and to demand action to reform the justice system and address the roots of crime.

While the government has assured Canadians it is studying these problems and working on amendments to relevant legislation, the public is crying out for action now.

Is there not some element of the government's criminal justice reform package that it could bring forward now for passage before the summer recess, at least as a symbol that the government is capable of acting swiftly on this major public concern?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, as I said in the House yesterday, we propose to bring forward specific legislation, particularly in relation to the Young Offenders Act but also dealing more broadly with the question of sentencing under the Criminal Code.

We propose also to announce the creation, the structure and the composition of a national crime prevention council within the weeks to come. Before the House rises in June, it will have before it legislation with respect to specific changes in the Young Offenders Act and sentencing as well as particulars of the crime prevention council.

I cannot tell the hon. member that this legislation will be enacted by the end of June. I can say in response that we will have concrete proposals before the House and that is in keeping with the commitments we have made throughout the session.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I appreciate the minister's answer. We have heard this and the timetable before.

There must be something in that package, a change to the age of application to the Young Offender's Act, perhaps a change in the accountability of the parole board, something that the government could bring forward expeditiously and get passed to recognize the public's demand for swift action.

My supplementary question is this. How is it that when the government wants to act swiftly to undo certain acts of the previous government, like cancel the helicopter and Pearson airport deals, it can act overnight? How is it when it wants to ram a bill on redistribution of politicians' seats through Parliament it can use closure to expedite that? Why will the government not act with the same urgency and swiftness when the lives and property of Canadians are at stake?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, may I say two things in response?

First of all, the process of criminal justice reform is an area of law that uniquely engages the interests of the provinces, for they pay for much of it in terms of administration, particularly with young offenders. It seemed to the government that it was appropriate, indeed necessary, at the end of March when we convened a meeting with our provincial and territorial counterparts, to solicit their views with respect to the proposals we had. As a result of that consultation there are changes in the proposals we will be bringing forward.

(1430)

The second and equally important answer that I proffer to the hon. member is this. One must not think that the problems of crime and violence in this society are going to be dealt with by specific amendments to this or that piece of legislation. That will help and we are going to do it. But what is really going to be required if we are going to make a significant difference in the safety of communities in this country is a longer term approach toward crime prevention.

The hon. member ought not to think that just changing a statute is going to get that job done.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the Canadian public is not stupid. If these types of answers had been advanced at these public rallies, that nothing can be done because of the complexity of federal-provincial relations or nothing can be done because the cause lies deep and far behind, the minister would have been booed off the stage.

My supplementary question is for the Solicitor General.

We understand that the prairie vice-chairman of the National Parole Board says he wants an apology for inaccurate accusations of his involvement in the release of convicted murderers.

What is the government's policy on officially apologizing to victims and citizens for the failures of the National Parole Board and is not this something that the government could do swiftly and expeditiously?

Oral Questions

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, this government wants to do more than apologize for omissions of the previous government. It wants to bring forward legislation very soon to modernize and improve the parole and corrections system so that the concerns of the public in that regard will be answered to in a concrete way.

I hope that we will have the support of the Reform Party when we bring forward this legislation because it is action people want, not just words.

* * *

[*Translation*]

HEPATITIS C

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Health. This morning, we learned that close to 140,000 Canadians might be carrying the hepatitis C virus, several of them through blood transfusions without knowing it. After the contaminated blood scandal, this new problem again raises the issue of public health and safety in the context of blood transfusions.

Does the minister agree with the head of the federal office regulating blood products, who says that it is pointless to try to track down those who received contaminated blood transfusions and now carry the hepatitis C virus, because no vaccine or preventive treatment exist? Does the minister share that opinion?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, as you know, Canada's blood collecting system is recognized as one of the best in the world. It goes without saying that there will always be problems. Right now, the commission headed by Mr. Krever is looking at blood contamination problems to ensure that Canadians enjoy the best possible protection for their health. We are anxiously waiting the commission's report.

Mrs. Pauline Picard (Drummond): Mr. Speaker, does the minister not realize that her primary obligation is to intervene as minister responsible for public health? Will she order an inquiry into the circumstances surrounding this new contaminated blood problem, and will she demand that the Red Cross contact all those who may have been contaminated?

[*English*]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, blood transfusions, like any other medical procedures, are relatively safe but there are never 100 per cent guarantees.

Hepatitis C infection is certainly a case in point. We are continuing to monitor the progress. We know that the Canadian Red Cross has brought in testing of donors and has made considerable progress.

(1435)

As always, there are new threats and we must deal with them as efficiently and effectively as possible. We believe that Justice Krever in his report will address some of these very serious issues.

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CORRECTIONAL SERVICE CANADA

Mr. Randy White (Fraser Valley West): Mr. Speaker, last Tuesday two federal prisoners walked away from the Ferndale minimum security institution in Mission, British Columbia. When they escaped the press release issued by Correctional Service Canada stated that the two escapees were considered low risk.

On Friday these two low risk offenders were arrested in Oregon after robbing a store at gunpoint. When these two low risk offenders were arrested they were driving a stolen car of a man who was found strangled to death in his apartment and guess what, these two low risk offenders are suspects in the murder.

What guarantees can the minister give this House that there are not other such low risk offenders in Canada's minimum security prisons?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the Commissioner of Corrections has just announced the setting up of a national inquiry into this whole situation. I am asking him to review this as a matter of urgency because protection of the public has to be our priority.

That is what I think the public wants whether the people in question are in a maximum security institution or a minimum security institution.

Mr. Randy White (Fraser Valley West): Mr. Speaker, I suppose the national inquiry might get at it in the long run but we want to talk about crime prevention in the House.

One of these low risk offenders was Michael Kelly Roberts. The criminal record of this low risk offender includes a 25-year sentence for attempted murder of a police officer and a life sentence for the murder of a fellow inmate. In 1988 he walked away from a minimum security prison as well and was on the loose for two years.

How could anyone, let alone a professional in Correctional Service Canada, mistake Roberts as a low risk offender and what action will be taken against the men who made this ridiculous decision?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, this is something I want to review urgently with the Commissioner of Corrections in view of what I think should be our priority and that is protection of the public.

Oral Questions

The point made by the hon. member is an important one and I will insist that the Commissioner of Corrections take it aboard.

* * *

[Translation]

PHARMACEUTICAL PRODUCTS

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, my question is for the Minister of Health.

On April 27, in answer to a question put to her by the Official Opposition, the minister stated that, before issuing a notice of compliance, her department must ensure that the medication is efficient and safe for the people of Canada.

Since BioVac has been waiting 22 months to obtain approval for its BCG cancer vaccine, are we to understand, from the answer provided by the minister, that the Department of Health does not consider the vaccine an acceptable drug to be marketed?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, as I said on April 27, we have to follow a process, whereby the Department of Health along with its researchers and scientists must ensure that the medication they are about to approve will serve its purpose.

The 22-month delay may have been due to the great number of drugs we have to examine. As you know, we have a deficit and debt problem. We receive a lot of submissions for new drugs. As the list gets longer and longer, so do the delays.

There is no reason why the medication should not be approved shortly.

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, I have a supplementary question.

Does the minister not realize that her department's failure to follow up on BioVac's submission is, in fact, very harmful to this Quebec company, all the more so since its Toronto competitor had a similar medication approved a lot faster?

(1440)

[English]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, let me assure the hon. member that in all cases we are extremely efficient at doing our work at Health Canada.

At no time do we wish to jeopardize the lives of Canadians. At no time will we allow ourselves to not do our work properly because we have been lobbied by one company or another. I speak for Health Canada from the day I took over on November 4.

HAITI

Mr. Bob Mills (Red Deer): Mr. Speaker, yesterday the Minister of Foreign Affairs in consultation with the U.S. Ambassador to the United Nations discussed the reconstituted UN peacekeeping mission to Haiti.

Trade sanctions have not worked in the past partly because of the uncontrolled border between Haiti and the Dominican Republic. Can the minister inform the House whether Canada will send peacekeepers to either the Haitian border to enforce UN trade sanctions or to uphold democracy after Mr. Aristide returns to power?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, as you know, the United Nations passed a resolution to impose a first set of sanctions against the military regime in Haiti. It has a period of time to comply and if it does not comply, full sanctions will be imposed against Haiti.

In the meantime diplomatic efforts are being made in order to obtain the co-operation of the Dominican Republic in order to ensure that the border is totally closed so that the military is not receiving products that it should not get because of the sanctions.

We have every reason to believe that the Dominican Republic is going to co-operate and adhere to the UN sanctions.

Mr. Bob Mills (Red Deer): Mr. Speaker, it is to be hoped that can happen. It has not in the past.

We have had a great many debates on international peacekeeping in this place. Can the Minister of Foreign Affairs explain the specific criteria that he will now utilize to determine whether Canada should provide peacekeepers especially to a place like Haiti? How does the safety of our peacekeepers factor into this decision?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I want to remind the hon. member that according to the Governors Island agreement, under the United Nations a mission of police officers was supposed to be sent to Haiti to assist the Haitian authorities in forming a police corps that could complement the work of the government in ensuring a stable democratic government in counterbalance to the influence of the military forces.

It is in this spirit of the Governors Island agreement that Canada has agreed to send RCMP officers to take part in this operation. Indeed, we will honour our commitment in this regard whenever the forces return.

We have not talked about sending military forces and this is not an option that we are considering at the moment.

*Oral Questions**[Translation]***TAXATION**

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, my question is for the Minister of Finance. In a report tabled in this House in November 1989 concerning the GST, the Liberals, then in opposition, said that if the government really wanted to protect the poor against inflation by adjusting the credits and the thresholds, it should fully index the protection given to the poorest right from the beginning.

Now that his party is in power, and no matter which tax replaces the GST, is the Minister of Finance still of the opinion that the tax credit mechanism for the poor should be fully indexed?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development (Quebec)): Mr. Speaker, as you know, the Standing Committee on Finance is currently studying the GST, and the member knows this full well. It is certainly a very far-reaching reform of the tax situation. I feel that we will have to wait for the report.

(1445)

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, I repeat my question to the Minister of Finance. Whatever the tax that will replace the GST, does the Minister of Finance still believe that the tax credit system to protect those with low incomes will be fully indexed?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the position of our party, that is, the need to protect those with low incomes is very clear in all our policies. It is very clear in the position of the Minister of Human Resources Development. It is very clear in our desire to create jobs and it will be very clear in our job creation program, to truly protect low income Canadians.

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*[English]***NATIONAL DEFENCE**

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, my question is for the Minister of National Defence.

In its recent study the Canada 21 Council refers to the reconfigured armed forces. It would suggest a new and distinctly Canadian structure for Canada's army.

Does the minister see a revitalized reserve force in Canada's military, or what role does he envisage for Canada's reserves? If there is a new role for the reserves when will it be announced to the public?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the hon. member knows that a joint committee of the House and Senate is studying defence policy at the moment. Certainly any recommendations it has with respect to force structure will be greatly received by the government.

The reserves have provided an integral part of Canada's armed forces for many years. In fact in Bosnia in the last rotation 20 per cent of those serving were reservists. We want to encourage that tradition remaining within the armed forces. To what degree I am not sure; it depends on the advice I get from my colleagues. At the moment we have about 30,000 and whether or not that is raised or lowered depends on the defence review.

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MINISTERIAL TRAVEL

Miss Deborah Grey (Beaver River): Mr. Speaker, my question is for the Prime Minister.

Yesterday the Prime Minister admitted that his cabinet ministers are using private chartered aircraft as well as the Challengers. Now we have a bizarre situation in which taxpayers are being gouged twice for ministerial travel. On the one hand they have to pay for the purchase and maintenance of the Challengers. At the same time they now have to pay for private chartered aircraft as well.

When is the Prime Minister going to put an end to this double dipping at the taxpayers' expense?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I am sorry I was not here yesterday to answer the hon. member's question which was based on a faulty premise.

[Translation]

I am surprised that she watched "Le Téléjournal" and "Le Point", when I gave an interview, given the attitude of her party on bilingualism. It is a great surprise to me that she understood the French I was speaking that evening.

[English]

I want to say to the hon. member that yesterday the Prime Minister made no such admission in question period. Certainly the remarks I gave in that interview were entirely out of context.

Miss Deborah Grey (Beaver River): Mr. Speaker, I suspect that in English yes means the same as oui en français, with the exact script we have in our hands.

My supplementary question is for the minister. Yesterday we did realize DND and the minister must give approval for ministerial travel. It seems very unfortunate we are looking at a situation where at least the perception is that people are having to pay twice. The Reform Party is asking that the government save tax dollars by using charter aircraft or rented aircraft.

Oral Questions

I ask the minister to say either yes or no, oui or non. Are they using private aircraft and, if that is the case, would they accept the Reform Party's suggestion in its entirety that the Challengers be sold—

The Speaker: Could the hon. member please be precise and put her question now.

Miss Grey: I will put my question now. Will the government sell the Challengers now and have cabinet ministers travel by commercial flights when possible and only by charter when necessary?

(1450)

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, first I should like to say that I have no specific knowledge of any chartered flights taken by any of my colleagues.

Again, the hon. member should have looked at the entire review. Had she been there when I did the entire 20-minute taping she certainly would not have got that impression. I would like to ask her a question.

Some hon. members: Oh, oh.

Mr. Collenette: Mr. Speaker, what is good for the goose is good for the gander. This morning in the *Globe and Mail*—

The Speaker: Order. We will go on to the next member.

* * *

[*Translation*]

IMMIGRATION

Mrs. Christiane Gagnon (Québec): Mr. Speaker, my question is for the Minister of Citizenship and Immigration. Several immigrant aid organizations deplore the current sponsorship provisions of the Immigration Act that can lead to abuse from the sponsor, usually the spouse. It appears that immigration officers leave women and children at the mercy of violent family members and under the threat of sponsorship withdrawal.

In cases where violence and sponsorship withdrawal threats are involved, what measures does the minister intend to take to give the victim a recourse other than ministerial discretion, if she is not eligible for permanent resident status?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I thank the hon. member for her question. It is an issue that our officials have been studying for four months.

[*English*]

We have an internal task force looking at sponsorship breakdown, the fact that some people fraudulently break their con-

tract with this country. I think we should look very carefully and very toughly at those individuals.

Second, there are those individuals in Canada who, through no fault of their own, have been hit by the economic impact and are thus not in a position to sponsor those individuals.

There is a third category that is growing of individuals who, under the threat of going to the government and pulling the sponsorships, are physically violating women. That is under active consideration.

We have engaged the provinces so that we can come up with a package that is not only tough with those who break the law but sensitive to those individuals who through no fault of their own find themselves in impossible situations.

[*Translation*]

Mrs. Christiane Gagnon (Québec): Mr. Speaker, is the minister aware that some immigrant women sponsored by their spouses are extremely vulnerable and does he not believe that they should be better protected than they are now?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, yes, the government is sensitive to that. We should also say with some degree of pride that our country is the only country that has offered gender persecution guidelines within the IRB. It is the only country in the world. During my discussion with the United Nations High Commissioner for Refugees I learned that they are now in the process of trying to export those gender persecution guidelines around the world.

In the international context we have also raised the reality of there being some 20 million refugees around the world, the majority of whom are women and young children. Regrettably the majority of refugees selected from camps are men. We have spoken about that publicly. We need to redress some realities that have stared the world in the face for far too long.

* * *

THE ECONOMY

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, my question is for the Minister of Finance.

Today the bank increased its lending rate by 34 basis points to what is now 6.61 per cent. When the present Minister of Finance was in opposition he often insisted on the lowering of interest rates because high rates retard economic growth, reduce employment and tax revenue. We know that they also raise the cost of servicing the debt. The two effects combined will result in a larger deficit.

(1455)

Will the minister now consider further spending cuts that he knows are the only way to prevent increasing the deficit and the

possible disastrous dumping of Canadian bonds by investors, which in turn will lead to even higher interest rates?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, as the hon. member knows, at the time we brought in the budget it was one of a very few times if not the first time a government set in place contingency reserves in order to meet unexpected matters.

The member also knows that these contingency reserves, growth in employment and a number of other things arising out of confidence as a result of the activities of the government have given us better economic indicators in almost everything else. We are on target and there is no further need for a minibudget.

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, a leading bank just published a report saying that if the interest rate remains one and a half percentage points above that predicted it will in fact wipe out the contingency reserve. Furthermore the contingency reserve is in the budget as spending and the deficit will be increased by this continuation.

What criteria will the minister use in deciding that interest rates have risen such that he has to act, that he has to make new spending cuts?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the hon. member knows that any comments—he did this in the preamble to his first question—I made in terms of interest rates were made when I was a member of the opposition. It is not incumbent upon the Minister of Finance to make comments about interest rates. May I say, therefore, that I look forward to the member making continuing comments about interest rates for many years to come.

The fact is that in our budget we provided for substantial spending cuts arising out of structural reforms which are very important to make the economy work. Those structural reforms are in place and are working. We are also delighted to see that our budget is being brought on course and kept on course by high unemployment—by low unemployment insurance benefits.

Some hon. members: Oh, oh.

Mr. Martin (LaSalle—Émard) Oh, benefits. They have to understand that unemployment insurance benefits is a phrase. I know it is hard for the opposition to grasp a whole phrase at one time.

At the same time there is confidence in Canadians. That is what is going to turn the situation around.

Oral Questions

JUSTICE

Mr. Morris Bodnar (Saskatoon—Dundurn): Mr. Speaker, my question is for the Minister of Justice.

Members of the public have shown concern for the need for blood testing of sexual offenders to determine if they are HIV positive or to determine whether they carry a transmittable venereal disease.

What if anything is being done in this area to detect such diseases and to prevent the spread of such diseases to victims?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I met last Friday in my office with a woman known publicly as Margo B., a victim of sexual violence, who discussed this matter with me from a powerfully personal perspective.

I want the House to know that I expressed to Margo B. on that occasion my admiration for the courage with which she has drawn public attention to this important question.

I want the House to know as well that I told Margo B. that we are considering the question. We recognize its complexity. It raises criminal law as well as health and constitutional issues. We have it under consideration. Indeed I told her that an interdepartmental report we received recently recommended against compulsory HIV testing in such circumstances but that I did not consider that the end of the matter.

Finally I told her then, as I tell the House now, that I expect the Department of Justice will be in a position to make its recommendation to the government in this connection by about September of this year so that we can get the matter before the public for discussion at that time.

* * *

[*Translation*]

SENIORS

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, my question is for the minister responsible for seniors.

The federal government is getting ready to introduce a centralized telephone system which uses voice mail to answer all inquiries about government programs from senior citizens.

In future, all inquiries from seniors will be routed to a telephone exchange in Montreal.

Given the special needs of seniors and persons with disabilities, will the Prime Minister recognize that the widespread use of so-called voice boxes in dealing with clients such as these is totally inappropriate?

Government Orders

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I disagree completely with the statements made by the hon. member and by the president of the union.

On the contrary, our proposal calls for highly personalized and speedy services. For example, clients wishing to speak to someone in person will receive a response in half a day, instead of seven; those wishing to obtain pension information will receive a reply in one day, instead of thirteen; the response time in the case of appeals involving seniors will be reduced from eight weeks to one day.

Certainly our government has made it a priority to provide less costly, more efficient, and more humane services to seniors. This is not what the hon. member would have us believe.

* * *

[English]

FISHERIES

Mr. John Duncan (North Island—Powell River): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

Today the minister tabled legislation to deal with the east coast fisheries disaster. We want to avoid a similar catastrophe in the west coast fishery. Local media reports in my west coast riding indicate that DFO is reducing—

The Speaker: Order. Will the hon. member please put his question.

Mr. Duncan: Will the minister tell the House that already scarce west coast DFO enforcement and management programs will continue and that diversion of funds to the aboriginal fishing strategy will cease?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, indeed the member is right. As was promised by the Prime Minister, we tabled legislation today to deal with foreign overfishing. Another red book commitment has been kept.

Let me say as well, because it is important to note it, that the legislation is not partisan in nature. It has received the support of the Leader of the Official Opposition and his party. I want to acknowledge the support of the leader of the Reform Party and his party, the support of the New Democratic Party, and I understand the support of the Conservative Party.

We will give the same kind of attention to the problem of fishing and overfishing on Canada's west coast that the House of Commons, united, has given to the problem of overfishing on the east coast. This is one case where the country speaks as one in the interest of Canadian citizens.

PRESENCE IN THE GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of His Excellency Costas Patrides, Minister of Agriculture, Natural Resources and the Environment for Cyprus.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

[English]

PEARSON INTERNATIONAL AIRPORT AGREEMENTS ACT

The House resumed from May 9 consideration of the motion that Bill C-22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport, be read the second time and referred to a committee; and of the amendment.

The Speaker: It being 3 p.m., pursuant to Standing Order 45(5)(a), the House will now proceed to the taking of the deferred division on the amendment.

Call in the members.

(The House divided on the amendment, which was negated on the following division:)

(Division No. 38)

YEAS

Members

Abbott	Ablonczy
Asselin	Bachand
Bellehumeur	Benoit
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Bouchard	Breitkreuz (Yorkton—Melville)
Bridgman	Brien
Brown (Calgary Southeast)	Bélisle
Canuel	Caron
Chatters	Chrétien (Frontenac)
Cummins	Dalphond—Guiral
Debien	de Savoye
Deshaies	Dubé
Duceppe	Dumas
Duncan	Épp
Fillion	Forseth
Gagnon (Québec)	Gauthier (Roberval)
Gilmour	Grey (Beaver River)
Guay	Guimond
Harper (Calgary West)	Harper (Simcoe Centre)
Hayes	Hill (MacLeod)
Hill (Prince George—Peace River)	Jennings
Kerpan	Lalonde
Landry	Langlois
Laurin	Lavigne (Beauharnois—Salaberry)
Lebel	Leblanc (Longueuil)
Lefebvre	Leroux (Richmond—Wolfe)
Loubier	Manning
Marchand	Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)	Meredith
Mills (Red Deer)	Morrison
Ménard	Nunez
Paré	Picard (Drummond)
Plamondon	Pomerleau
Ramsay	Ringma
Sauvageau	Scott (Skeena)
Silye	Solberg
Speaker	St-Laurent
Stinson	Strahl

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Tremblay (Rimouski—Témiscouata)
Venne
White (North Vancouver)—81

Tremblay (Rosemont)
White (Fraser Valley West)

NAYS

Members

Adams
Assadourian
Bakopanos
Beaumier
Berger
Bethel
Blaikie
Bodnar
Boudria
Bryden
Caccia
Campbell
Catterall
Chan
Clancy
Collenette
Crawford
DeVillers
Dingwall
Dromisky
Dupuy
Eggleton
Finestone
Flis
Fry
Gagliano
Galloway
Gerrard
Goodale
Gray (Windsor West)
Harper (Churchill)
Hubbard
Iftody
Jackson
Keyes
Knutson
Lastewka
LeBlanc (Cape Breton Highlands—Canso)
Lincoln
MacLaren (Etobicoke North)
Marchi
Martin (LaSalle—Émaré)
McCormick
McTeague
Milliken
Minna
Murphy
Nault
O'Reilly
Pagtakhan
Patry
Peters
Phinney
Reed
Rideout
Ringuette—Maltais
Rock
Serré
Sheridan
Skoke
Stewart (Brant)
Taylor
Tobin
Ur
Vanclief
Walker
Whelan
Young

Arseneault
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Bernier (Beauce)
Bevilacqua
Blondin—Andrew
Bonin
Brushett
Bélair
Calder
Cannis
Chamberlain
Chrétien (Saint-Maurice)
Cohen
Cowling
Culbert
Dhaliwal
Discepola
Duhamel
Easter
English
Finlay
Fontana
Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gauthier (Ottawa—Vanier)
Godfrey
Graham
Guarnieri
Harvard
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint-Paul)
Lee
Loney
Maloney
Marleau
Massé
McLellan (Edmonton Northwest)
McWhinney
Mills (Broadview—Greenwood)
Mitchell
Murray
O'Brien
Ouellet
Parrish
Payne
Peterson
Pillitteri
Regan
Riis
Robichaud
Scott (Fredericton—York—Sunbury)
Shepherd
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PAIRED—MEMBERS

Members

Alcock
Bergeron
Copps
Davialt
Jacob
MacAulay
Mercier
Péloquin
Rompkey

Augustine
Bertrand
Crête
Godin
Leroux (Richmond—Wolfe)
Manley
O'Reilly
Rocheleau
Stewart (Northumberland)

(1525)

The Speaker: I declare the amendment lost.

Mr. Comuzzi: I rise on a point of order, Mr. Speaker. I apologize for being delayed. I was wondering if you would allow me to cast my vote on the government side.

The Speaker: Is there unanimous consent?

Some hon. members: No.

* * *

(1530)

AGRICULTURE

The House resumed consideration of the motion.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Mr. Speaker, first I would like to say what a privilege it is to have the opportunity to take part in the debate today. I feel very honoured to be able to work with the Department of Agriculture and Agri-food, a department that has such a real impact on the lives of Canadians.

The agriculture and agri-food portfolio is one that affects us all to probably a greater extent than many others, although different departments in the federal government affect our lives each and every day. However, agriculture and agri-food is one that contributes to economic growth and job creation, international competitiveness, market development and domestic prosperity. Fundamentally and most importantly it is one of the major players and is responsible for providing and ensuring a healthy and safe food supply for Canadians.

I also feel very fortunate to work with the present Minister of Agriculture and Agri-food as parliamentary secretary. I enjoy very much working in co-operation with him, in facing and meeting the challenges head on that are coming to the industry today, seemingly at a faster rate than they ever have before.

The agriculture industry is one that changes very rapidly. It always has and quite frankly probably always will. It is an industry that is made up of individuals, whether primary producers or processors or anyone else in the very large agri-food chain. It is made up of people who are very resilient and very determined to be successful. They are efficient producers,

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efficient players and holders of the links in that chain. It is also a pleasure to work with them.

We know that Canadians feel very strongly about the agri-food industry and even passionately about food. When we are on a holiday or on weekends or a dinner at home with our family some of the strongest memories we have are about food. It is said that the way to a person's heart is through their stomach. We in Canada have to stop more often than we do and remind ourselves how fortunate we are as Canadians to have the food system we have.

I want to remind members and anyone who might be watching about the importance and the value the agri-food industry plays in providing Canadians with the safest and most reasonably priced food of any country in the world. Once in a while we see an analysis that states the country south of us spends a slightly smaller percentage of their disposable income on food consumed at home. Basically we are neck in neck with them.

On average Canadians spend about 10 or 11 per cent of their disposable income on food. When that is compared with some other countries in the world where it is two, three and four times higher and when you consider that the food provided to all Canadians is without question the best and the safest in the world, we are doing a pretty good job. Canadians are getting an incredibly good return on their investment and their food dollar. Not only does the agri-food industry provide the food on our plates but it also plays a major role in the balance of trade.

(1535)

About 8 per cent of the products that we export in total are agri-food products, whether in bulk or further processed products, to the tune of about \$13.5 billion. The agri-food industry from the primary producer right through to the restaurant and food service industry employs about 15 per cent of the population, about 1.6 million or 1.7 million Canadians. It is no small player.

The agri-food industry plays a major role in the sustainability of our environment and is being asked to play a more major role. It is certainly willing to play a more major role and to take responsibility for soil and water conservation. Last but not least the industry plays a major role in the social fibre and fabric of the nation. I could go back through all of these and outline areas where the government is very active.

This morning the member for Québec-Est brought up a number of issues that he thought needed to be discussed, but I want to remind him that he did not bring up one issue that the present government is not already addressing.

One of the other speakers from the opposition made the comment that they had an opposition day on agriculture last week. They tried to claim that they beat us to the punch. I would

remind the opposition that the government about five or six weeks ago announced that there was going to be a full day of debate in the House on agriculture.

One of the things the government is doing which has not been done in this way before is listening to the concerns of opposition members about the agriculture and agri-food industry. It is the substance of the debate today that is so important. I would like to take a few minutes on some of that in a minute or two.

I would also like to express to everyone how pleased we are to see the eagerness that all of the players in the agri-food industry are exhibiting in attacking and approaching the challenges and opportunities that are before us in the agri-food industry today. There is a real determination among Canadians to put their shoulder to the wheel, to work with government, to work with all of the players to help support and facilitate what needs to be done in adjusting to the new trade regimes that we have to deal with.

We know as a government that the direction and input must come from the bottom up, but it is the duty, as other members have said today, of government to deal with and to facilitate and to consolidate the concerns of everybody in the industry, whether that be by methods of financing, whether it be in legislation, whether it be in enforcement, or inspection or whatever.

I would like to take a few minutes to talk about how fortunate we are with the food inspection and safety programs we have in Canada today and the initiatives that the present government is moving with in that field. Canadians have the best and safest food supply, as I have already said, of any country in the world. We intend to keep it that way.

It means that we have to get a lot of agencies and a lot of different groups working together. The country's food safety mandate is shared among different federal departments, as well as with provincial health and agriculture departments and with municipalities.

On the federal level Health Canada is responsible for health related food safety matters; the Department of Fisheries and Oceans looks after fish and fish product safety and quality; while Agriculture and Agri-food Canada is responsible for the quality and safety of agri-food products. It discharges this responsibility through activities including inspection, labelling and pesticide regulation.

Partnership and consultation are keys to the success and to the successful management of a healthy and safe food supply in this country. With so many players involved in the issue of food safety, it is important to ensure that there is consistency, to clarify the roles and eliminate duplication in order to maintain the most efficient food safety system that we possibly can and, quite frankly, that we do have.

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(1540)

Before I get into what the department of agriculture is doing in order to ensure that safety and that the efforts are co-ordinated among all that are involved, I would like to mention the mandate of the department. As I say, different departments are involved in food safety but it has the mandate of agriculture in there.

The main one is the role carried out by the food production and inspection branch, which is the regulatory arm of the department. The food production and inspection branch develops and establishes health and safety standards which the agri-food industry is required to meet. It also sets out to protect the Canadian agriculture industry in controlling the introduction and spread of foreign animal and plant diseases and pests that may enter the country from outside our borders. That indeed is a very important role that it plays as well.

In 1976 that branch was formed and three years later the food inspection directorate was created within the branch. The mandate of that directorate is based on four pieces of legislation: the Canada Agricultural Products Act, the Meat Inspection Act, the Food and Drugs Act and the Consumer Packaging and Labelling Act. From the titles of those people can draw the conclusion of what they basically deal with.

Over the years the food inspection directorate has developed various programs and policies and has provided services to clients that have allowed the Canadian agri-food sector to prosper and be competitive on a world market. The directorate has been instrumental in contributing to the department's high level of credibility in the area of food safety through its ability to handle complex situations and balance, what many times are political, social, scientific and economic interests.

The world is changing but the agriculture and agri-food sectors' commitment to food safety is not changing. What we do have through the food inspection directorate is the relentless determination to carry out the job that needs to be done and we will not let up on that pressure.

Change is happening very rapidly. Today's global economy, as we know, is reshaping the structure of the agri-food industry. There is a stronger emphasis on trade and a significant increase in imports and exports determines and dictates that the consumers' tastes are diversifying. The department has to be able to deal with those increases in imports and the variety of imports that they must inspect and determine their safety and health for Canadians.

The growth in volume in the kind of food imports will place increased pressure on the department. We know that we can meet that with determination. We must meet that and continue the good job that we have done at the same time as improving its efficiency. We have to do what we have done better. We are able to do that and we will have to do it with probably less funding and fewer people. Therefore it is important that we have the

co-operation between the provincial and municipal governments and the private sector to carry that out.

For their part as well, the consumers are becoming more aware of food issues. Today's consumers need more information and increased assurances that the food they eat is safe. Now more than ever consumers are very concerned about the effectiveness of food inspection and food inspection programs and how food safety is regulated.

Rapid advances in the agricultural technology area are also having an impact on the product services and markets for food companies. The regulatory framework surrounding these changes needs to be equally responsive and regulations must be in place quickly to allow companies to take advantage of new opportunities while making sure that the food safety and quality concerns are still being met.

Today's agri-food industry is a very different one than it once was. The industry has become more self-regulating and is largely self-reliant, often taking the lead in exploring the new technologies and new methods of productions and processing that are leading to improvements in the agri-food sector. This presents a challenge but not one that we cannot meet and are not meeting. We are doing an excellent job but it is a challenge for government in that it must now try to regulate food safety in areas where we may not have had a lot of activity or participation in the past.

(1545)

We have put in place initiatives to tackle these new realities successfully and we believe that the answer lies in the development of a revised food inspection system strategy. The department of agriculture, through the food inspection directorate, has been working toward this and has set out a number of initiatives which will lead us to that goal.

One of those initiatives is the national food inspection policy, one of the department's ultimate goals with an objective which was approved by the federal and provincial ministers in Charlottetown at a federal-provincial agriculture ministers meeting last year. It calls for the establishment of common standards between provinces and federal agencies in order to provide for food safety and food disclosures.

The benefits of such a system are many and the efficiencies are many. It will streamline the inspection delivery system. It will enhance market performance and competitiveness. It will reduce trade barriers and regulatory pressures on industry. It will facilitate and harmonize processes and offer a flexible and responsive inspection system.

A national food inspection system is, as I said, a top priority for everyone in the Canadian agri-food inspection area. It will ensure that consumers continue to have access to a high quality

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food supply and a safe food supply, and it will ensure the harmonization of national standards.

As well, there is the food safety enhancement program and the general trend across the agencies involved in food inspection to work on a common health and safety standard which will increase mutual recognition of inspection and reduce duplication.

These agencies apply the hazard analysis and critical control points principles to their inspection practices and this is an internationally recognized approach to controlling and monitoring the food processing operations. Agriculture and Agri-Food Canada is working with industry to implement the principles of the hazard analysis and critical control points program and the department will be consulting with industry on an ongoing basis to develop that program.

As well, there is the common inspection approach at the interdepartmental level which will adopt the principles I just talked about based on an inspection approach being developed through common Government of Canada inspection standards which will be implemented using a mutually accepted audit protocol.

A tremendous amount is going on and has been going on regarding food safety in Canada. The federal departments are now concentrating their efforts on defining the specific requirements for other highly identified risk areas in the food processing industry.

There is also a single access food labelling service. We have had a situation for a number of years in which labelling has been quite cumbersome. One of the results of the recent government reorganization was the consolidation of food labelling activities involving the former Department of Consumer and Corporate Affairs and Agriculture and Agri-Food Canada which will streamline that operation.

The evidence through these initiatives is very clear. The Department of Agriculture and Agri-Food takes its role very seriously in the food safety area. Food safety is something which every Canadian should not take for granted. We work very hard at maintaining and upgrading our food safety standards in this country and I am certain that everyone can appreciate what an enormous responsibility it is.

In closing, I would like to state that the increased mutual recognition by government departments of inspection should reduce the complexity of dealing with the federal government. This is good news for industry because federal departments will be using common language and common interpretation of regulations as well as uniformity in rating and enforcement at processing establishments.

I said at the beginning that the whole agri-food industry was facing a lot of challenges and opportunities. It reminds me of the

story of the commander in a war zone who radioed his platoon officer out in the field. He said to the platoon officer: "Officer, how is it this morning?". The officer said: "Today we have enemy to the left, enemy to the right, enemy in front of us and enemy behind us. We won't miss them this time". I challenge the industry, and I know it is accepting that challenge, to turn that the other way.

(1550)

Our industry has opportunities in front of us, behind us, to the left and to the right, whether they be in Asia, whether they be in Latin America, whether they be in our neighbour to the south, whether they be in Mexico or whether they be in Europe. The opportunities are there.

I challenge everyone. I look forward to more comments from the opposition members today and input from them. As the minister said clearly this morning, we welcome those. We will consider those. We will put them in the hopper, as the term is used, because we do not want to miss any opportunities there.

I congratulate the industry for the eagerness with which it is meeting the challenges before us and the opportunities before us.

In closing, I want to refer to a festivity that was held in Toronto last night which the minister, I and some others had the privilege to attend. It was the final presentation of the Agri-Food Competitiveness Council. I want to remind everyone of the vision that it wants to keep before the industry and the challenge that is there, one that I know we can meet. I will state that in closing. There is nothing to stop us from being the premier agri-food sector in the world.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, I have a question for the hon. secretary to the minister.

The member mentioned that there are several departments involved in food safety, several agencies outside of the department of agriculture, all these people involved in dealing with food safety. Is that perhaps part of the problem not just in the food safety area but in agriculture in general? Are there too many different groups involved in making the decisions in food safety and in other areas?

Mr. Vanclief: Mr. Speaker, I do not think anyone right off the top of their head can give a yes or no answer to that. What we are doing within the department and within the government is taking a complete overview of everything that is going on.

When we were in opposition we said that in every department whether in agriculture or in any other ministry we needed to have a look to see whether everything was operating as efficiently as it can. As far as food safety is concerned, yes, there is work going on between the provinces and the federal government to see whether we need to continue any duplication if there is

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duplication in food processing plants. I will use those as an example.

Quite frankly I see no reason why if we have a set of rules good enough for interprovincial trade it should not be able to be meshed with whatever the rules are for inspection for international trade. There is no sense in inspectors chasing themselves around different plants inspecting for interprovincial movement of products and then somebody else coming in and saying they have to inspect for international movement of product as well. That is being looked at.

Canadians have the right and need to be concerned. When I say need to be concerned about the safety of Canadian food, they need to be and they are but I want to reassure them that they have no justification to be worried about what is there. Out of the 11.5 thousand employees with Agriculture and Agri-Food Canada over 4,000 are involved in the inspection of processing facilities in the Canadian food supply in total. We do an excellent job in providing Canadians with safe food.

Mr. Nelson Riis (Kamloops): Mr. Speaker, I listened with interest earlier to the minister of agriculture when he drew our attention to the importance of the federal-provincial governments working together with the private sector. Again, that has been reiterated by the parliamentary secretary to the minister of agriculture.

At the moment in British Columbia the federal government, the B.C. government and aboriginal groups are negotiating land claims. Part of that process is to set up a whole set of advisory boards with the various stakeholders involved in the final outcome. Of course the critical players are the cattlemen of British Columbia.

Vast tracts of their land, leased land and deeded land, are potentially involved. Their representative on that advisory committee has had to swear an oath of secrecy and therefore is unable to communicate to cattlemen and other livestock operators throughout British Columbia.

(1555)

I am really simply asking the parliamentary secretary if he would take time to look into this increasing concern that people in the livestock industry in British Columbia have.

Mr. Vanclief: Mr. Speaker, yes I will. I will give a commitment to the hon. member that I will look into it and get back to him on the situation as far as discussions are concerned.

Mr. Wayne Easter (Malpeque): Mr. Speaker, I enjoyed listening to the parliamentary secretary to the minister of agriculture as he showed how this government intends to strengthen and maintain the food inspection and safety of agricultural products.

There is another area where Canada has shown leadership certainly and in which we are recognized for producing a high

quality product at reasonable prices and that is in the supply management sector. The parliamentary secretary has been charged with a great responsibility in terms of maintaining the benefits of that sector.

I am wondering if he could give us a few comments in terms of how those discussions are coming along and where that is at.

Mr. Vanclief: Mr. Speaker, I would be pleased to.

As the hon. member for Malpeque has said, the task force on the future of orderly marketing, the supply management sector and the dairy, egg and poultry sector has been ongoing since about mid-January of this year. It was a small task force that started out by putting together the work that had already been done. We did not reinvent the wheel or redo anything.

We assembled the work that had been done by a number of task forces and groups of individuals in the industry over the last number of years. We assessed the processes, the issues and put them all together in a report. We reported to the federal and provincial ministers meeting at the end of March on all of the issues, all of the processes in place and where to deal with the issues that were there. We went on past that and suggested processes and participants we felt should be in those processes going on for the next number of months.

As a result we now have five commodity committees, one for each of the supply managed sectors. They are meeting. I am pleased to say that representatives of every group of stakeholders within the agri-food chain from the farmer or primary producer to the consumer are represented around that table. They are sitting down and will be reporting back to the task force on their recommendations on how to deal with the issues. We will reporting the recommendations to the ministers in July again.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I want to thank the parliamentary secretary for his comments earlier on agriculture.

The parliamentary secretary is familiar with my riding and with some of the federal institutions in my riding. In particular, in reference to his remarks about safety and continuing to investigate new ways of producing safe agricultural products he will be aware, I am sure, that in the Agassiz agriculture research station there is a new program being initiated on manure handling and composting and all that sort of thing.

I wonder if the parliamentary secretary could comment on the future of that kind of study in the Agassiz research station. I know the people back home are dying to know.

Mr. Vanclief: Mr. Speaker, there is no question that one of the critical regions in Canada as far as what we call waste disposal is the Fraser Valley. I have had the pleasure of travelling through there a few times, not enough times, because it is a beautiful area. There is a high concentration of livestock there. There is a

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challenge in the disposal of foreign material that comes along with raising livestock.

There is work going on there at Agassiz. The federal government and the department are very keen to work with those at Agassiz, work with the industry people and the commodity or livestock groups in that area to solve that problem. I say solve the problem but it is not a problem. It is just that there are technologies that are coming forward for better disposal of agricultural wastes, livestock wastes. We look forward through Agassiz and through other areas in the department to working with the industry.

(1600)

The Acting Speaker (Mr. Kilger): Before resuming debate I want to thank the last intervener from Fraser Valley East and the parliamentary secretary for use their of parliamentary language in dealing with the nature of the last question.

[*Translation*]

Mr. Jean Landry (Lotbinière): Mr. Speaker, I rise in this place today to set the record straight about the agricultural industry.

The government introduced a motion in which it boasts about its proactive work in the agriculture sector. To listen to it all is well with the world. But then that is often the case when the opposition ventures constructive criticism.

I can tell you that my riding is mainly rural. So, I have excellent feelers in that sector. I may surprise you by saying that the federal government is indeed pro-active in the agri-food sector, in Western provinces. You can certainly count on the government to be active in Western Canada!

I will give you supporting figures in a moment. Before I do however, I want the government to understand that it is not enough to be pro-active or claim to be; you must also know where you are going and, more importantly, if you are on the right track.

Quebec has a real plan for the future of the agri-food sector. The agricultural community knows what it wants and has taken the necessary steps to achieve its goals.

When the government decided to impose its policy, it did not stop to think for one second that this may not be consistent with the priorities and development targets set by the community concerned. Unlike the government, this community takes a concerted approach.

Here are a few examples. In February 1991, Quebecers involved in regional development and in the agri-food sector met in Montreal, where it was decided that the community had to take its future in its own hands.

Other objectives developed during this summit conference of the rural community included: respect and promotion of regional and local values; joint action by regional and local partners; diversification of the regional economic base; protection and regeneration of resources; restructuring of the political power from the base up, an objective we did not hear the people across the floor mention.

This led to the creation of advisory committees, which are incidentally very active in my riding.

These committees raised consensus on the general approaches to be favoured in promoting the development of the Quebec agri-food industry at the Trois-Rivières summit in June 1992. Some recommendations to come out of it are: recognize, value and support the training of human resources; ensure the permanence, development and growth of agri-food companies; readjust current income security programs based on production costs; develop income security programs compatible with international trade rules; provide financing for agricultural enterprises and their transfer without massive debt; consider support for non-viable companies that could be reoriented within the sector and help people leaving farming.

We see that the farm community has taken action to control decision making in fields of concern to it, but the government must avoid making life difficult for them. Our party has also dealt with the situation.

Agricultural companies and processing plants must be encouraged to be self-sufficient by helping them adjust to new market requirements, to win new markets and to increase their competitiveness by lowering their production costs. The government should note this. We could finally break the vicious circle of dependence on subsidies.

But be careful! This does not mean blindly cutting budgets. The transition will take some time. We want this transition to go smoothly, but this is unlikely since the government signed the GATT agreement.

The agri-food sector competes directly with foreign competitors now that the Canadian government has thrown farm programs and practices into upheaval.

(1605)

Let us talk about GATT. Does the government think it acted proactively when it signed the GATT agreement on November 15? This government did not even ensure a settlement of the trade disputes that could arise with the Americans. The Americans, who still seem to have the upper hand at their own game—and you know that baseball is their national sport—managed to lead Canada to the negotiating table on all agricultural issues.

Are all negotiations in good faith not conducted on a case-by-case basis? Unfortunately, our government tried to play cautiously and defensively. Yet our national sport is hockey. A long

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time ago, experts realized that offence is the best defence. The Montreal Canadiens could only count on Patrick Roy this year and you saw where it got them.

Why not denounce the barriers the Americans put up against our products? Why not denounce the numerous measures taken to subsidize U.S. agricultural products? Why not condemn the hypocrisy of the Americans who accuse Canada of practices they themselves have used for a long time? The government may call this being proactive, but where I come from we refer to it as inertia.

Meanwhile, the Americans are having fun at our expense. The GATT and NAFTA agreements did not resolve all Canada-U.S. trade disputes. Far from it. The Americans even decided that quotas will be imposed on durum wheat exports effective July 1. This date would be quite a coincidence, if negotiations fail! In return, Canada threatens to retaliate against certain American products if the U.S. carries out its threat of imposing quotas.

A trade war is looming. The Bloc Québécois is asking the government not to yield to American pressure, and not to sign a bad agreement for Quebec and Canadian farmers for the sole purpose of ending the conflict.

Another indication of the Canadian government's apathy in these negotiations with Americans is its willingness to negotiate a ceiling on Canadian exports of durum wheat to the United States. Canada is not guilty of any illegal trade practice in this case; yet, it is prepared to penalize itself. Americans are the sole responsible of their problems, since they subsidize their durum wheat exports. You can understand American producers who prefer to export their production. Canada is only satisfying a need. It is a simple market law which Americans do not respect because it is detrimental to them. Oh, inertia.

In the context of our party's position regarding the future of this most important industry, we feel that farmers must be considered as entrepreneurs and that regional entrepreneurship must be supported; also, agricultural development policies must be distinguished from regional development policies; finally, the government must promote an awareness by farmers themselves of the importance of the environment to promote agriculture.

The government does nothing in its negotiations with Americans, and it does nothing inside our borders either. I did say at the beginning of my remarks that the government can have a proactive approach. But I also added that it was mostly proactive in Western Canada. The federal government subsidizes Western crop diversification, and so much the better for that region. However, this is done to the detriment of Quebec. We say: Whoa, there! Here are some facts: Between 1981 and 1991, cultivated acreage for potatoes increased by 30 per cent in

Western Canada, by 9 per cent in the maritimes, and by a mere two per cent in Quebec.

(1610)

During the same period, beef production in the West increased by 4 per cent while it fell by 13 per cent in Quebec. In pork production, an area which Quebec has been developing for some years, the situation is critical. I know whereof I speak, because there are processing plants in my riding.

Again during the period from 1981 to 1991, the swine population in Quebec fell by 16 per cent and increased by 39 per cent in Western Canada. In the production of lamb, Quebec is also at a disadvantage compared to the West. While Quebec's lamb population increased by only 8% between 1981 and 1991, that of the West grew by 33 per cent. Even in hothouse crops, despite its energy advantages and its proximity to markets, Quebec lagged behind the West.

During this same period of 1981 to 1991, the area devoted to hothouse crops increased by 67 per cent in the West, compared to an increase of only 46 per cent in Quebec.

The proactiveness of the federal government here takes the form of unfair competition at the expense of Quebec producers because of subsidies to Western farmers. It is as simple as that. If only these subsidies made sense, but they do not. As in many areas, the government intervenes without consultation or consults the wrong people.

Departments should assess the results of their actions. In agriculture, the Department is involved in the analysis, organization and dissemination of information on agri-food markets. Very well, but, here as in other areas, the Auditor General notes serious shortcomings. He found that the information gathered did not necessarily meet the users' needs. Another example of public money being wasted, with decisions being made in ivory towers, when it might be easier to check firsthand what the clients' true needs are.

The government always takes heavyhanded action, when it should concentrate on avoiding duplication with provincial initiatives. Quebec has understood this, as industry and government have been working together for a long time to implement strategies to conquer new markets. It is not only Quebecers who have understood this.

At the Sixth Outlook Conference on the future of the agri-food sector, which took place in Quebec City on March 9, Ms. Cooper, project co-ordinator at the Guelph Food Technology Center, made this point: "In the fight between the federal government and the provincial governments to decide who is going to lead the industry, the governments developed programs that overlap or conflict with others. This is a waste of public money and increases the debt".

Ms. Cooper, whose remarks were published in the journal *La terre de chez nous*, maintains that an effective government

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encourages companies to become more competitive. Governments should be more responsible and more effective in their actions.

She also stated that governments should ensure more and more transparency and relevance with respect to money invested.

Many agricultural producers in Quebec are sovereigntists. I understand them. In a few minutes, I have shown how the federal government is ineffective for them, and they could go on at length about this subject. What is known is that the number one solution for our agricultural producers is to decentralize decision-making mechanisms and to provide effective budgets. Is the government willing to take this approach?

[English]

Mr. Paul Steckle (Huron—Bruce): Mr. Speaker, I commend my colleague for his dissertation this afternoon on the subject with which I find myself quite familiar.

I found his observations on the agricultural scene in terms of how the federal government treats Quebec rather interesting.

(1615)

He alluded to the fact that there are certain commodity groups where there are problems. He mentioned potatoes, hogs and cattle. There are some aspects of agriculture that were not discussed or mentioned in his speech, one of which was supply management.

Can he tell Canadians and those of us in the House today how the percentages of the total amount of production of poultry and eggs and supply management in the milk industry have been affected and how his province has been affected.

[Translation]

Mr. Landry: I will gladly answer this question, Mr. Speaker. You know, when I quoted figures in my speech earlier, it was to impress upon this House and this government that, regarding supply, Quebec has often been cast aside.

We were talking about supply and demand. As a result of the GATT agreements, the agricultural sector will suffer many losses, not only in Quebec, but across Canada.

I would also like to say that it makes me sad when I see, as I did recently—and I want to come back to this because this is the starting point, the signing of the GATT—farmers' associations were formed to oppose it. While some aspects were beneficial, protection had to be sought against other aspects. It is like when you make a deal; there is no point giving and giving, you have to keep something for yourself.

That is the point I was trying to make in my speech. We have been giving too much and for no reason. We are worth a lot in Canada and in Quebec.

As far as quotas on milk are concerned, I can tell you that farmers have been asking what will replace them. One of them told me: "Look, I will lose everything within a few years because my quota which was worth so much will not be worth anything any more because of free trade, of the GATT". Canada should have negotiated protective clauses.

I would have to do the same thing if I owned a business and dealt with other countries or had employees. In any case, we have to protect ourselves and our interests. In so doing, we are protecting all Canadians and Quebecers.

But rest assured this is not over yet and I think it will do more harm than good. We are told to think in terms of globalization, but as I said in my remarks earlier, we must also be competitive. Let us not forget that unless we are able to compete on the global market, we will do very poorly.

I believe that Providence and common sense are both required in this matter, even if it is politics or agriculture. I also believe that we must always strive to obtain as much as possible and the best deal possible for Canada and Quebec. That is why I chose that angle in my remarks, saying: "Look, Quebec has traditionally received less for grain transportation like all the rest". I could have gone on for 20 minutes. Let me tell you that as a Quebecer and a member responsible for representing the people of Quebec and Canada, I will do my very best to get as much as possible for them and protect our interests, instead of giving it all to the Americans or other foreign countries.

[English]

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, I have a question for the member which I ask on behalf of Quebec dairy farmers.

Quebec has a surprisingly large percentage of the dairy quota within the supply managed system. Quebec depends on markets beyond the borders of the province in this arrangement. If the Bloc gets its way and Quebec does separate then certainly Quebec dairy farmers will lose that production which is presently being sold in the rest of Canada.

What is the member going to tell Quebec dairy farmers about the prospect of virtually overnight losing this market outside Quebec?

[Translation]

Mr. Landry: Mr. Speaker, it is my pleasure to answer his question because I have the impression that on learning of a sovereign Quebec, farmers or, to go even further, cows will give less milk on account of being afraid. That is not the case. I would like to set the record straight. You can rest assured that whether it is Quebec or the other provinces, it has never been said that for years there have been tariff barriers between Quebec and

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Ontario or between other Canadian provinces. No such thing has never been said to the Canadian people, but today it has to be said. We had not even become sovereign, and yet there were tariff barriers between Canada's provinces. Did that make sense?

(1620)

Do not worry, the agricultural sector will not be any worse off in a sovereign Quebec. There will be agreements, but we will not be dealing with barriers. In the agriculture committee, we were told that if cows ever gave less milk, there is a new hormone, on which a one-year moratorium has been imposed. We said no to protect human and animal health. Wait a minute! Technology is so advanced, and we are being pressured by multinational pharmaceutical companies. You can rest assured that at that time there will not be a problem with supply and demand or the lack of milk.

I can tell you that, as far as milk is concerned, whether it is Canadian or Quebec milk, it will always be easier to sell without BST, unlike what comes from the U.S.A. You can tell me in a year from now, when the current moratorium is lifted.

[English]

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, the last two speakers were on a particular theme so I thought I would continue to run with it for a minute.

In my riding, which is probably one of the highest density supply managed ridings west of Ontario where there is actually more of Canada, there is a real concern. In B.C. we have what is called Fraser Valley butter in a Fraser Valley butter wrapper, but it is not produced in the Fraser Valley. It is produced in Quebec, shipped to British Columbia, and then wrapped in what they call a Fraser Valley butter wrapper.

To follow up on the earlier comments of the hon. member, what are you going to tell the Quebec dairy industry? If the hon. member believes that there is a readiness, a willingness or an eagerness to have the milk and cheese and butter produced in Quebec when we could very easily do it by increasing our production of industrial milk in B.C., there is some kind of sad mistakeness here.

What are you going to tell the dairy farmers in Quebec? The market is going to be cut virtually in half.

[Translation]

Mr. Landry: Mr. Speaker, I do not know if my colleague is referring to production or overproduction. At one point, there were quota problems in the dairy industry and I remember quite vividly farmers dumping milk in creeks. I believe the dairy industry in Quebec is trouble free at this time.

I am not looking for problems where there are none. I like to deal with problems as they arise and find solutions to them. I have always maintained that there are no problems, only solutions. You can rest assured that when Quebec and Canadian farmers encounter a problem, they will confront it head on and seek out a solution together. They will not turn a blind eye to it. Have no fear, they will be open, honest and to the point. Our farmers are capable of adjusting very quickly.

[English]

Mrs. Jane Stewart (Brant): Mr. Speaker, as I was thinking about participating in this debate today, I could not help but reflect on its timeliness.

In my riding of Brant as in many ridings across this country we are now seeing our agricultural community out in full force. They are out and visible because now is the planting season for 1994.

In my little village of St. George the tractors are on the highways pulling discs, cultivators, drills and sprayers. If you look closely you can see that the tractors are in the fields 24 hours a day. Local mechanics, tire repair operators and carriers of fuel are working at the beck and call of our farm community, all because our farmers are working. They are working hard against time and against the elements to get our crops planted for this year.

The opportunity to debate the issues facing Canadian farmers today is very timely and important. The debate is not only important for farmers, producers and retailers of food. It is important for each and every one of us as a Canadian.

What we are talking about is our national food supply. When we think about our national food supply there is one issue that we cannot ignore. That is the issue of security; security of supply, security of health and safety and the financial security that our farmers who grow and produce the food for this country and hopefully for more and more of the world require.

(1625)

Let us think about security of supply. Canada has a very, very good record in that area. Over the last 40 years we have been part of the green revolution and have helped to identify, develop and now use seeds, herbicides, pesticides, fungicides and fertilizers that have helped us increase our yield exponentially.

As we move into the next century we are also moving out of the green revolution and into the genetic revolution. I expect very much so that we are going to have considerable debate in this House as we move into that biotechnological revolution.

I believe that we will in the end make good and clear decisions and that we as a country will continue to be able to provide and supply food, not only for ourselves but for the rest of the world.

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When we think of security of health and safety, we have an excellent track record in Canada. We have come to expect that the quality of our food will be the best in the world. Our ministries of agriculture and health have insisted on it and we as Canadians may have even come to take it for granted.

It is very possible that as we make transitions in the world of agriculture and agri-food we are going to see more and more products from around the world. I think we will then find very clearly that Canadian produce has been the best quality bar none at a good and affordable cost. I believe that Canadians will continue to insist upon the availability of Canadian food products.

We can also think about security from the point of view of financial security for our farmers. When I think about that I am optimistic. I continue to be optimistic. I read in the current farm media that there is an understanding or a belief that in Canadian agriculture we have a sleeping giant that is now just awakening. It gives me pause to feel optimistic.

As I have said we have a good, solid supply of bulk commodities. It is a quality supply of bulk commodities. I believe that as we work with our farmers, and I too am a farmer, to become better entrepreneurs, to be better marketers, to be more innovative and creative in our product slate and our crop slate and our market sources we will ensure our financial security as an industry.

I believe quite fully that the agricultural and agri-food sector of our economy will be a driving force to ensure a strong economy for this country. I believe that the government has a role and responsibility to help our farmers move in that direction so that we can ensure our own financial security.

There are a number of things that this government has already done in that regard. First, as many of my colleagues have identified, we have signed the GATT agreement. In that agreement we identified what subsidies are all about and how subsidies can truly interfere with the marketplace, particularly in agriculture.

We have a world trade organization that will help us adjudicate the times when we believe that subsidies are playing an unfair role in the world market. Our government has gone a long way and will continue to work to make sure that the General Agreement on Trade and Tariffs works effectively for us.

As well our government is working hard at looking at inter-provincial trade barriers that are stopping us from having effective trade here at home. I have been very pleased to see the work of the Ministers of Industry and Agriculture in terms of getting their provincial counterparts to work together to break down these interprovincial barriers. As we become more

successful in our market development at home so will we become more successful in the broader marketplace.

(1630)

A third area I must highlight is the general focus that this government takes in ensuring that as a government we reduce red tape, we reduce government intervention that gets in the way of our agri-food business as well as all business. We want to make it so that government is there supporting small business and, in particular, given this debate, the agri-business, so that we can continue to develop effective markets and be able to sell our commodities not only here at home but to the broader world.

As we try and work to help our farmers and our farm communities become more entrepreneurial we also have to accept the responsibility and the understanding that we have to make life predictable, or as predictable as we possibly can, for this sector of the economy. Fighting, as I mentioned earlier, against the natural elements of floods, disease, drought, we have to make sure that we have some kind of safety net that is there in support of our farm community.

As well as talking about the development of new markets we have to recognize that the marketplace is a very unpredictable place. As we encourage our farmers and our farm communities to step out, to think about new crops, to find new market niches and to be more aggressive in our activities around the world, we have to provide a safety net that will allow them the confidence to do that.

I would like to recall the work of Alvin Hamilton under the Diefenbaker government, of all governments. Back in the 1960s when we made our first grain sales to China, that was a watershed that really solidified the western grain marketplace. It is this kind of activity that we have to build on and improve and step out and grow with. I think our government plays a significant role in helping our agricultural and agri-food industry to do just that.

We are talking about social safety nets here. I believe, as on many occasions we have already done, our government is looking forward to introducing and making more aware and making more usable the whole farm approach to safety nets.

I was pleased to hear the hon. member for Prince George—Peace River reference the NISA, net income stabilization account, approach to security and safety nets. That program is a new program, a bright light in our safety net situation, to quote him.

I would also like to identify that the Ontario Federation of Agriculture, the federation to which I belong, is working hard in support of the notion of whole farm safety nets: "The OFA is committed to the concept of a whole farm approach to safety nets and will continue to work with commodity groups and

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government to evolve a meaningful and equitable set of safety nets that are available to all producers”.

I support that approach. It is the approach of the Liberal government. I have talked to producers in my own riding, some of whom are covered by programs like NISA and feel very positively about that program, others who are not but are interested in being covered. I feel that this notion of whole farm support is the right one. It encourages our farmers to develop their farms in a complete way and not to carry on growing crops that may not be the best for their properties because those are the crops that receive subsidy. It is the right approach and the approach that becomes even more important is the one of making sure that we consult with producers and with growers as we develop this whole safety net transition.

That is what my growers are saying to me. They say: “We need the social safety net. The whole farm approach has appealed to us but please, please do it in concert with the producer”.

This government will, I believe, make that its hallmark. Whether it be in the ministries of finance, immigration or agriculture, what we are seeing is that our government is one that consults with those who are particularly concerned.

In terms of our security and financial security for farmers, I feel very optimistic in that regard.

(1635)

This government is here to support our farming communities. I believe we have a very bright future as Canadian agriculturalists and that agriculture will play a significant role as we continue to develop our new and global economy.

I feel glad to have been able to participate in this debate and I also want to thank the minister for providing this opportunity for me and for all my colleagues in the House to talk about this very important issue to the Canadian people.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I would like to congratulate the hon. member for her comments and her speech.

I would like to ask if she believes farmers should be exempt or non-exempt on the Liberal GST replacement tax on machinery and equipment that is pending.

Mrs. Stewart (Brant): I appreciate that question, Mr. Speaker. As you may know, the hon. member and I both sit on the GST review committee.

We have heard some very appropriate and clear submissions from the Canadian Federation of Agriculture. As a farmer I do believe that farmers should continue to be exempt and that we have to work very closely to find new solutions to improve the cashflow situation that farmers face as they pay their GST up front and then have to wait for those rebates to come back.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, I have a question for the hon. member.

It may have been a slip of the tongue, I am not sure, but she referred to the farm stabilization programs as being social safety nets. I just want to clarify whether that was in fact a slip of the tongue or does she see farm stabilization programs as a type of social safety net.

Mrs. Stewart (Brant): Mr. Speaker, I appreciate the member drawing that to my attention.

It was a slip of the tongue. I feel that these are very much programs that are there to help our industry, the agricultural industry, propel itself into the future. I look forward to having that safety net so that we can actively pursue new and broader markets.

Mrs. Marlene Cowling (Dauphin—Swan River): Mr. Speaker, as a grain farmer representing the rural constituency of Dauphin—Swan River in western Canada I firmly believe that we need a long term vision for the grain industry.

The current difficulty in moving grain is just one of a number of issues affecting Canada’s grain and oilseed industry. The short term immediate problem must be addressed to ensure that it is not repeated next year.

However, it is also time to take a look at the grain marketing system as a whole. We must be prepared to ask ourselves if our industry is positioned properly to build on the opportunities that are out there.

The new trade deals offer new market opportunities and the Canadian grain industry must examine how it can best take advantage of these opportunities. New trade agreements, notably the North American free trade agreement and the GATT deal, mean obligations that the Canadian government must meet.

For example, the GATT requires that we make changes to the WGTA for shipments to the west coast and to Churchill. The Minister of Agriculture and Agri-Food has asked representatives of the grain marketing system to a meeting in Winnipeg on May 16.

Why should the industry and government work together to develop a vision for the future? First, the marketplace is changing, trade patterns are shifting, traditional markets for Canadian grain are disappearing, Asian countries and the Americas are now the focus of Canada’s grain marketing efforts. These changes in trade patterns mean different demands on Canada’s grain handling and transportation system.

There are also production driven demands as farmers turn to higher income, alternative special crops. We are selling to fewer larger institutional buyers and more to individual buyers such as millers who require just in time delivery. This changes, for example, the time and resources required to ship our grain.

(1640)

As we look toward a vision for a grain policy framework, clearly decisions we make today on a number of grain issues need to be based on a long term vision for the grain industry. Today I would like to outline the policy framework we intend to

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use as a basis for working with industry to shape a vision for where we want the grain marketing system to be in five to ten years.

The first area is transportation. My hon. colleague will or has already outlined the steps we are taking within the industry to resolve the serious short term system capacity problems plaguing the industry.

Other transportation issues include the St. Lawrence seaway, the WGTA issues, rail system efficiencies and the NTA rate setting. On the St. Lawrence seaway, the Standing Committee on Transport has established a subcommittee to review the seaway system. This government is grateful to have this report.

On WGTA, by June the minister will have reports from the producer payment panel on methods of paying the benefit and from the Grain Transportation Agency on efficiencies. A study was also undertaken of the NTA rate scale.

The hon. Minister of Agriculture and Agri-Food plans to announce a process for reviewing the recommendations on all of these issues so that the government is in a position to make decisions by the 1995 crop year.

The industry is very concerned about a number of grain marketing issues, but the issue is very divisive. The Canadian Wheat Board for its part already has made important studies toward positioning itself to meet new global marketplace demands. For example, it has made changes to improve its price information for producers and the industry. It has made changes to the quota system so there is better information on the amount and quality of grain in the country elevators.

In the trade area we are faced with a combination of tremendous trade opportunities in the U.S. mixed with increased protectionist pressures. Canada continues to work toward a negotiated settlement. That is good for Canadian agriculture.

Our objective is to achieve a settlement before the 90-day consultation period which is up in July. If agreement is not possible and the U.S. acts to restrict imports of our wheat we have the right to retaliate, and we will. Canada will not roll over and play dead.

In the regulatory area, the Canadian Wheat Board and grain commission have made numerous changes in their operations which are contributing to greater industry competitiveness. For example, the Canadian Grain Commission has examined ways of handling grain that are not visually distinguishable.

Visual distinguishability remains an integral part of our grading system. Our commitment to a grading system which ensures quality and consistency remains unquestioned. We are also considering options as to how the grain commission regulates terminal elevator tariffs. The goal is more flexibility for

grain companies and, in turn, a more flexible grain handling system overall.

There is an industry based committee in place now to continue monitoring the implementation of regulatory review recommendations over the course of this year.

Another factor in the whole grain policy area is the safety net programming. In order for the industry to change in the face of a changing global marketplace it must be supported by a strong safety net program. Currently a committee representing farm groups and federal and provincial governments is reviewing the Canadian farm safety nets.

Its consensus is to make a whole farm safety net program available to all commodities. They also agree that some type of additional support or supplementary programs may be needed to deal with specific regional or commodity problems as they arise.

Federal and provincial ministers of agriculture expect to receive the committee's report in July. The goal of this government is a safety net program that is GATT consistent, market neutral, financially sound, affordable, effective and understandable. Our policy framework involves decisions on WGTA before the 1995 crop year, continued implementation of the regulatory review over the next year, overseen by the industry based advisory committee, a negotiated settlement in our trade dispute with the U.S. before the section 28 deadline in July but only if the settlement is a good deal for Canada, and finally whole farm safety nets for the 1995-96 year with companion programs if necessary. The committee of producer representatives and federal and provincial governments will work together toward this goal.

(1645)

These are the means we have established to achieve our goals and the timeframes we have set. On this basis the minister has asked representatives of the grain companies, railways, grain handling labour unions and government agencies to a meeting in Winnipeg on May 16.

We must move immediately to re-establish Canada's reputation as a reliable supplier of export grains and oilseeds. It is critical that the people who own and run the system come together now to set their collective sights on the next five or ten years.

Before we make decisions today we must ask ourselves what kind of a grain marketing system is needed for a competitive tomorrow.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I am pleased to join with other members in this debate on the challenges facing Canadian agriculture and some of the alternative approaches to resolving those challenges.

In doing so I want to begin like other members by acknowledging and stressing the importance of the agricultural sector to

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Canada's future. Agriculture is important because we all have to eat, because of its contributions to GNP and the balance of payments and because, as others have pointed out, it is the economic underpinnings of most of rural Canada.

However, there is another reason why agriculture is important. It is because it is a primary resource industry in full transition, a transition which if successfully accomplished, has lessons to teach every other primary resource sector.

In other words I believe there is an old agriculture based on old trading patterns, old financing methods, old marketing techniques, old relationships with governments that are passing away. There is a new agriculture that is more knowledge based, more market oriented and more internationally competitive that is struggling to be born.

This challenge of transition faces all our primary industries: forestry, mining, energy and the fisheries. However, if we can pioneer and find adjustment strategies to guide the transition of agriculture from the old to the new, I am convinced that many of these solutions will have application to other primary sectors as well.

I want to suggest therefore that the acid test of the government's agricultural policy and the acid test of the agricultural platforms of the Bloc and ourselves should be how well do these facilitate the transition of the old agriculture to the new. Do these policies and platforms provide adequate bridges whereby farmers and agri-business people can pass over from the old agriculture to the new? This is the standard by which we ought to judge both government policy and opposition alternatives.

I should add that this need for transition policy or bridge policy in agriculture has been repeatedly drawn to my attention, not just by theorists but by farmers themselves.

In the spring of 1993 prior to the federal election I received a letter from a Saskatchewan farmer in which he wrote these words:

We feel like we are on an economic island, isolated from the economic mainland and opportunities to make a decent living, isolated by trade wars at depressed prices, marketing systems we can't control, inefficient transportation systems, safety nets that don't work well and ever-increasing taxes and input costs. What we desperately need are bridges over troubled waters, bridges that lead to a better economic future.

What then are some of the key questions that will allow us to test whether government policy will truly assist farmers to participate in the agricultural economy of the future? Let me discuss three of them.

First, does the government's policy provide any prospect of tax relief for farmers or at least a reduction in the tax component of input costs?

(1650)

Measured by this standard the government is not getting off on the right track. Its general budgetary policy is to spend \$40 billion more this year than it takes in or \$110 million more a day than it collects in tax revenues. Farmers know that these levels of expenditure mean that taxation levels are likely to rise, that the tax component of input costs will rise, and that the cost of money as measured by the interest rate is also likely to rise.

To date I have not heard from the minister or from government members. I have not heard them in the forefront of demanding deeper spending reductions that would lead to tax reductions for their agricultural constituents.

We have even heard from some Bloc members in this debate who seem to think that the answer to the problems of the agriculture industry, and presumably other industries, is still to spend yet more government money on additional or enhanced programs.

Spending more taxpayers' money is not the answer to any industry's problem. In contrast, Reformers continue to call for reduced federal expenditures.

It is our conviction that the single greatest thing that the federal government can do to stimulate agricultural recovery in the context of freer trade is to simply get the cost of government down to the point where this is reflected in lower taxation levels, a lower cost of living and a lower cost of doing business for Canadian farmers.

We even believe that the agriculture sector could be persuaded to take less by way of program expenditures if it could be assured that every other industrial sector would do the same thing to the point where there is an absolute reduction in the cost of doing business for all of us.

A second question for testing the relevance of agricultural policy is does that policy reduce or maintain the dependence of the agricultural sector on government.

During the years when government involvement in agriculture was considered to be the solution to every problem, we witnessed enormous growth in provincial programs and regulations, federal programs and regulations, and the overlap between the two. To date we see very little in government initiatives to reduce the dependence of agriculture on those programs in concrete terms.

For example I have not heard, but perhaps I missed it, the minister call for a clear definition of the responsibilities of the private agricultural sector, the provincial departments and the federal departments so as to eliminate excessive overlap and regulation.

Moreover it appears from the current budget and the estimates of the agriculture department that it intends to keep in place the dozen or so income support programs maintained or instituted

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by previous governments including crop insurance, revenue insurance, net income assistance, loan guarantees, livestock feed development initiatives, assistance to agri-food producers, cash flow enhancement programs, western grain transportation subsidies, the dairy commission subsidy and so on.

Reformers on the other hand call for a phased clear-cut reduction in the dependence of the agricultural sector on both levels of government.

We believe it is the private agricultural sector which should have the right and responsibility to make the vast majority of agricultural production, transportation and marketing decisions. We believe the primary role of the provinces is in the maintenance and development of the human and physical resource base of the industry, education and training for the farmer of the future and preservation of the soil.

We believe that the primary responsibility of the federal government lies in the maintenance of health and product safety standards for agriculture, the negotiation of international trade agreements, the enforcement of import and anti-combines regulations, and the operation of national income maintenance programs as long as these are necessary.

In order to further reduce agricultural dependence on government and excessive regulations, Reformers advocate the consolidation of the current plethora of income support programs into three. These have been mentioned by my colleagues.

They include, first, an expanded crop insurance program to protect agricultural producers from natural hazards. Second is a trade distortion adjustment program to shield at least partially agricultural producers from foreign subsidy injury. A third question for testing the soundness of agricultural policy is does government policy respect and enhance the farmer's freedom of choice, the right of the farmer himself or herself to make those production, transportation and marketing decisions upon which the success or failure of the farm unit depends?

(1655)

On this question of freedom of choice, we see a hesitancy on the part of the government. It is the same hesitancy evidenced by the government when it is asked to experiment with more direct methods of democratic decision making in other areas, like using referendums to establish the legitimacy of aboriginal self-government in Manitoba, to give Canadians a say on criminal justice issues like capital punishment or to democratize the Senate.

Reformers advocate greater democratization of economic decision-making in agriculture. We believe the present government appointment system for the Canadian Wheat Board should be replaced by a board of directors elected by producers through a fair and democratic process.

In order for grain producers to benefit from every available market opportunity we believe that producers should be given the opportunity to democratically examine their organizational and jurisdictional options. This would include introducing greater domestic and international market competition; permitting the wheat board to trade in grains and oilseeds; allowing the purchase of wheat and other grains on either a cash basis or a pooled initial final price basis and implementing special opting out provisions for entrepreneurs interested in developing better export markets.

The net effect of all these reforms is to increase the freedom of choice for the Canadian farmer with respect to production, transportation and marketing decisions affecting their own future.

I want to conclude by raising one further question which is on the minds of almost every farm family in Canada when they think of the future and any government policy that is intended to help them prepare for that future. That is the question whether government policies or alternatives offered by the opposition provide any genuine basis for hope for a better economic future for Canadian farmers and their children.

I personally believe that there are reasons for hope for the Canadian farmer, that bridges can be built between the faltering agricultural economy of the past and the new agricultural economy of the 21st century, over which the majority of our farm people can pass.

There will always be a growing market for food even though it may be badly distorted and obscured by everything from government trade wars to private monopolies. What we must do is figure out how to access our fair share of that changing market, which is what building the bridges of marketing, safety net and transportation system reform is all about.

The world is slowly lurching toward more liberal trade including freer trade in agricultural products. The signing of CUSTA, NAFTA and the GATT agreements are good and hopeful signs. What we need to do is hold our trading partners to the spirit and the letter of these agreements and not let them or ourselves slip back into the old world of protectionism.

We also need to build bridges which will enable our producers to survive the transition from a heavily subsidized agricultural sector to a less subsidized one, which is what our safety net reforms and particularly our trade distortion adjustment program is all about.

In addition, tax relief and a lowering of the cost of doing business must be offered as the light at the end of the tunnel, to persuade all our resource and industrial sectors to become less dependent on government. It is up to this Parliament to build the bridges from unbalanced budgets and excessive taxation to balanced budgets and lower taxation, which is what the Reform Party's federal spending reforms are all about.

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It is up to this generation of Canadian voters and farmers to build these bridges, not just for ourselves but so that the next generation, the children of farmers, may enter and prosper in the new agricultural economy.

I conclude with this. In the 1920s and 1930s, in the heyday of agricultural reform in this country led by the old progressive party there was a poem on bridge building that was frequently read at farm meetings across the country and was often quoted in the House during the great agricultural debates of that year. It is a simple poem which eloquently expresses the ultimate reason for building bridges from the past to the future in any field of human endeavour, including agriculture. It provides the ultimate reason for advocating and supporting real agricultural reform regardless of our politics. I will close by reading it. It says:

An old man, going a lone highway,
Came at the evening, cold and gray,
To a chasm, vast and deep and wide,
Through which was flowing a sullen tide.
The old man crossed in the twilight dim—
The sullen stream had no fears for him;
But he turned, when he reached the other side,
And built a bridge to span the tide.
“Old man,” said a fellow pilgrim near,
“You are wasting strength in building here.
Your journey will end with the ending day;
You never again must pass this way.
You have crossed the chasm deep and wide,
Why build you the bridge at the eventide?”
The builder lifted his old grey head.
“Good friend, in the path I have come,” he said,
“There followeth after me today
A youth whose feet must pass this way.
This chasm which has been naught to me
To that fair-haired youth may a pitfall be.
He, too, must cross in the twilight dim;
Good friend, I am building the bridge for him.”

(1700)

Mr. Wayne Easter (Malpeque): Mr. Speaker, I listened with intent because being on the agriculture committee I have been amazed at the contradictions within the Reform Party agricultural policy. As I listened to the leader of the Reform Party I am still struck that it is cut, cut, cut, regardless of the consequences.

What does phased clear-cut reduction mean? Can he be more specific than that? Where does the Reform Party really stand with regard to the Canadian Wheat Board and supply management?

You talk about opening up the board to allow basically off board grain to be sold and grain to sold through the pooling system as well. Do you not realize that that works in—

The Acting Speaker (Mr. Kilger): Order. I would like to remind the hon. member to put his question through the Speaker please.

Mr. Easter: Mr. Speaker, so noted.

I want to point out that maybe there is something that the Reform members have not learned, and it is that when you set up that kind of system the lowest seller sets the price. The last thing

we want to see is Canadians competing against each other in international markets. The Canadian Wheat Board, and as we have seen with the barley experiment, has shown that it is a good seller, that it achieves success in terms of selling and maximizes that return back to producers.

Just where does the Reform Party stand relative to the Canadian Wheat Board and to the supply management system?

Mr. Manning: I want to thank the hon. member for his question.

I thought I had made myself fairly clear with respect to the Canadian Wheat Board. What we are saying is democratize the way the Wheat Board is organized and makes decisions. We consider that more important than particular questions about what decisions the Wheat Board makes. We are prepared to live with the decisions that are made if you democratize the board.

With respect to the member's comments that he sees something contradictory in what the Reform Party is advocating, I do want to say that what we are talking about is the trend or shift in direction. We are not talking about going from a very heavy dependency on government and subsidies all the way to no government, no subsidies, overnight. We are talking about a shift in direction. We argue that it is not a contradiction. It is clear the direction in which we would like to shift things. We can argue about the scope.

I would suggest that if he thinks that is somehow a contradiction, what we wonder about is the contradiction where before the election we had Liberals fighting free trade and fighting any change in the supply management system at all, and then six months after advocating a completely different position. If we are guilty of contradictions, we suggest there are others who are even more guilty.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, I have a couple of questions for the leader of the Reform Party.

I was interested in his comments in so far as they related to grain transportation and the impact of market forces on grain transportation.

The hon. member will know that before the 1980s the railway companies could quite legitimately complain that the regime existing at that time did not compensate them for the movement of grain. Accordingly government moved in to pick up the slack and did so by buying hopper cars, rebuilding prairie branch lines and a whole range of other things. With the WGTA coming into effect in the early 1980s it effectively provided for a full compensatory position in terms of the railways.

(1705)

Now that we have passed through the end of the eighties and into the nineties, despite the fact that under the WGTA the railways have been fully compensated and they do not have their old complaints about shortfalls, we have seen very little, if any, investment in hopper cars, very little, if any, investment in infrastructure like prairie roadbeds and so forth. This year we

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have a horrendous problem with the levels of service that have been provided.

In terms of the philosophical position that the leader of the Reform Party takes, I wonder how he sees in future market forces being a sufficient discipline on the grain transportation system to ensure that those agents that operate in the system, even though they are being fully paid for their services, are not in fact providing the services in some cases for which they are being paid.

Mr. Manning: Mr. Speaker, I thank the member for his question.

I think that whenever you see a demand for a service as he suggests exists in the grain transportation field not being adequately provided, what that is telling you is that you do not really have a proper market operating; that there is still either too much regulation, or monopoly framework or semi-monopoly framework because supply is not responding to demand.

I suggest that what that means is you have to go to further deregulation and that freight rates ultimately should be set by market forces. This is what we advocate.

The minister will also notice that in our safety net reforms we argue taking away the funds that are currently used to subsidize the railways under the Western Grain Transportation Act, and channelling them into one of these three income support programs, in particular the expanded NISA.

We think that provides a measure of protection to the producer over the changes which market transportation rates would provide. It is also a mechanism of helping the producer that would be GATT green. That is our view on how you employ more market forces to solve the transportation problem and still provide a measure of transitory protection to the producer.

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, I also was extremely impressed by the speech of the leader of the Reform Party.

I sat on the subcommittee on transport and agriculture and was amazed at the problems of grain transportation in the west. In fact the problems are critical for grain for the western economy.

I was curious to ask the Reform Party leader what suggestions he might have in regard to improving the system.

Mr. Manning: I guess I would just reiterate the remarks I made to the minister.

Our view is that further deregulation and greater reliance on market forces is ultimately the best solution to the transportation problems of agriculture in the west. Many of the reforms that we advocate would move us in that direction, although not all at once.

The other thing I would like to comment on, because I have listened to the speeches made by the Bloc members, is this comparison between government subsidization of agriculture in the west and government subsidization of agriculture in Quebec, the implication being that Quebec is not getting its fair share.

I really do suggest that what the Bloc members have been doing is comparing apples and oranges, or to use an agricultural analogy, Herefords and Holsteins. In the west, our agriculture is essentially serving and competing in an international market, particularly the international grain market where it is subject to all these tariff or subsidy wars and it is being subsidized by the taxpayer.

Quebec to a much greater extent is competing more in a domestic market and the subsidization is being provided by the consumer. I suggest if you add up subsidies, not just subsidies from government but subsidies in general, you will find that the subsidization levels in Quebec and the subsidization levels in the west are a lot closer than the Bloc member suggests.

(1710)

Mr. O'Brien: Mr. Speaker, it is indeed my pleasure today to join in this important debate on agriculture and the agri-food—

The Acting Speaker (Mr. Kilger): Order. We still have a little time left for questions and comments. I thought the member was seeking the floor for questions or comments.

Before I resume debate, were there any other questions or comments?

Mr. Easter: Mr. Speaker, I have a comment. The leader of the Reform Party read a poem that talked about our understanding where the shift is leading us.

Members should understand where this shift is leading us, what this absolute sacrifice of power to the marketplace really means and how it affects us. I will read a two-line quote: "One of the key characteristics of a market society is that it isolates us as individuals. From a market point of view, there is no such thing as society. There are only individuals and markets. Families are only units of consumption based on economies of scale. Communities are only places where individuals come together to engage in economic activity".

That is not the kind of community and society I want to live in. I would suggest that the Reform Party policy that is looking at shifting in that direction is not the society we want to be a part of.

Mr. Manning: Mr. Speaker, the hon. member did not give the source of that quotation but it sounded like Karl Marx. I would argue that that philosophy is in disrepute the world over.

The other thing I point out to the member is that it has been under the heavy government involvement, government subsidization pattern that we have had for the last 30 or 40 years that

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has seen the destruction of rural community after rural community all across Canada, and particularly in the west.

Whatever we were doing before, I argue that it is the last thing we should continue to do if our number one priority is the preservation of the rural community. The reforms that we are advocating are a step toward a revitalization of rural Canada on the basis of market principle.

Mr. Easter: Mr. Speaker, on a point of information, I should have attributed the source. The source is Christopher Lynn, a minister in Saskatoon, Saskatchewan.

The Acting Speaker (Mr. Kilger): That concludes the time for questions and comments.

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, as you can tell I am anxious to speak in this debate, however I am glad I did not prevent the interesting exchange we just heard between my colleague and the leader of the Reform Party.

First let me congratulate the minister in opening this important topic to a full debate of all parties in the House. My riding of London—Middlesex is 20 per cent agricultural and that 20 per cent encompasses four townships of some of the best farming land in southern Ontario.

It is important to me that my constituents have their views represented. They well know that the spinoff value of agriculture in economic activity is something in the order of four to one. This is a fact that is not appreciated enough by urban Canadians, just how important agriculture and the agri-food industry is to the country.

Our party in the red book spoke about making food and the production of food a matter of national security. That is a commitment that our government and our minister fully intend to live up to. I intend to help make sure that it does take place.

As Canadians, we know that we have the safest food in the world at a very affordable cost. Many of us who are more urban Canadians do not fully appreciate that fact. It is time that we did so whatever part of the country we happen to live in.

Earlier I heard the speech of the leader of the Reform Party. I enjoyed it but I would take issue with one important point because it is something that has been brought home to me by my constituents. That is the question of article XI of the GATT.

(1715)

Our party during the election made the commitment very clearly, and I know this because I spoke to it a number of times in the campaign, that we would do everything within our power as a government if we were elected to ensure that article XI was maintained.

It just was not there for that to happen. In case there are any members opposite who forgot the vote let me remind them that when the actual push came to shove and it came time to vote on article XI, the vote was 115 against and 1 country for, that country being Canada.

An elected government can do no more. A member of Parliament can do no more. We have heard this repeatedly from the members in the Reform Party. You can do no more than stand and cast your vote and be counted on what you feel is important. I intend to do that on some issues like euthanasia when the free vote comes on that. I intend to do it based on my conscience and discussions with my constituents, but in my case based on my conscience because I believe that is how one ought to cast his vote.

I am drifting into another important but somewhat off the topic at this point.

The point I am making is that when you cast your vote as an individual member of Parliament or as a government in an international forum, that is the ultimate that you can do to back up your position. This country stood absolutely alone in trying to maintain article XI at GATT so I take some exception with the leader of the Reform Party in saying that we were not consistent on that. That is not exactly what he said but that is the implication I drew from his comments.

Agriculture is of national importance to Canada from coast to coast. We know that it is. If Canadians are not involved in the production of food they are certainly involved in the consumption of it. There is no Canadian in this country who can look at the agriculture and agri-food sector with indifference. If they do then they are displaying an ignorance that I think we ought to address.

What I would like to do, given the national importance of agriculture, is to overview briefly on a regional basis the importance of this particular activity. In B.C. the agri-food sector is a small but stable component of the provincial economy contributing just over 2 per cent of the province's GDP in 1992 and almost 6 per cent of Canada's agri-food GDP. With its proximity to the Pacific Ocean obviously the sector is firmly focused on the Asian marketplace where it is beginning to have considerable export success.

In order of importance, the major sectors of the British Columbia agricultural industry are dairy, poultry, eggs, cattle and calves, horticulture, grains and oilseeds.

The prairies, which many of us have had the opportunity to visit and marvel at the wave after wave undulating prairie with the fine grain that we see produced there, is now beginning to diversify into new primary and processed products and is finding new customers for its exports.

In 1992 the prairie provinces contributed more than 30 per cent of Canada's agri-food GDP.

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I might digress at this point and make the point that I intend to share my time with my colleague, the hon. member for Huron—Bruce. I hope, Mr. Speaker, you will remind me when my time has run out.

In Alberta the agri-food sector is the major renewable resource industry in the province contributing nearly 6 per cent of the province's GDP in 1992. The southern area of Alberta produces the most hot season crops and has the majority of beef lots. The central area has cow-calf operations, hogs, dairy, grains and oilseeds and the northern Peace River district, which I would like to visit, has livestock and grain and is noted for forage seed and honey production.

In Manitoba the agri-food sector contributed some 6.4 per cent of the provincial GDP in 1992. Wheat and barley traditionally constitute two-thirds of farm cash receipts in the province while other major crops include canola, flax and sunflower. As well the soil and climate accommodate the production of a variety of special crops such as buckwheat, sugar beets and potatoes.

Manitoba also as we know has a substantial red meat industry which constitutes about 25 per cent of the value of agriculture production in the province. It has a dynamic food processing sector which in 1991 accounted for almost 27 per cent of the value of all manufacturing shipments from Manitoba.

(1720)

Some 39,000 people were employed in primary agriculture production in 1991, about 8 per cent of the province's total workforce, while an additional 21,000 people were employed in related industries, hence reinforcing as I said at the beginning of my remarks the spinoff value of agriculture and the agri-food sector.

Turning to my own area of central Canada, Ontario and Quebec's agri-food sectors contributed about 55 per cent of Canada's agri-food GDP in 1992. The region ships primary and processed products to the rest of Canada and the United States and has some highly successful processing firms that have become multinationals with plants around the world. In 1992 agri-food production constituted 4 per cent of Ontario's GDP and about 4.3 per cent of Quebec's.

My home province of Ontario is the top agri-food producing province in Canada with more than 588,000 people employed in the industry in 1992. Livestock and livestock products accounted for 59 per cent of farm cash receipts in the province in 1991 and crops such as grains, oilseeds, soybeans, dried beans, corn and tobacco accounted for some 36 per cent.

As well, much of Canada's food processing occurs in the province of Ontario. Ontario accounted for 35 per cent of all

shipments from Canadian food and beverage manufacturing industries in 1991.

In Quebec the dairy industry is the largest component of agricultural production, producing over 38 per cent of Canada's milk output in 1991. As well, Quebec accounted for 32 per cent of all Canadian pork production that year.

Poultry, horticulture and beef are also very important components of this sector. The province has more than 1,000 processing plants which shipped more than \$11 billion worth of products in 1991.

Agriculture and Agri-food Canada employs about 2,600 full-time employees in the provinces of Ontario and Quebec. No part of Canada has a greater variety of agri-food product than the province of Ontario. That is very easily reflected in my area of southwestern Ontario and in my riding of London—Middlesex.

My colleague from Huron—Bruce who will speak following me can certainly attest to the diversity of agriculture in southwestern Ontario.

In Atlantic Canada, and there are members in this House much more knowledgeable about Atlantic Canada than I, 6 per cent of Canadian agri-food GDP in 1992 was produced. The region's biggest agri-food market is the United States but there are also successes in the Caribbean and in Europe.

In New Brunswick the agri-food sector contributed about 4.7 per cent of the provincial GDP in 1992 with dairy representing the most valuable agricultural commodity, followed closely by potatoes at \$54 million.

In Nova Scotia agri-food production contributed about 4 per cent to the province's GDP.

In Prince Edward Island, where the agricultural sector has long been the mainstay of the provincial economy, about 7.8 per cent of the provincial GDP was contributed by the agri-food sector in 1992, not including food and beverage processing. Can there be any eastern Canadian or western Canadian who is not familiar with the famous songs of Stompin' Tom Connors immortalizing the potatoes from Prince Edward Island.

In Newfoundland agri-food production contributed about 2.8 per cent of the provincial GDP in 1992. Some 83 per cent of farm cash receipts came from livestock operations and 17 per cent from the production of vegetables and other crops. The majority of the province's agri-food production is in the processing industry however. Of the 293 agri-food processing businesses in the province in 1992 half were engaged in the meat and meat products sector. The bread and baking products sector was the next largest at 36 per cent followed by poultry and then fruit and vegetable processing.

Agriculture and agri-food Canada has about 820 employees working in Atlantic Canada.

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It is quite clear to me as an urban Canadian from southwestern Ontario and increasingly more so as a member of Parliament just how vital the agri-food industry is to this country.

(1725)

When seeking nomination and because I come from an urban background, I formed an agricultural advisory committee in my riding, making sure that the different parts of the riding and different sectors of the agri-food industry were represented. This obviously led to an increased knowledge of agriculture in Canada on my part. But as the old saying goes, the more you learn the more you understand you have to learn about anything in life. That certainly applies to agriculture.

I commend the people who served and continue to serve on that committee and who keep me informed as a member of Parliament from an urban background about the issues, the needs and the concerns of Canadian farmers.

It would be a sad day when we could not go into our farmlands and see the family farm still in existence. That is a very real concern I have come to share with the constituents I represent. There is tremendous stress and strain on the family farm. I believe this government will do everything possible to make sure that a young farmer who wishes to follow in his or her parents footsteps and continue to farm will be able to do so.

It is a key drive of this government to make sure that those Canadians who wish to work are able to work. That must include agriculture. It will be a sad day when my cousins, some of whom do farm, cannot continue to do that because the family farm has become obsolete or simply impossible to manage.

I appreciate the opportunity to join in this debate today. It is a great privilege to represent farmers in this House of Commons. As I said, I will continue to speak on agricultural issues, ask questions to the Minister of Agriculture and Agri-food and make sure that the voices of my constituents are heard.

In closing on a related note, I hope that my colleagues in the Reform Party will perhaps reflect on this. One of the objections in southwestern Ontario to the proposed redistribution, not of members of Parliament but of individual ordinary Canadians, farmers living in southwestern Ontario, was that the proposed redistribution was going to represent a reduction in representation in the House of Commons for rural southern Ontario. They want to see the maximum possible voice for their concerns in the House of Commons. Those farmers in my riding who represent 20 per cent of my constituency do not want to see my riding become totally urban and their voice therefore reduced.

I am not sure that is appreciated by all members in various parts of the House who are not familiar with rural Ontario. I thought it was important to share that.

I appreciate the opportunity and I will listen very carefully to the rest of the debate.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I congratulate the member on his address and the sincerity of his remarks.

I come back to his references to Article XI and the Liberal Party's defence of it. My question is really this. Would the member not acknowledge that this is a classic case of politicians, and in this case even the government because the government took a similar position, sending producers precisely the wrong signal at the wrong time?

What the market was saying to supply management people during the GATT negotiation was that this particular approach to protecting supply management was not going to last. The consumers would not pay the shot. Consumers were saying that in other ways in Canada by going across the border and buying supply managed products.

Would not the more responsible thing have been to say to supply management people: "Look, this system cannot be maintained the way it is now. It is going to have to be changed and we are going to have to find some other way to provide you with financial security", which is what we tried to do by making supply management people eligible for an expanded NISA.

In other words, does the party's and the government's experience with the article XI business not illustrate precisely that too much politics, too much government sends the wrong signals to producers and we would be better to withdraw politicians and government from any area where they can send those signals to producers and end up misleading them rather than leading them in the right direction?

Mr. O'Brien: Mr. Speaker, I thank the leader of the Reform Party for his compliments and for his question. Perhaps I misunderstood his earlier speech, but I was taking issue with the suggestion that there was some sort of an inconsistency with the pre-election or the election position of our party on article XI and what we actually did once elected. I do not think there was any inconsistency whatsoever when we voted and stood alone in the world on article XI.

However one sees article XI and the efficacy of it, I was wanting to reinforce the fact that we were very consistent on how we dealt with that important clause of GATT after elected and what we had said prior to the election.

I will comment briefly on the Reform leader's points which almost amounted to depoliticizing the agri-food industry. While I applaud that sentiment I am not sure, knowing the farmers I do in my riding, I have never met more political people, people more attuned to what is going on in the country politically and determined to influence the system obviously to their advantage as Canadians, as we all seek to use the system to the advantage of our families and our country in general. I do not think we are going to see a day when governments are not involved in the agri-food decision making process. The process is political by nature, as I see it.

Private Members' Business

The Acting Speaker (Mr. Kilger): It being 5.30 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

PULP AND PAPER

Hon. Charles Caccia (Davenport) moved:

That, in the opinion of this House, the government should consider the advisability of developing regulations and a program to replace dioxin producing bleaching processes in pulp and paper mills in Canada and at the same time launching immediately a campaign to educate the public about the advantages offered by non-bleached paper products.

He said: Mr. Speaker, the motion has two purposes. One is to gently but firmly remind the government with respect to pulp and paper companies and the activities of the pulp and paper industry that there is a pollution problem which needs to be addressed. Second, it is desirable to launch a program of advocacy with Canadians to see whether there is acceptance among the users of paper of all kinds, from writing paper, to pads, to toilet paper, that it is not bleached and therefore not subjected to rough chemical treatments.

Obviously this question could be considerably resolved if the purchasing trends of consumers were to change and shift from bleached to non-bleached products. It is a question that every consumer asks when walking by shelves in our supermarkets.

The background to the motion is simple. We have a very important pulp and paper industry. It is a major contributor to Canada's economy. It helps considerably to maintain a positive trade balance. At the same time, however, the industry is the largest industrial user of water in Canada and it is a major source of pollution.

It is estimated that pulp and paper mills in Canada are responsible for roughly 50 per cent of all waste dumped into the nation's waters and account for approximately 5 per cent to 6 per cent of the common air contaminants from known industrial sources.

(1735)

Because of the livelihood of many families, because of the economic importance of the industry, because of the interests of shareholders in this industry, and because of the growing desire to behave as good environmental citizens on the part of Canadians, I am sure it is in our long term interest to develop measures that will improve the image of the industry at home and abroad and therefore secure the livelihood of the families dependent on the industry.

We are informed by the Chlorine Institute of North America that pulp and paper bleaching accounts for 14 per cent of chlorine use in North America. The use of chlorine and its compounds as bleaching agents results in the discharge of some very damaging and poisonous substances. By that I mean dioxins, furans, chloroform and other toxic materials.

The problem with chlorine is that it has an impact on the environment and human health. We know that chlorine is useful as a disinfectant. It is useful in many industrial activities. There is no doubt about that. There are also many negative effects. When chlorine is used in pulp and paper manufacturing processes the byproducts include such toxic substances such as dioxins, furans and PCBs. These elements are known to be persistent in the environment. They have found their way into the food chain and human tissue. They have been the subject of a number of recommendations in recent years by the International Joint Commission.

A number of health problems are associated with organochlorines and mounting evidence indicates that some organochlorines can cause not only cancer but reproductive dysfunctions, endocrine disruptions, developmental impairments and immunological effects.

At the present time we must say in assessing the situation that in recent times there has been a reduction in the use of chlorine in pulp and paper by the industry due mostly to modernization of the industry. We welcome that. Many plants are shifting away from the use of elemental chlorine or chlorine gas to the use of chlorine dioxide which results in a sharp decrease in the production of organochlorines and a reduction in the amount of dioxins associated with bleaching. However chlorine dioxide discharges contain large amounts of chlorate which is a very powerful herbicide.

We must raise the question as to whether this change or this shift is good enough. That question is followed by another one: Are there alternatives? Alternatives do exist. Also there is resistance to these alternatives. There is ozone bleaching, hydrogen peroxide and oxygen pre-bleaching.

These various approaches are now the objects of examination at the research level, but they would be extremely desirable as alternative approaches. They are a bit more expensive than chlorine and chlorine dioxide. They provide not only cleaner alternatives but involve less cost in the long run. The basic concept that has to be advanced in this debate is that it is going to be less costly in the long run if this is seen as an issue that will affect more than just one generation.

The present regulatory situation raises a question as to whether it is good enough. Regulations for pulp and paper were passed in May 1992 and were intended primarily to control conventional pollutants from mills. No assessment of the potential harm to human health by effluents from pulp and paper has been conducted because it is not required under the Fisheries Act.

Private Members' Business

(1740)

The regulations control only two members of the family of chlorinated dioxins and furans. There are many family members. These are highly toxic because when they enter the environment in quantities they have immediate and long term harmful effects and constitute a danger to human health.

In his report in 1993 the auditor general informed Canadians that the Department of the Environment had not explained why it had not regulated dioxins and furans according to total toxicity. One province has done so. That is the province of Quebec. Maybe others have followed suit.

These regulations do not address directly the pulp and paper sludge or air emissions because they are not under the scope of the fisheries act. Nor do the conventional pollution regulations deal with effects on the environment in general or on human health. Further the environmental effects monitoring program, which is to be the main method of assessing the effectiveness of regulations, does not assess the effects on the environment and human health for the same reasons.

Next, the auditor general pointed out that the implementation of some of the new regulations had actually afforded mills that met regulatory requirements with some protection by allowing discharge of prescribed amounts under specific conditions. This is a very tricky situation.

The auditor general reported that incomplete information was provided on the effectiveness and cost of pulp and paper regulations. Apparently, while the federal regulations authorize the government to require mills to provide data on dioxins and furans in intermediate flows and in pulp and paper sludge at the mill, not much has happened.

The auditor general also pointed out that of 97 mills not in compliance at the end of December 1992, 91 mills were granted permission to continue polluting at preregulation levels until the end of 1993. All companies that tabled plans by the end of 1993 have been given an extension to the end of 1995.

The auditor general stated in his report that if these extensions were granted the mid-term effectiveness of the regulations would be quite questionable. In other words, why have regulations if extension after extension is granted? It is my understanding that 26 mills were granted extension until January 1994 to the dioxin and furans regulations.

We are dealing with a serious situation. I am sure that the parliamentary secretary or other members will address it in their interventions later.

In conclusion, one has to raise a basic, elementary question: Does paper need to be white? Is it really that important? In some countries paper of different colours is used. I do not want to go into shades of brown or grey, but the preoccupation or almost obsession with chlorine white does not exist in many other cultures. We seem to adhere to that very firmly, I suppose because the appearance is so attractive. Does it really have to be that way once we connect in our way of thinking to the fact that the use of chlorine which is necessary to have white paper is harmful to the environment in the long term and affects the ecosystem? That also leaves much to be desired because it can also have negative impacts on human health.

(1745)

Do we need bleaching? Is it necessary to have white paper from toilet paper to writing paper? What is needed to do that? I suggest that if the appearance of our paper is not that important perhaps we could achieve a change in attitude and in consumer demand at the purchasing level of the individual consumer by a program of advocacy.

I would suggest that ways must be found to convey to the public the benefits of non-bleached paper. We need comprehensive education, if you like. We need to inform the public of the merits of unbleached paper.

Industry perhaps argues that there is no demand for chlorine free paper and it may be right. Yet through education and advocacy about the desirability of using non-bleached paper we might witness a change in demand in a very short time.

I am reminded in that respect and you are also, Mr. Speaker, I am sure, to what happened in the 1970s when we did switch from phosphate detergents to non-phosphate detergents when the public became seriously preoccupied with eutrophication both in Lake Ontario and Lake Erie in particular.

Therefore, an education campaign would perhaps rely on groups with experience in public education and grassroots awareness building so as to provide a vehicle to convey this message. There are many people I am sure who could be instrumental in an effective campaign Environment Canada could enlist their help. It seems to me that it is the responsibility of Environment Canada to initiate this process as it has done so successfully with other public advocacy programs.

To conclude, there is the government procurement process. Here the government could set the tone and the pace by determining what it buys when it comes to paper. If the Government of Canada were to switch from bleached to non-bleached procurements and buy the non-bleached paper it would make an enormous difference. We know the quantities that are being ordered. All the paper products used by government departments if non-bleached could become a very important

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trigger and start a new trend in favour of products that are environmentally friendly, namely non-bleached recycled paper products.

It seems to me therefore that it is reasonable to raise this matter in the House of Commons at this point to assess the situation we are in at the present time. We are perhaps at the mid point between the very unsatisfactory situation in the 1980s. We are certainly moving the right direction but we have to accelerate that process. We have to ensure that the industry does not become the object of trade retaliation abroad initiated by environmental movements as we have seen in other industrial sectors.

Maybe rather than being motivated by negative reasons we should be motivated by positive ones, namely by the desire of not only protecting the environment through our industrial activities but also to practice the concept of sustainable development which is a key chapter in the red book entitled "Creating Opportunities". Sustainable development means that we are heading for times in which we will need to integrate environmental with economic decisions.

(1750)

Evidently the pulp and paper industry cannot exempt itself from this emerging trend. It is a desirable one because it has, as I mentioned, positive repercussions not only in terms of environmental protection but also on human health and it is therefore important that we bring all these concepts together on the floor of the House of Commons for further deliberation and hopefully for the advancement of the cause of a well managed and well protected environment with the long term interests of the economy in mind.

[Translation]

Mr. Jean-Guy Chrétien (Frontenac): Mr. Speaker, I am pleased to participate in the debate on the motion tabled by the hon. member for Davenport, who is also the chairman of the Standing Committee on Environment and Sustainable Development.

I am always impressed by the hon. member's appropriate and honest comments, which reflect a genuine concern for the protection of our environment.

Quebec and Canada must make a sustained effort to control the overconsumption of goods and services. The motion tabled this afternoon must be supported by every member in this House, since it aims to significantly improve the quality of water.

The motion is twofold. First, it proposes to develop regulations and a program to replace dioxin producing bleaching processes in pulp and paper mills in Canada. Then, it proposes to launch a campaign to educate the public about the advantages offered by non-bleached paper products.

The Bloc Québécois fully agrees with the need to review regulations on the pulp and paper industry, even though the Pulp and Paper Mill Effluent Chlorinated Dioxins and Furans Regulations were passed as recently as May 7, 1992, under the Canadian Environmental Protection Act.

These regulations, which came into effect on July 1, 1992, regulate two types of chlorinated dioxins and furans. In fact, these two substances were the first ones on the list of primary interest substances to be evaluated in terms of their toxicity.

These regulations were the result of initial action taken by the government under the Green Plan to limit industrial pollution.

These regulations are particularly important, especially since the Pulp and Paper Effluent Regulations which were passed at the same time are related to the Fisheries Act which does not require an evaluation of the possible dangers of effluents to human health. Consequently, I think it is essential that the regulations on chlorinated dioxins and furans provide us with means to protect the health of every human being.

However, the issue of regulations in the pulp and paper industry is very complex. This industry has played an important role in our economy for a long time now. Although it has provided essential financial support, the pulp industry has also long been an important source of pollution.

(1755)

Even though we still have a long way to go, the results obtained encourage us to continue on this road. Industry complains when the government forces it to use new equipment to meet stricter standards.

Let me remind you here that when a regulation is passed forcing a company to incur expenses to meet a new standard, it can reduce its taxable income by deducting a capital cost allowance and operating expenses from its profits.

However, I would like to voice a criticism of my colleague from Davenport. He has fine qualities, I admit, but he has a drawback: he is a Liberal. The Conservative government did some things that were beyond reproach, of course; it did some things for which it can be criticized, but one thing it did was to try to put pulp and paper mills on the road to environmental protection and sustainable development.

The Liberals were elected on October 25 and the House had not yet started to sit under the new Liberal team when I read in *Le Soleil*: "Domtar has a year to comply with Ottawa's new green standards". Now there are about 15 pulp and paper mills along the St. Lawrence River. Less than three months after they were elected, the Liberal Party granted the paper mills an exemption from a regulation that the Conservative government had passed here in this House.

Let me read you a paragraph or two:

Ottawa has just allowed Domtar to dump into the water until 1996 twice the amount of pollution that it usually produces at its Beauharnois plant—

—Beauharnois is in Quebec, my friends—

—says the Société pour vaincre la pollution, SVP.

In an interview in *Le Soleil*, its spokesperson, Daniel Green, denounced the one-year delay granted yesterday by the federal government for these facilities to meet the new “green” standards.

Similar permission was granted to most of the 60-odd paper mills in the province.

And water flows downhill. In my riding, close by, in East Angus, there is a paper mill, and there is one in Windsor. The waste, following the Saint-François River, flows by Drummondville and inevitably ends up in the St. Lawrence River. Nearly all of the 60 paper mills in Quebec have obtained a waiver from your government, my friends. I have not heard one of them get up and yell, not one.

I also wish to draw attention to a report that was just made public by the Quebec Department of the Environment and Wildlife. It is the annual report on environmental compliance for the pulp and paper sector, 1992.

The report shows that, while the Quebec pulp and paper industry probably experienced its worst financial year in 1992, the percentage of compliance with standards substantially improved and the quantities of waste discharged also declined significantly.

To say that financial constraints oblige us to go slow in our efforts to reduce the use of chlorine is therefore not as true as it once was.

(1800)

As we recently discovered in reading the seventh biennial report of the International Joint Commission on Water Quality in the Great Lakes, the pollution of these bodies of water has a drastic impact on human health.

These effects, to name only two, include congenital malformations and learning disabilities. We are no longer talking about fish. This winter, opposite Trois-Rivières, at Sainte-Anne-de-la-Pérade, a third of fish in the channels, the tommy-cod, were blind. A third. But we are no longer talking about fish, but human beings. Children are born and it is known, at birth, that they will have a learning difficulty that can be determined. This is no laughing matter.

When birds were affected, the females laid eggs with shells that were too thin to ensure reproduction and people said, “It is sad about the birds”. But in this case, human beings are

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involved. It is estimated that one person in three will develop some form of cancer at one time or another in his lifetime. One person in three. And you know where that comes from, cancer, from carcinogenic agents, including these we are talking about.

Well, Mr. Speaker, I see that my 10 minutes are already nearly up. I will conclude by saying to the member for Davenport that the Bloc Québécois is, of course, in agreement with his private member's motion. It remains to be seen whether his party will have the courage of its convictions and go all the way with a bill that has teeth.

[English]

Mr. David Chatters (Athabasca): Mr. Speaker, I thank you for this opportunity to speak to this motion M-100. The Reform Party and I recognize the importance of the preservation of our environment for future generations.

A very important part of our mandate as legislators is to ensure the environmental sustainability of our industries as well as the fiscal sustainability of our standard of living. These two goals are very interdependent. The sustainability of our standard of living very much depends on a healthy strong resource industry sector.

If we as lawmakers enact such strict environmental regulations as to make our resource industries uncompetitive in the world marketplace, then the income from those industries will not be there to support our high standard of living.

Therefore we must strike a balance between degradation of our environment and exploitation of our resources for profit. The phrase now popular for this balance is sustainable development. We only have to look at third world countries to see how the environment suffers when human beings must struggle just to survive.

It is vital that we do not lose our perspective to the agenda of the environmental movement. It is with this thought in mind that I am somewhat confused about the introduction of this motion. Perhaps it has become somewhat clearer after listening to the previous two speakers but the wording in the motion itself was somewhat confusing.

Knowing the background and long experience in environmental matters of the member for Davenport, I assumed but now know after listening to him that he is aware that under regulations passed in May 1992 under the Environmental Protection Act as of January 1994 the presence of dioxins and furans has been virtually eliminated from the effluent of Canadian pulp mills. That makes this motion somewhat redundant.

Thinking that I might be misinformed on the issue, I consulted the Alberta-Pacific Forest Industries mill in my riding, the Pulp

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and Paper Research Institute of Canada and the B.C. Council of Forest Production. All confirmed that my information is correct.

I also visited the Alpac mill, the largest single line bleach kraft pulp mill in North America. I found it to be a shining example of the type of sustainable development we are striving to achieve.

(1805)

This mill is producing 1,600 tonnes per day of the highest quality bleached white pulp, the best in the world, without producing any measurable dioxins or furan emissions. This mill also has one of the lowest AOX or organochlorine compound levels in effluent discharge of any mill in the world.

The effluent treatment plant makes use of a natural organic activated sludge biological effluent treatment system, if you can believe that. In this process micro-organisms which occur naturally in the river are introduced and thrive on the contaminants in the effluent, much the same process as the common household septic tank. The effluent is then aerated and oxygenated. Solids are then settled into large settling ponds. The clean water then returns to the river and the sludge is removed and burned in the power boiler.

Air and water emissions from the mill are continually monitored to meet the most stringent regulations in the world, as laid out in its operating licence.

The best example I saw of the technology being used is the large aquarium in the administration area of the mill in which a number of goldfish are living in pulp mill effluent. The fish looked healthy and vigorous with no mutations or growth sores that were visible. They certainly were not the type of horrors we heard the previous speaker talk about in our rivers and atmosphere.

I am not for a minute suggesting that the pulp and paper industry does not deserve its reputation as a major polluter of our air and water, but let us give credit where credit is due. Through a combination of much improved technology, public pressure and government regulation the industry has developed an environmental conscience as a means of survival in today's world.

The environmental movement no doubt was a real factor in this new environmental awareness. We must continue to be vigilant in monitoring the industry, but let us not let the pendulum swing too far as this motion might suggest.

We now have the technology to produce high quality bleached white paper, a product which certainly seems to be in great demand in this institution, and I notice it on the member's desk as well. We have the technology to do this without destroying our environment.

While the industry has eliminated the highly toxic organochlorine compounds, other non-organic, non-toxic organochlorine compounds continue to be present in the effluent streams. We must recognize that many products we consume on a daily

basis, such as many pharmaceutical products and artificial sweeteners contain organochlorine compounds. As well we use chlorine in our drinking water and swimming pool treatment.

Therefore let us not react hysterically and destroy a very profitable industry which uses a renewable resource formerly viewed as a trash forest byproduct not suitable for the production of lumber. Research must continue on options such as closed recycling systems. That option is nearing reality. It is certainly one that is being developed in the Alpac system. The effluent is not pumped back into the river but instead is recirculated and reused in the mill. These are some options that we must continue to explore.

We must continue also to examine the other organochlorine compounds. If they are discovered to be toxic, let us move swiftly to ban these elements. But let us not destroy a viable industry that creates much needed jobs and contributes in a big way through tax dollars to our high standard of living based on a poorly informed environmental lobby.

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment): Mr. Speaker, first of all I would like to thank my colleague the hon. member for Davenport for his respect for the environment and his tenacity in promoting the cause of the environment over the years. I do not think his case was hysterical at all. His case was in very measured tones in fact in contrast to the two speakers who spoke after him.

Of course I agree we should not be alarmists. At the same time I think we should be realists. To suggest that all over Canada pulp mills are not a problem today is to simplify the notion to a degree where it is not real any more.

I know there are state of the art mills such as Millar Western in Alberta and Saskatchewan with closed looped technologies producing zero effluents and zero toxins. They are models for mills all around the world, but they certainly are not typical of all the mills in Canada. In my own province of Quebec right up until a few years ago, the effluents from paper mills were tragic to the St. Lawrence. That has been the case all over Canada.

(1810)

We recognize very much the economic importance of the pulp and paper industry. Of course it is our foremost industry. The accent was put on it by the hon. member for Davenport in saying that on the contrary we must be proactive in making sure that the output of the industry is enhanced, that the quality of its products sell all over the world. It is in that sense the motion was produced. We have to see it in a proactive light.

In 1992 after tremendous consultations involving stakeholders from the industry, from environmental groups and from governments, the Canadian government decided to produce a comprehensive set of regulations under the Canadian Environmental Protection Act and also under the Fisheries Act. The regulations mandated that mills would not produce any more

effluent that resulted in dioxins and furans by 1994. That has been the case.

However I will correct my colleague, the critic for the Bloc Québécois, when he said it was due to the Liberals that extensions were granted, as they were. I will remind him that the amendments to the 1992 regulations providing for extensions were produced by the Conservative government. If members do not agree with me they can check it and challenge me tomorrow in Question Period.

What happened was that these amendments to the regulations were produced so that when mills applied for extensions of time before December 31, 1995, there was no choice but to grant these extensions.

I know we have to do better. We have to examine the chlorine issue very carefully. There has been a change in gaseous chlorine used in mills in Canada by a 70 per cent decline. Instead they are choosing chlorine dioxide bleaching which is far less harmful to the environment. As a result there has been a dramatic decrease in the effluents producing dioxins and furans.

I will give some figures which are pretty startling. The total discharges of chlorinated dioxins and furans as measured in toxic equivalent units discharged from all pulp mills using chlorine bleaching in Canada has decreased from over 350 grams per year in 1988 to less than 6 grams in mid-1993.

We have to carry on our pursuit for completely dioxin and furan free effluents, zero discharge effluents, not just at the end of the pipe effluents but preventive technologies that will produce closed loop technologies which will stop discharges of these altogether. Such is the case for Millar Western.

Some very important initiatives are now in progress. First of all, side effect research is being carried out today by Environment Canada and other parties. The report of the study will be completed in a matter of a few months. The study is examining the effect of chlorine and chlorinated products used in pulp mills and other manufacturing uses. Also a memorandum of understanding has just been signed by the Government of Canada with the Pulp and Paper Research Institute to try and establish new technologies in closed loop circuits so that effluents will be completely toxin free.

[*Translation*]

There is also the St. Lawrence program just signed with Quebec, which will force all manufacturing companies—there were 56 of them, including the pulp and paper mills, and now there are 106—to reduce effluents, which have been reduced by 70 per cent so far, by 90 per cent by 1998. Consequently, measures are currently being developed. I know we have to improve what we are doing. This is why I personally and all the

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people in the department are closely monitoring what is happening especially in the United States, where an extensive study is under way on chlorine and on the steps to be taken to eliminate dioxin and furan effluents resulting from chlorine.

(1815)

My colleague from Davenport also spoke about health, and I agree completely with him. This is why the Vision 2000 component of the St. Lawrence action plan—as will also be the case in Ontario—will include a component on health to measure the effects on the health of living species and especially humans. It is essential that we begin to look into the health effects of toxic effluents, not only from pulp and paper mills, but also from all plants.

I agree completely with my colleague that what is needed is a heightened public awareness campaign so that the public can find out about the environmental impact of a particular product.

[*English*]

That is the reason for the ecochoice program and I would be quite happy if most of our paper, certainly the procurement of the House of Commons to start as an example, were unbleached paper. Why not start here as an example?

It seems to me that we can also produce good white paper, bleached so long as it is under closed loop technology or non-toxic technology, and at the same time use other measures which eventually people accept.

I use stationery that is brown in colour, so does my colleague, and I find it receives acceptance today all over the place. Ten years ago recycled paper was not acceptable. Today it is.

We have to change our ways, our attitudes, find a means for all of us, including my colleagues over there, including colleagues from the Bloc Québécois, to find a certain consensus that yes, industry has to carry on. It is our bread basket. It is the way we live and manage to earn our living.

At the same time it has to be done with full respect for the environment, for the ecosystems, for our biodiversity, for human health, not only in one place, perhaps in the member's riding, but all over Canada without regard to where it is or how it is done.

We may reach it, not tomorrow or the day after, but we have to set an objective of a toxic free, dioxin and furan free ecosystem all over Canada.

The Acting Speaker (Mr. Kilger): There being no further members rising for debate and the motion not being designated as a votable item the time provided for the consideration of Private Member's Business has now expired and the order is dropped from the Order Paper pursuant to Standing Order 96(1).

Government Orders

[Translation]

Pursuant to order adopted on Friday, May 6, 1994, the House resumes consideration of the government motion on agriculture.

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[English]

AGRICULTURE

The House resumed consideration of the motion.

Mr. Paul Steckle (Huron—Bruce): Mr. Speaker, it is my honour to be able to stand here this evening and address the issue of agriculture, something which I am very familiar with.

I am also pleased to have shared this time slot with my colleague, also my constituency colleague in the fact that he neighbours to my south and we share in many ways similar constituencies with the exception that my constituency is totally agriculture and I do not share the urban aspect that my colleague from London—Middlesex does.

This evening I want to draw some points that I think have already been made today. I want to reiterate a number of points.

(1820)

I think as we go back and look at the February budget we see included some very tough measures such as cuts for all government departments including the agricultural department. Agriculture grants and contributions were cut by 5 per cent. Because the government was aware and sensitive to the challenges facing agriculture producers, major safety net programs, that is GRIP, NISA and the dairy subsidy and crop insurance programs, were exempt from these cuts.

There are no huge amounts of money for new programs as we all know and we do not want to create new cumbersome bureaucracies. Therefore we must work with the farmers to prioritize our resources and farmers are going to have to decide what they want the limited moneys to be spent on.

Just this morning a committee of rural people met with the farmers representing the corn and oilseed industries with regard to the way they want to see us spend our money in terms of the advance payment programs. Later on this morning they also met with the hon. minister. I understand they had a very congenial meeting.

The agri-food industry is complex and goes far beyond the farm gate. The system provides Canadians with the safest and the most nutritious food in the world and let me suggest also at the most reasonable prices.

We as a government are committed to develop all opportunities for growth and have placed priority on the security of the family farm. This priority can only be achieved by building solid domestic and international markets, staying on the forefront of innovation and in the concentration on stewardship of our natural resources—farmers know this best—soil, the way we revere this ever so important ingredient in the food chain.

I want to move to the issue of trade. Trade is this country's life blood. Offshore markets are expanding especially for value added products. Canada is losing ground to our competitors for a number of reasons. However, we through the minister, the parliamentary secretary and the agriculture committee, are working to reverse this trend. The minister has stated that our government's policy will be to work with the different industries to reach a goal of \$20 billion of exports by the year 2000. This is a major increase from the current level of \$13 billion.

We are committed to increasing exports and the minister has told the department to shift its priorities and to increase support for export initiatives. The potential for export growth in the agri-food industry falls within value added products. Also key is the development of new markets in Asia and in Latin America.

There has been created a new market, an industries branch that will work with the Department of Industry and the Department of Human Resources Development to produce a single window approach to provide support for market development of agriculture. Agri-food specialists have been placed in selected embassies abroad and to date the response has been positive.

The minister along with the Governor General and private organizations came back from a trade mission to China, South Korea and Hong Kong to promote the agri-food industry. The government wants to find new customers while firming up existing partnerships.

This government has been working hard to cultivate and take advantage of new trade opportunities post NAFTA and GATT. With NAFTA we have the opportunity to jump on new opportunities south of our border in the United States and in Mexico. We as a government did what we promised and made improvements to NAFTA before we signed. These improvements were in areas of labour and environment, subsidies and dumping, water and energy.

NAFTA was agreed upon to ensure that we have secure access to our largest trading partner and greater access to a growing market in Mexico.

To date Canada has accepted 85 per cent of Mexican food products duty free. Mexico maintained high import duties and import restrictions on many food products. NAFTA will correct this imbalance and increase our exports past the pre-NAFTA levels of approximately \$215 million. This will help the whole agricultural industry including our food processing sector which

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currently employs close to 200,000 people and with a production valued at \$40 billion.

Market opportunities in Mexico exist in many food sectors including fish, shellfish, wheat, barley, oilseeds, pork and pork products, potato and potato products, canary seed, dried beans, peas and apples, to name some of the things we export from this country.

There was little time to rest when we were elected. We had to jump into the trade issue right away with the GATT negotiations.

(1825)

Recently in Morocco, on April 15, 1994 the trade minister along with about 120 other governments signed on to the final act that embodies the results of the Uruguay round of multilateral trade negotiations. Their agreement will put greater fairness and predictability to international trade. New trade rules will apply to all countries equally and differences between trading partners will be settled more effectively through the rules of the World Trade Organization. This is essential to farmers and the agri-food industry.

For the first time in history we have an agreed to definition of the term subsidy. The agreement also sets out a category of government programs agreed upon to be non-trade distorting.

This will not happen overnight, but will be phased in over six years. In most cases this will give domestic industries time to adjust to the new trading rules.

The agreement will help put an end to a disastrous grain trade subsidy war that proved extremely costly to Canadian farmers. In the future Canadian farmers will enjoy greater market access. The red meat industry will also benefit from this agreement. Pork and beef producers will enjoy greater opportunities in the Asian market.

Now allow me to move to supply management. More than 20 years ago this country decided that a made in Canada approach, the supply management system, was the appropriate structure for the dairy, poultry and egg industries. Now supply management is one of the foundations of the Canadian agricultural economy.

Supply management is and was based on three pillars: production quotas, a regulated pricing mechanism and import quotas. After the 1994 GATT agreement one of the three pillars, import quotas, was replaced by tariffs.

Our party's position is clear. We remain committed and support the supply management system and will continue to assure its prosperity. Opposition members are quick to pounce on us and predict the end of supply management. In December the Ontario Milk Marketing Board issued a press release:

"Marketing boards have not been dismantled by the recently announced trade deal under the General Agreement on Tariffs and Trades (GATT). The change coming in July 1995 is that border import quotas are being replaced by border tariffs so only the mechanism to keep out subsidized product has changed".

The industry has accepted this. Currently the government is working with stockholders to develop new arrangements that will support the sustainable orderly marketing systems required in the future.

In December the agriculture minister along with provincial agriculture ministers established a small task force to provide advice on changes needed to the supply management system to address the challenges and opportunities resulting from GATT.

The task force was chaired by the hon. member for Prince Edward—Hastings and is looking toward an aggressive marketing approach as key to the future of this sector.

Recently the United States has decided to serve notice of its intention of proceeding with increased tariffs on barley and wheat. We regret the action and despite what the opposition claims we will stand firm in our support of the industry. We will not trade off one industry's interest for the interest of another.

We will try to use the 90-day consultation period to try and negotiate a deal to prevent a trade war. We stand ready and we will not back down. If the U.S. proceeds with unilateral trade action we will have no choice but to respond in kind.

In fact, Canada would have been much worse off had it not been included in the GATT agreement. If this had happened the U.S. would have been free to impose tariffs right away without the 90-day consultation period.

In looking at the future, we have under GATT clear rules and a new system of discipline in trade that can be understood by all parties when developing the new generation of safety net programs. These programs need to be to the best of our ability countervail proof.

My view is that we need to develop long term agricultural policies that will take us well into the 21st century. Farmers need and want that stability.

Farmers have always said they do not want subsidies, they just want a fair price for their goods from the market. However, even with the best trading conditions support programs are still needed because of the inherent instability of the agri-food industry, instability caused by such things as weather conditions and trade wars.

We as a government are committed to replacing the patchwork of current expensive commodity subsidies with a user friendly, whole farm income approach. Farming organizations have given us their strong support in this matter.

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To avoid major dislocation we will make future changes over a period of several years. Safety net programs need to be financially efficient, GATT constant and market neutral.

(1830)

In my closing comments, I want to say that this government has been very positive in the direction that it has taken the agriculture department. In terms of our agricultural committee we have now opened the process where the public has been able to view us in our deliberations, particularly as we deliberated on the BST question.

We have offered and tabled in this House seven recommendations. It is the committee's hope and trust that this House will embrace those recommendations. We encourage all in this House to support us on those issues.

We also think it was positive that in the past week we were able to sit down and discuss the difficulties in marketing and getting our grain to ports on the west coast. A subcommittee of the transportation committee and the agriculture committee was established. It is meeting with witnesses on this issue because it is affecting and impacting on all Canadians. We want to let members know that we had a very successful conclusion to that time. Members will be hearing our responses from those witnesses within the next few days.

I want to say again how important it is that we recognize the values of agriculture. It is a privilege to have been part of this discussion and having allowed Canadians to see that agriculture is truly a part of Canada.

[Translation]

Mr. Jean-Guy Chrétien (Frontenac): Mr. Speaker, I listened carefully to my colleague from Huron—Bruce, and I am delighted to see that in this House there are several members who seem to want to defend the interests of our farmers.

However, I would like to have him clarify a point which he stressed several times when he talked about ensuring the financial security of our farmers.

I too am familiar with the farmers of Quebec. However, you know that 49 per cent of the milk consumed in Canada is produced in Quebec. I therefore wonder how we can tell our farmers in Quebec that we are going to ensure their financial security when milk quotas are reduced regularly by a few percentage points each year, except last year, when they went up 2 per cent or rather, 2 per cent was loaned. Production costs are rising constantly, and our dairy farmers have been selling milk at practically the same price for the past five years.

The same holds true for veal calf breeders. The price of veal has virtually not risen at all since 1978, whereas production costs continue to rise.

I would like the person who spoke last to tell us, in all seriousness, how he can say to Quebec farmers that the Liberal government, which was just elected with a solid majority, is going to ensure their financial security in the foreseeable future, not in 50 years, but in a year or two. I would like to hear you talk about that.

[English]

Mr. Steckle: Mr. Speaker, I thank the hon. member for raising that question. I am sure that his concern and interest in farmers is quite similar to mine. Whether those farmers be in Quebec, Saskatchewan or Ontario really is not my point of argument this evening.

My point is that the farmers' interests in Quebec are best served by remaining part of Canada. My concern would be that if they did not remain in Canada the likelihood of farmers' success in agriculture and their future would certainly not be as bright as remaining here in Canada.

We have policies in place in this country. We have a directive. We know where we are going in this country. The supply management system is not gone. The member mentioned quota values. Quota values today are stronger than they were just before article XI was lost. I might say to the member that the people in Quebec have done very well.

We in Ontario who happen to take shipment of some of its stocker calves into our province know very well that there is good cattle there. Ontarians look forward to getting those cattle. We also know that the cattle industry as one of the many industries in the agriculture sector has done reasonably well. We would all like to do better but many sectors have been restrained from growth and doing the kinds of things they would like to do.

(1835)

I once again assure Canadians that this government has the interests of farmers at heart. We sincerely indulge upon the member sitting next to the hon. member in the committee. He has participated and he has shared. I know the concerns.

I can assure the hon. member that we are there for the farmers of the future.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, the member stated during his presentation that he hears from farmers the comment: "All I really want is a fair price for my product. I don't want subsidies".

How does the member answer this question?

Mr. Steckle: Mr. Speaker, the hon. member raises a question that I rather expected would come from the Reform Party. As you know, as we have discussed in the agriculture committee—

The Acting Speaker (Mr. Kilger): Order. I hesitate to interrupt members. I know this debate is of great interest to the House and the debate has been most interesting. But I would

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remind you in your responses to address yourself through the chair and not directly to one another.

Mr. Steckle: Mr. Speaker, the point is well taken.

Regarding the issue of how to address farmers who say to us: "What are we going to do in the meantime?", your leader very ably this evening in an earlier dialogue said that we cannot get rid of these subsidies and aids immediately, that it is going to take some time. We need an interim period where we adjust.

That is what we are asking our farmers to do. They are prepared to do that. Farmers realize that subsidies are of the essence at this point in time because we are competing with countries that are much more highly subsidized than this country.

The fact that we now have a definition of subsidy is important. That was defined when we reached our agreement under NAFTA. I hope and trust as we go into the GATT period over the next number of years that we will find less and less need for subsidies.

I trust that farmers in the western part of this country recognize that we are heading in a direction where we will no longer need subsidies.

[*Translation*]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, there are several reasons why I welcome the opportunity to speak in this debate, but before explaining what they are, I would like to draw a parallel with a unique astronomical phenomenon we saw today and I am of course referring to the solar eclipse which a few hours ago was visible over a substantial part of the earth and indeed above our heads, what the scientists call an annular eclipse. In other words, the sun was visible around the moon, and people who wanted to watch were urged to wear glasses to prevent any injury to their eyes.

As we experienced this phenomenon, here in this House we experienced a total eclipse of vision in the agricultural sector. However, this particular eclipse has been going on for more than six months, while the one we saw today will probably not recur for another 50 years. The Liberal eclipse, unfortunately, does not require special glasses. We can see its daily impact on agriculture in Quebec and Canada and on the lives of our farmers.

(1840)

I became interested in agriculture at an early age, since I come from a farm background. I had several uncles who were farmers and raised their children on the family farm, and those children are now also engaged in farming.

In fact, I was personally very involved in farming for seven or eight years when I was a beef producer in the riding of Mégan-

tic—Compton—Stanstead, together with my father-in-law, who died tragically in a car accident last Friday.

I would like to take a few moments to pay tribute to him. His name was Maurice Brault, and he was one of my constituents, who like most farmers not only worked on the land, but was a part of it and made it a part of his life. He passed on to me this love of farming, of the animals, the forest and everything that grows on the land, and above all, he passed on his respect for our land.

I also want to say that I am proud of living in a riding where farming is the main economic activity. I quoted some figures in a speech about two weeks ago in this House, and I want to repeat these figures, because they are very revealing.

In the riding of Mégantic—Compton—Stanstead, agriculture is an economic activity that generates roughly \$160 million annually. It is responsible for 2,500 direct jobs and for 10,000 to 12,000 indirect jobs. All of which means that 15,000 people depend on agriculture in the riding of Mégantic—Compton—Stanstead. Therefore, it can be classified as a major industry.

I am also proud to belong to this riding since barely two weeks ago, Parti Québécois faithful gathered to elect the candidate who would run in the upcoming provincial elections in the provincial riding of Mégantic—Compton. They chose Mr. Jacques Blais of La Patrie, who is himself a very prosperous farmer and the owner of a 1,300-acre farm in the municipality of La Patrie. Mr. Blais is a farmer by profession. He knows the agricultural sector and will be able to defend the interests of all Quebec farmers in the National Assembly once the election is held in a few weeks or, at most, in a few months.

Mr. Blais also belongs to a family that includes at least five or six prosperous farmers in the immediate region of La Patrie and Coaticook. These individuals have dedicated their lives to the farm and to farming. I will come back to this later and give you a few examples.

Therefore, I am proud to represent this riding. My colleague from the neighbouring riding of Frontenac was also a farmer up until his election on October 25 last. He raised cattle in addition to working as a teacher.

(1845)

Agriculture is therefore more than just words for the people of Mégantic—Compton—Stanstead. It represents their livelihood, their survival and even the future, not just their own, but the future of their municipality, of the entire riding and even of Quebec.

I would like to give you two examples of initiatives taken by farmers in my riding which speak volumes about how Quebec farmers are capable of taking care of themselves and of benefiting from the spirit of co-operation that has prevailed in our region for the past twenty years. They are not waiting, and

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rightly so, for the government, whether provincial or federal, to come up with solutions; they roll up their sleeves and work at resolving their problems themselves.

I would like to start by talking about the RCM of Haut-Saint-François which includes the municipality of La Paltrie that I mentioned a minute ago as well as those around Cookshire, East Angus and Weedon, the locality next to my colleague's. Within this RCM, a consultation committee on agri-food, which incidentally was called agri-food table of Haut-Saint-François, was set up about a year ago.

This Table brings together farmers, of course, but also processors, distributors and representatives from the UPA. These people want to look after the interests of the 600 farming enterprises in that RCM, the total sales of which exceed \$40 million annually.

On the subject of agriculture, it is important to stress the figures and the impact of the agricultural industry on the economy, because many urbanites believe that farming is something you do on the side, like gentlemen farmers. In the riding of Mégantic—Compton—Stanstead, farming is a business enterprise, an industry which requires daily input.

These people got together when they noticed a kind of rural exodus in the last 10 years or so, especially among young people, a kind of devitalization of the agricultural community. They noted that the population of the regional county municipality was decreasing and getting older since the young people were moving to the city, more often than not to join the ranks of the unemployed.

They noted that the education and skill level of the labour force was low. They also noted that the producers were quite spread out geographically since the regional county municipality of Haut-Saint-François is a vast territory and, with the number of farms dwindling, the distance between producers is increasing. All the agri-food forum findings I just mentioned led them to the problem of marketing their products.

(1850)

That is why they decided to join forces and promote partnership and co-operation among the various players since a farmer alone on his farm will not accomplish anything if he is not familiar with market conditions not only to sell his products but also, when the time comes to invest in his farm, to know whether he should stay with the same products or diversify into other sectors and, if so, into which sectors.

That is why the forum produced a strategic development action plan. They identified new agricultural projects, new niches through market studies and realized that there was a demand for certain fruits and vegetables. They also published a number of promotional flyers, which is a precedent at least in our region if not in Quebec as a whole, to let people know about their products.

They also developed the tourism sector. In the last 15 years or so, our region has noticed an increasing level of interest from city people who want to spend a weekend or a week on a farm to see how things are done, how people live, how we produce the various products sold on the market such as milk and poultry. In our region we developed through the agri-food forum a farm tour which is already giving results and increasing, as I said, the local economic activity level.

We are also interested in labour force training since, as I pointed out a few moments ago, after noting that many farmers were poorly educated, we approached school boards to help solve this problem. Finally, we developed an area-buy policy when we found out that many people living close by did not even know the products available from the local farmers.

Also in the region, in the Regional County Municipality of Coaticook, there is the Coaticook regional agricultural initiatives centre, an agricultural co-operation and planning body whose purpose is to develop a dynamic and attractive economic environment to help consolidate and diversify rural activities. Local farmers got together at something like the agri-food forum and shared their experience and knowledge to develop the agricultural sector further.

What is special about the Coaticook RCM is the diversity of the stakeholders involved in this project. I will name a few: the city of Coaticook is not only taking part in the discussions but is also helping to finance the agricultural initiatives centre, which gave \$450,000 last year, the municipality of Coaticook, the regional development board, the Coaticook school commission, 49 commercial interests of all kinds in the Coaticook RCM that invested money in this project, 10 surrounding rural municipalities in the Coaticook RCM, 56 farmers who invested time and money in this initiatives centre, and 71 supporters, ordinary people who are interested in such an initiative and decided to put their time and money into it; the Government of Quebec contributed \$1.5 million, local groups and individuals also, and the federal government gave \$1,184,000.

(1855)

Mr. Speaker, you are telling me that I have one minute left. I will conclude by saying that farmers want to take charge; they want to succeed, but they also expect governments, and particularly the federal government, to invest more. If you compare Quebec and western Canada in terms of federal investments, the figures are very eloquent. I do not have time to review them now, but I may have that opportunity during questions and comments period.

I want to point out that farmers in my riding are concerned about their future, following the GATT agreement. They are concerned, but not because they do not want to compete on the world market, quite the contrary. They are concerned about the negotiations which will follow and they want the government of Canada to guarantee that they will get support and that agriculture's future will not be jeopardized in any way.

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Mr. Wayne Easter (Malpeque): Mr. Speaker, the member opposite talked in the beginning about the eclipse and eclipse is right. He leaves the impression that Quebec would do better out of Canada. Nothing could be farther from the truth.

The member continues to portray total darkness to Quebec producers on the amount of gains they make out of the national agricultural policy. The facts are that Quebec net farm income has grown steadily over the past 20 years, a result of stability and markets for hogs, supply management products and a growing grain industry.

I might add that these kinds of policies were started by the previous Liberal administration. Quebec has gained a great advantage because of them. Another example given by the member that is a little misleading is that members have to recognize that over 45 per cent of the industrial milk in Canada is produced and processed in Quebec but only 25 per cent of those industrial milk products are consumed in Quebec.

It is because of the national policies we have in place, the sharing of the national market, the expanding international markets that Quebec has gained substantially to the point it has.

I want to conclude by saying that with this new Liberal administration in charge again and being proactive as we are we can move forward as a united nation in exercising our potential as a country as a whole, including Quebec, in fostering exports and profits for Canadian farmers.

(1900)

[Translation]

Mr. Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, I thank my colleague for his comments and, with all due respect to him, I would recommend that he review the figures he has just submitted to us, implying that agriculture in Quebec had continued to make progress in the past 20 years, thanks, in particular, to the initiatives of the federal government. The reality is quite different.

You will allow me to cite some figures that indicate the contrary. There was indeed a period, in particular the period from 1976 to 1985, when agriculture in Quebec experienced constant development and a very remarkable improvement. This was due in great measure to the policies of the then government of Quebec, that of Mr. René Lévesque.

I will simply recall, for the benefit of the member and the Minister of Agriculture, that, in 1976, when the Parti Québécois took office, Quebec's level of self-sufficiency in food was 47 per cent. In 1985, when the Parti Québécois was replaced by the Liberal Party, the twin brother of the Government that now sits opposite us, the rate of self-sufficiency in food was 78 per cent.

In just nine years, Quebec's self-sufficiency in food improved from 47 to 78 per cent. After 1985, figures are not available, since the Liberal Government of Quebec abolished the evaluation branch of the Department of Agriculture, but the rate of self-sufficiency is now estimated to be below 70 per cent. Thus, there has been a falling off.

From 1977 to 1985, agriculture accounted for 1.7 per cent of Quebec's gross domestic product; from 1986 to 1993, it accounted for 1.37 per cent of the gross domestic product, a significant decrease. Farm investment in Quebec from 1980 to 1985—the Member should take note of these figures and use them in future speeches—averaged \$737 million per year. From 1986 to 1993, investment averaged \$409 million, a decrease of 45 per cent.

A look at other telling figures in terms of potato production from 1981 to 1991, when there were either Liberal or Conservative governments, reveals that the cultivated acreage for potatoes rose by 2 per cent. In the West, it increased by 30 per cent. Beef production in Quebec from 1981 to 1991 fell by 13 per cent, whereas it rose by 4 per cent in the West. Pork production fell 16 per cent in Quebec, whereas it rose 39 per cent in the West. Lamb production rose 8 per cent during the same period in Quebec, compared to 33 per cent in the west.

Therefore, instead of being told stories, I would like the real figures to be used, and I say once again that I fervently hope, and the farmers in my county hope even more so, that the government will table policies that will ensure the development of agriculture in Quebec.

[English]

Mr. Wayne Easter (Malpeque): Mr. Speaker, I think the member opposite made my point to a certain extent because what we are talking about here is a proactive government. He indicated that between 1976 and 1985 there was continuous development.

(1905)

That was as a result really of a strong Liberal administration operating in terms of federal-provincial cost sharing agreements, and Quebec benefited greatly as a result of that leadership.

One other point that I will make is that when one compares 1981 and 1994 net income in Quebec, Quebec has grown by over 60 per cent compared with only about 20 per cent of the rest of the provinces. Those facts and figures should be known.

[Translation]

Mr. Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, I think we must keep along the same line, since the hon. member mentions figures the origin of which I do not know—although I am sure he will be pleased to send me those figures. I want to remind him that comparisons were made and, for 1991-92, federal public spending to support Quebec's agri-food industry reached \$399 million, that is almost \$400 million,

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compared to about \$5.5 billion for the rest of Canada. In other words, about 7 per cent of federal support is allocated to Quebec's agri-food industry.

Let us take a look at the respective percentages represented by support or assistance by federal and provincial governments in the agricultural sector. Again in 1991-92, federal assistance in Quebec represented 37.2 per cent of all subsidies granted, whereas the support provided by the provincial government represented 62.8 per cent. In the rest of Canada, it is the opposite. The figures are reversed: federal assistance, 65.8 per cent; provincial support, 34.2 per cent. I will end on that. These figures speak for themselves and show that federal assistance must be redistributed and, I will say it again, we are waiting for the Minister of Agriculture to take action.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I have a question for the hon. member opposite. If this government implements programs which will surely help Quebec farmers, will he vote against separation, yes or no?

Mr. Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, with all due respect, I really do not understand the hon. member's intervention. If any measure tabled in this House by a government, whether Liberal or not, is susceptible to improve the plight of agriculture and farmers in Quebec and the rest of Canada, we will be pleased to support it.

As for Quebec's future, the federal government's interventions in the past are not likely to incite Quebecers to give unconditional support to Canada.

[*English*]

Mr. John Murphy (Annapolis Valley—Hants): Mr. Speaker, I am pleased this evening to have the opportunity to add something to this important debate.

Annapolis Valley—Hants is home to a large and diverse agricultural and agri-food sector. I am committed to working closely with this sector and I am honoured to have the opportunity to bring its views to this place.

In order to help me effectively gain local input on agricultural issues I have set up an advisory committee made up of individuals from the local farming and processing sector. Meeting with this group has been of tremendous assistance to me in not only identifying local concerns but also highlighting workable solutions.

Most recently I received some very positive feedback from this group regarding the position of the minister of agriculture on our current dispute with the United States over wheat.

(1910)

I would like to share with hon. members one particular response I received just yesterday: "Please continue to fight. Americans are tough traders but we must learn that our strengths and policies need to stay in place. So from my past business experience, hang tough".

That is precisely what we intend to do.

In contributing to this debate I would like to focus my comments on how we are assisting family farms. I would like to make it very clear that we must retain the family farm as a business unit. In my riding and the constituencies across this country, small and medium sized farms are the backbone of the local and regional economies. Through our commitment to enhance value added production, provide better access to capital and financing, and work with all of the stakeholders to redesign our supply management system, I believe that our policies are on the right track.

Our platform for the election last fall emphasized jobs and economic growth. The agri-food sector represents 8 per cent of our GDP and 15 per cent of all the jobs in this country. It is key to our success in achieving that growth and creating those jobs.

World markets are changing. Canadian consumers' tastes and needs are changing. Technology is giving farmers and food companies new ways to produce, market and manage to meet consumer demands. This is the sector where government support for innovation is vital.

Our platform, commitment to innovation and value added production, is particularly important to our government's focus on trade in agri-food. It is a high tech industry in which market share can only be maintained by being at the cutting edge of new technology.

Our government believes in innovation. As we stated in our red book: "For Canada comparative advantage now hinges not just on our natural resources, but on our technological prowess, our ability to be innovative".

One of the keys to this depends on a commitment to research. Better focused R and D is critical to our global competitiveness and economic growth. It is important for us to develop low cost processes and the new products we need to capture new markets.

Just yesterday the minister announced that the Department of Agriculture and Agri-food is launching a \$500,000 pilot project for a new program called the agri-food R and D matching investment initiative. The goal of this initiative is to encourage further industry investment in research, especially where increased market potential exists. This innovative way will provide up to \$25 million over the next four years.

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In my riding I am proud to say that there are many examples of successful value added, community based initiatives. For example, the processing of hogs, chickens and fruits and vegetables can be found in communities throughout my riding.

Furthermore, a biotechnology firm located in my riding, the Efamol Research Institute, is making great gains in the area of value added non-food products. The Efamol Research Institute is a world leader in the research of the medical benefits derived from the oil of evening primrose plants.

I believe that as a government we must look to and work with the private sector to ensure that these companies are on the cutting edge of value added production.

Closely related to our focus on value added production is our commitment to provide comprehensive support for farmers through improved access to capital and financing. Time and time again farmers in my riding have said that in the past they have felt shut out by governments. Income support programs have often been passive in nature and put together on a piecemeal basis.

(1915)

Statistics clearly show that most family farm operations would not be financially viable unless there was off-farm income coming into the household. However farmers in my riding and across Canada have also said that they do not want to rely on government handouts. Instead, they want the security of stable markets and the knowledge that the government will support them in their efforts to take advantage of new market opportunities.

Given these realities, we are redirecting our focus from providing merely a passive safety net to looking at comprehensive long term programs. We must ensure that these farms have access to the capital necessary to grow and to be competitive over the long term.

In order to improve access to capital for farms, we will focus on providing long term stability through established bodies such as the Farm Credit Corporation. Initiatives that we are committed to include are a long term mortgage program that would transfer some of the risk of interest rate fluctuations from the borrower to the Farm Credit Corporation, a vendor loan guarantee aimed at improving the availability of reasonably priced long term capital, and the agricultural equity development program which would allow the FCC to lease land acquired by foreclosures. This would allow the FCC to assist in getting foreclosed farmers back on their feet.

It is clear that farmers do not want us to repeat the policies of the past. They want to be masters of their own fate. They want government to help them with the tools that they need to be successful.

I would like to turn briefly to the critical issue of supply management and orderly marketing. In the past, supply management has worked to stabilize farmers' revenues while ensuring the supply of top quality and healthy food products. However many farmers have expressed concern over how the GATT agreement will affect their ability to remain competitive.

While we were not able to secure article XI during the GATT negotiations, we were able to ensure that a system of high tariffs will be put in place as a replacement to import quotas. In achieving this, we will be able to provide the necessary security for Canada's small farms and processors to remain competitive while they adjust to the new trade rules.

In the meantime, the GATT also opens new markets for these same products. The minister has stated on many occasions that it is his goal to see our agriculture exports almost double to \$20 billion annually. In pursuing new international markets in such an aggressive manner, the government can ensure that Canada's rural communities will play an important role in generating economic growth.

The *Financial Post* reported this morning that according to a study by the Agri-Food Competitiveness Council, Canadian producers have nothing to fear from worldwide trade. I believe that the agri-food sector in my riding and across Canada can be the best in the world. I am committed to working with them to ensure that they have every opportunity to reach their potential.

With the GATT negotiations behind us, one of the biggest challenges facing our system of supply management is in the area of internal competition. More than ever there is a clear need for national and regional co-operation. In order to address this and other immediate challenges facing us, the parliamentary secretary has been working with a small task force.

The mandate of this group is to determine how to make the necessary changes to Canada's orderly marketing system by making it flexible and viable over the long term. The task force has to this point consulted widely with all of the stakeholders. These groups must have a direct role to play in mapping out the future of supply management and orderly marketing in Canada.

(1920)

There is no question that we face many challenges. There are no easy solutions, no quick fixes to the issues I have raised here today. As a government we have shown that we are up to the challenge before us: working with industry to set priorities, encouraging industry investment in technological development, investing in the skills of our people, and providing security and stability for small and medium sized farms and producers. These are the ways to keep the Canadian agri-food products competitive.

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Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, just a brief comment for the hon. member. I appreciate very much the way he put on the record the concerns of his constituency. It is the kind of debate that I wished we had had all day. I know that he comes from an area where poultry is raised. I wonder if he shares the concern, as I do, about the recent disputes that we have had in the poultry sector of supply management. I am very concerned about that.

I want to see that sector get together and resolve its internal problems. I am of the opinion that the greatest danger to supply management at the present time is not the GATT agreement that we have just signed, but the danger of the implosion that structures sometimes have once they get to a certain age. There is a maturity in the system now. It works well. However there is also the tendency for structures after a while to deteriorate and I want to know if he shares that concern with me.

Mr. Murphy: Mr. Speaker, I thank the member for his question.

I do share this concern. In my riding of Annapolis Valley—Hants we produce 78 per cent of all the poultry in Nova Scotia. What is happening with regard to the quota system, the lack of working together by the provinces to live up to the rules and regulations of our system is of major concern.

As we know, there is an overproduction in two of the provinces and the overflow is coming to the east coast. Consequently the price of chicken in our area is going down and that is a real threat to the small business farms that are running the poultry industry.

I share with the member the concern that we as a country are not now inundated with external problems, we have internal problems. The internal problems need to be worked out between the provinces. We need to sit down. We have to remember that we are a generous country that wants to survive from coast to coast. The poultry industry needs to survive but it will only survive if all of the provinces play by the rules and we find a consensus to work out our difficulties.

Mr. Bernie Collins (Souris—Moose Mountain): Mr. Speaker, it is a pleasure this evening for me to rise and pay tribute to my hon. friend from Annapolis Valley—Hants for his very informative discussion on agriculture.

Being a member of the standing committee on agriculture I take pride in being able to talk about the concerns of agriculture, specifically in Souris—Moose Mountain which is a very large rural riding in southeast Saskatchewan.

One of the concerns we have is the movement of grain and the situation it poses for all of us. With this question in mind, it is

necessary for us to take a look at the problems that have been created. We may have tarnished Canada's reputation as a reliable shipper and supplier of grains and oilseeds because of our inability to ship on time.

There are some factors which severely challenge Canada's ability. We must meet the demands though. Our western agricultural community was built on exporting grains and oilseeds to overseas markets. Canada has built and maintained for over half a century an excellent reputation as a dependable supplier. We have high quality grains and oilseeds and because we have that reputation, we must work diligently to protect and maintain it. That is why the current situation concerning grain transportation needs to be addressed.

(1925)

Canada's inability is causing some concern in our Asian markets, namely Japan and China. The government is not content to let this situation continue. Over the past few weeks we have seen at least 40 vessels tied up at the port of Vancouver. There are demurrage charges in the amount of \$10 million.

Where do those demurrage charges go back to? They go right back to the farmer, who is the person who is suffering most and yet must pay those costs. How about the cost of sales that are lost? The Canadian Wheat Board estimates that we have lost \$280 million in sales because we do not deliver on time.

Our customers look elsewhere to satisfy their needs. I know that Japanese canola customers have already looked to Australia and Europe for new suppliers. When a market is lost in Canada the farmers cannot afford it nor do they want to see it happen.

The government is very concerned that the grain movement situation be placed as a high priority and that we work toward solutions. The issue is not simple. A number of factors have led to the shortfall in a number of rail cars. One is the movement of grain to southern markets and a turnaround time of possibly 40 days. In most cases, it is at least two times the normal length of shipping time in Canadian markets.

That rail car shortfall is due to several factors. The Mississippi flood caused the normal use of U.S. cars to be limited to us and we have had to turn to other means. The late harvest last year caused problems for us in moving our grains to the port of Thunder Bay and to the west coast.

Unexpected increases in the movement of canola also created problems at Thunder Bay. The operation at country terminals because of the extreme cold weather in January and February caused additional problems. The work stoppage at the port of Vancouver did not help at all. A 13-day shutdown because of labour unrest caused the terminals back up.

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We are looking to solving these problems. How do we get weekend loading? How do we ensure that we can have seven days a week of service at those ports? However the key players in the grain and marketing industry realize there is a problem. I am confident that they are going to take a look at the turnaround time of the cars.

Both railways have increased their budgets for maintenance. Railways have also modified their train service and have increased the switching budgets. CN has just added 765 boxcars from Hudson Bay into the Thunder Bay shipping area.

Shippers have been allowed to bring in private cars. We have introduced an emergency trucking program, a subsidy through the Western Grains Transportation Act which will allow movement to Thunder Bay and to Vancouver. Therefore we are now looking to weekend loading and unloading, an efficiency in the system that we have not had for some time.

Senior executive officers of railway grain transportation and of government are going to look at the problem. They are going to review the shortfalls for 1994-95. We have set up a human resources Canada commission to study the labour issues in western grain transportation. The report should be due in July.

Clearly much has been done but much remains to be done. This problem cannot be solved by looking at one issue alone. More than rail cars are the problem for us.

(1930)

The Canadian grain marketing system must continue to run efficiently in the face of the changing marketplace. Western Canada is now producing a different mix of grains and oilseeds and specialty crops. It is time we examined Canada's grain marketing system to look where the grain is going and determine whether the system is in place to make sure we get it there.

Canada is now competing in a world market that has changed since last year. The General Agreement on Tariffs and Trade is certainly going to change our way of marketing. The agreement means new marketing opportunities for Canada's grains and oilseeds throughout the world. A strong, efficient grain marketing system will continue to be the backbone of our industry. It is vital to ensure that kind of system takes us into the year 2000.

Concerning grain marketing, handling and transportation, different groups and representatives from grain companies, railways, and labour unions involved in grain handling will be meeting in Winnipeg on May 16 to review the problem and hopefully come to some resolution. We look forward to an industry in which government along with the others in the system bring us a proper grain handling system for our oilseeds and our grains.

I want to turn for a moment in the final part of my speech to review some matters in my riding.

In Weyburn an ethanol plant is proposed to come on stream. Moosomin would like to see one come on stream. In Kipling, pork producers are looking to introduce a new breed. In Broadview we have a maple syrup program, a wood products future and ethanol. Inland Terminal is certainly a major impact on the Weyburn area. The PMU farms in southeast Saskatchewan are growing, but they need protection. They need some assurance that we will support them. PMU stands for pregnant mare urine.

Our specialty crops continue to be enhanced. However, we are facing a rural decline in southeast Saskatchewan. Added to that is the fact that Saskatchewan along with Atlantic Canada has the largest amount of debt in the agricultural sector which is a deep, deep concern.

We want to ensure that we have a whole farm safety net program to deal with the debts, to help the people who are working the farms of southeast Saskatchewan move forward.

Saskatoon has one of the most outstanding research centres in the biotechnical field in Canada and certainly in the world. It has just introduced sunola which is a new sunflower oil. There are 100,000 acres under production. That particular crop is certainly going to enhance the viability of farming in Saskatchewan.

In closing I deem it a privilege to speak on behalf of the agricultural program that our government has put forward. It is very forward looking. It is going to take us into the future.

On behalf of the rural community of southeast Saskatchewan it has been a pleasure for me to rise in this House and speak in this debate.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I listened closely to the remarks of the hon. member for Souris—Moose Mountain. I share with him responsibilities for many farmers in the province of Saskatchewan. Many of them are looking in this spring of hope to an opportunity to have a much better year than they had previously, both financially and cropwise.

The hon. member in his remarks commented on the problems of transportation and moving the grain to ports. I am wondering if the member is aware that the railways have fallen short of their requirements in terms of shipping.

In fact, I understand in the second quarter of the current crop year railways reached only 75 per cent of their targets on shipments to the west coast and 82 per cent of their targets to Thunder Bay. The Western Grain Transportation Act allows for penalties to be applied to the railways should they fall short of their commitments or targets.

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(1935)

Would the member for Souris—Moose Mountain agree that perhaps the federal government should examine imposing the penalty clauses of the WGTA at this time when, as we realize, they have never been applied in the past?

Mr. Collins: Mr. Speaker, I want to thank the hon. member opposite for the question on transportation.

I can say to the hon. member being on the subcommittee on agriculture and transportation and looking at that very important question he raised, one of the features was that particular point.

When railways are not meeting expectations and their delivery quotas there should be some redress. Some penalties should be put in place to encourage them to work efficiently or pay the costs.

One of the problems I had was that if it was going to be in the form of a demurrage and the railways were going to charge it back I kept asking the others who it was going to be charged back to. If it was going to go back to the farmers then I would not support it. Their position was, and I am sure we will see it come forward as a recommendation, that where railways do not meet and follow through with their production quotas there should be a penalty in place.

I certainly understand what the hon. member is saying. I think that will likely come forward as a recommendation from the committee.

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Mr. Speaker, I wish to advise the chair that I will be sharing my time with the member for Fraser Valley East.

I am pleased to participate today on this long awaited debate on agriculture. It is the first time in the four months of this Parliament's sitting that we have had a government sponsored debate on agriculture. It is good to see that our friends opposite have cranked up their tractors and are heading out to the fields to do some work.

Farmers across our country are busy with their spring work and seeding. New seed is going into the ground. I believe that as farmers drive up and down the fields in their tractors their radios are tuned into the news to see if there are any new ideas and any new initiatives coming forth from Ottawa this spring about farming.

It is time for new ideas and new approaches to agriculture in Canada. Old ideas, like old seed, will not produce the results we need. The basic new idea we need in agriculture is that government must get out of the way of farmers. Farmers do not want government as their major partner in business. They realize the way to solutions for our problems is to open up the process and let farmers take control of their own destiny. Let farmers

determine and choose the solutions. Let them get involved directly about how they want to produce, process, insure, transport and sell their crops.

I want to focus my remarks today on new ideas about some safety nets and also touch on the farm debt problem as it relates to the Farm Credit Corporation. There is no question that farming is a high risk business, perhaps more so than any other industry. We face matters over which we have very little control. There are basically three of them: trade distorting influences, market cycles, and good old mother nature.

On this matter of dealing with mother nature there was some discussion by farmers in my riding during the election campaign last fall as to whether the weather was provincial or federal responsibility. It was finally decided it must be federal because it does cross provincial borders.

New ideas are needed as to how to make adjustments in light of the GATT and the NAFTA so that we can take full advantage of new market opportunities.

There have been some gripes about GRIP in my home province of Saskatchewan, so much so we have given notice that we are withdrawing from the program after the 1994 crop year. Why is this? Because farmers right across our province think it is a lousy, useless program. Some of their main concerns are that it has declining support levels, the premiums are too high, there is a lack of producer consultation in developing it and the payment process is too long.

Saskatchewan has the largest number of producers in the program of any province in Canada, some 42,000 when it started in 1993 and an insured acreage of some 23 million acres. Our involvement was almost twice that of any other province, but we are pulling out. For the most highly involved province to do so makes a big statement about the need for the program to be scrapped after only three years of operation.

(1940)

It is a tremendously highly bureaucratic program. The program works by building on conventional crop insurance by offering producers a form of revenue insurance. Producers are provided with a guaranteed target revenue. Indemnities are paid throughout the crop year and are triggered when the value of an eligible crop falls short of the target revenue. The premiums are shared by federal and provincial governments as well as producers.

In the event that the premium income and accumulated reserves are insufficient to cover indemnity to payments to producers, the federal and provincial governments share the deficit financing. Deficit financing. I do not like to say those two words. Deficits are financed 65 per cent by the federal government and 35 per cent by the provincial government.

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Does that sound bureaucratic? I believe it does. Well it is, at least according to most of the farmers I talked to, and the results are predictable. As of March 31, 1993 there were outstanding interest bearing advances of \$64 million. The program is in the red.

What are we proposing for this revenue insurance for farmers? Reformers have always believed that GRIP should be discontinued. We believe it inhibits farmers' abilities to compete. It discourages good land stewardship and is market distorting. It promotes producer dependence and is in violation of international trade rules. The implementation of streamlined comprehensive safety nets is a priority for ensuring necessary stability in all sectors of agriculture. This Reform process must be based on trust by providing for direct stakeholder consultation.

I want to touch on some of the problems of farm debt as it relates to the Farm Credit Corporation. The Farm Credit Corporation mandate states that the purpose of the FCC is to enhance rural Canada by providing specialized and personalized financial services to farming operations and to those businesses in rural Canada that are related to farming.

That is a very honourable mandate, but if one goes out into the country and listens to farmers talk about the FCC, one realizes this mandate is not being achieved. Farmers in my riding tell me that when it comes to dealing with this government organization it is much more difficult than dealing with the chartered banks or credit unions. I have heard horror story after horror story of unrelenting badgering by Farm Credit Corporation officials as they give their brand of personal service to farmers.

For example, last week I had a call from a farmer in my riding who had leased back his farm from the Farm Credit Corporation after FCC had taken it away from him. The deadline to pay his lease was May 2. He was in arrears by some \$12,500. The Farm Credit Corporation would have been completely justified in taking back the land on May 2. On May 1 he called me and told me he had some private backing available to pay one-third of his arrears on May 2 and the balance by certified cheque on May 31. This sounded completely reasonable to me and a solution to the problem.

He asked me to act on his behalf with the Farm Credit Corporation. After explaining the position to both the case worker and the regional manager, I came away frustrated and very angry. They both told me they were not interested in his proposal and they were only interested in doing business with someone who would pay. It is not that this farmer would not pay; it is that he could not pay.

The bottom line here is that we will lose a 55-year old farmer who has little or no chance of any other career in rural Saskatch-

ewan. Now the corporation has no chance of ever recouping this farmer's back rent. He most likely will end up on social assistance.

These two bureaucrats told me they had to be more fiscally responsible to Farm Credit Corporation. That to me is not very fiscally responsible. We had the chance to save a farmer, if only for the short term, yet we chose to play God with another farm family's life.

These are the kinds of stories I hear on a regular basis in my province. At times I am embarrassed to be part of a government that deals so heavy-handedly with people's lives. If it were within my power a noise would have been heard all across this country last week. That noise would have been the heads rolling in the Farm Credit Corporation in Regina. My question is: Do we as a government have any business in the banking business? I think not.

(1945)

As I mentioned before farmers want to be able to control their own destiny. All they ask for are fair rules and a level playing field. If we look at government spending on agriculture in the past we see that we have spent adequate dollars. A budget of somewhere in the neighbourhood of \$2.5 billion is not by any means insignificant. What we need to do is spend smarter, not necessarily more. The government must be prepared to show leadership in developing farm programs by farmers for farmers.

In conclusion, there are not many things a farmer cannot fix if he can get his hands on them. Let us get the farmers in on this discussion this year and let the seeds of common sense that have made our country great bring forth the harvest of an industry that will be second to none in the entire world.

Mr. Bernie Collins (Souris—Moose Mountain): Mr. Speaker, I noted with interest the comments of my fellow member from Saskatchewan. He highlighted, in particular at the end of his speech, the common sense in making sure we have farmers working together.

In light of that and knowing that the parliamentary secretary had an opportunity to contact 180 different groups to take a look at supply management and other features, I think that is a positive step. I am glad he mentioned there is a direction we can move in.

With regard to GRIP, he mentioned that GRIP should be scrapped, should be done away with. Yet when we look at other parts of Canada, other provinces, we find it working well. It is a useful mechanism that will be continued.

Why is the problem in Saskatchewan so different from the rest of Canada in relation to GRIP? Maybe he could identify the problems that created it, other than just saying let us get rid of the whole program when I know other provinces are saying no

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and that they think there are some benefits to the program. I wonder if the hon. member could respond.

Mr. Kerpan: Mr. Speaker, first I would like to mention on the subject of farmer consultation that I encourage the government to become more involved in it. What we will see happening is that farmers, the stakeholders who can take part in the decision, will get behind whoever is in power at the particular time if they have the opportunity to become real players in the discussion.

If the hon. member wants to talk about GRIP, if we look only at the numbers we see that Saskatchewan makes up half or more of the participants. That in itself says something to me. If we talk to farmers in western Canada, and I speak mainly about Saskatchewan because that is my area and that is where I do my work, they tell us for the reasons I said that it does not work. There is no farmer consultation. It is too heavily bureaucratic. It takes up to 18 months to get final payments.

It is simply not the answer given the problems we see today. It is too expensive for federal and provincial governments and the producers. The negatives far outweigh the benefits of the program. It simply was never a good program to start with. It only took us two years in Saskatchewan to realize that. It just has to go. There is no question about it.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I have a question which I have divided into two short parts.

The first part is on GRIP. In 1991 when the previous government brought in GRIP my colleagues in the NDP in the House and I were among a very few who spoke against GRIP and predicted many of the problems that have beset the program ever since.

We were criticized quite heavily throughout Saskatchewan and elsewhere by farmers who did not support the NDP generally. We were criticized because the farm economy was in such bad shape that farmers were prepared to accept any program that would provide them with some very quick relief. Certainly we admit the first year of GRIP provided some incredible relief for Saskatchewan and other farmers. We realize many producers, in the atmosphere of needing money in 1990–91, were prepared to accept the program they knew was not going to be acceptable in the long term.

(1950)

The member referred earlier to the Reform always being against GRIP. Where were their members in 1991 in Saskatchewan when the program was being promoted by the Conservative Party to the support of many farmers in Saskatchewan?

The second point I wanted to make with regard to the Farm Credit Corporation—

The Acting Speaker (Mr. Kilger): When members have split their time I know 10-minute interventions with 5-minute question and comments are very short.

However I ask the member for Moose Jaw—Lake Centre to reply to the first question.

Mr. Kerpan: Mr. Speaker, with regard to the GRIP question, one of the other elements that has made it a negative or poor program from our point of view has been that it has been open to abuse by farmers. It encourages poor farming practices. That is one thing that has been very negative about it.

I will not take any more time, except to say that in 1991 there were no Reform members of Parliament in Saskatchewan. Had there been we would certainly have been aligned with the NDP on that particular point.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I am addressing a subject that concerns 36,000 agricultural producers in Canada. The topic is vital because each one has a vital stake in a set of rules that govern their agricultural production. We call these rules the supply management system.

Supply management has been kind to the producers of my own constituency. We have a healthy industry in the Fraser Valley that has contributed much to our community.

Agricultural activity continues to be the backbone of the Chilliwack—Abbotsford area. I would be remiss if I did not mention another agricultural mainstay of my riding, so I want to speak for a moment on the federal agricultural research station located in Agassiz, B.C., which for decades has served our dairy community. Unfortunately its role in the future of the agricultural industry has been threatened of late.

For a while we heard false rumours that the station was to be closed. Then we heard that the station's dairy herd was moving to the unlikely town of Oyster River on Vancouver Island, a place far removed from the Fraser Valley and the mainstay of the industry, where new facilities would have to be built and feed transported at a tremendous cost. Not only that, the milk would have to be transported off Vancouver Island back to the mainland. It did not make a lot of sense.

We further heard that the University of British Columbia was willing to move its experimental herd to Agassiz and build a research facility there but that it would follow the station's dairy herd to Oyster River if the station chose to relocate it there. We brought the matter up with the minister and his parliamentary secretary. I would like to thank them for placing the relocation process on hold pending further investigation. I am confident that once the facts are all out on the table the Agassiz dairy herd should have a solid place in our research future.

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I shared these details so that my constituents might be clear about the situation. I publicly urge the minister to make every effort to resolve the impasse among the local producers, the processors and the officials at the station or in Ottawa. I stand ready to assist in bringing the parties together so that the dairy community and the local community will continue to benefit from the research herd remaining in Agassiz and benefit from the university's significant contribution. That is our local situation.

I also want to touch on the national supply management problem that we cannot ignore. The problem is that our system has been abruptly challenged by a larger set of trading rules. These new rules operate on a global basis. They operate between nations, not within nations. The new rules are the free trade agreement, the NAFTA and the GATT. These agreements threaten to swamp our national rules and thus affect the livelihood of many thousands of producers.

The old rules are like a river that has cut a deep channel over the years. With each passing year the river's course has become deeper and more resistant to change. Once our supply management system was instituted economic interests were channelled in a specific direction and financial interests are now deeply entrenched.

A new channel is being cut by the outside world and we have little choice but to direct our economic river into the mainstream of the world's economy. Our supply managed sectors are realizing the need to explore new markets and to develop new products for the global economy of the future. The streams that fed our made in Canada agricultural policy have been rerouted. Our supply managed sectors must change with the times.

(1955)

The major obstacle to change is the economic interests that I mentioned earlier. The winners for the last 20 years, the producers and the processors within the supply management industry, may stand to lose some of their security when the rules change.

The rules of the old game are written by an old name in Canada. Pierre Trudeau promised a national supply management system in 1970 and the Liberal Party has defended it ever since. Even as recently as last year's election period Liberal candidates were still holding on to the past insisting that article XI(2)(c) regarding import quotas would be strengthened and clarified under the GATT arrangement they promised to producers. The flip-flop immediately after the election reinforced my belief that the Liberals were not being frank with the agricultural community.

Political gamesmanship does not go over very well with the agricultural community. Saying one thing while doing another is guaranteed to raise their ire and raise their concerns as it should.

It is a case of once bitten twice shy, and the supply managed industry is checking for bite marks as we speak. This time it needs to know the facts, not the wishful thinking, so it can start planning its future.

For example, the task force on the future of supply management calls on the system to become "fully market responsive". Yet the whole weight of the report focuses on preserving the system, a system that is not fundamentally market responsive. There is a contradiction here. Which will it be: status quo or market driven?

New interests are arising in Canada. They are the producers who have been waiting many years to get into the system but have been legally barred from doing so because they could not afford to buy the right to produce. What is their status? There are consumers as well, consumers who have paid higher prices for food products for over 20 years to ensure a steady supply and to ensure that producers within the system received an adequate price that they have set for themselves.

There is also a new political party that gives voice to those previously shut out of the system. The Reform Party of Canada is the new political vehicle for the average consumer and the average producer who wants to grow, sell and buy agricultural goods without unnecessary government interference; those who want to buy quality food at more competitive prices; and those who want to produce it, not only for Canada but for the global marketplace.

This is not to say that current producers are doing something wrong. Far from it. We have an excellent, productive industry producing the highest quality food in the world. However Reformers insist that the world economy is forcing change upon us. To resist that change is not possible. It will harm us in the long term. We must not obstruct inevitable change, but we must construct that change so that the transition from a managed to a less managed system will continue to be orderly. We want to avoid financial hardship for the supply managed sectors. We must lay out a workable, innovative work plan for all the stakeholders and then stick to it.

This problem also touches on national unity. As members may be aware, agricultural production was increased during World War II to serve the allies overseas. After the war the supply management system froze the allocation of quota at historic levels of production. Quebec, for instance, produced a lot of milk during the war. Today it still produces almost half of all industrialized milk in Canada. The right to do so is protected by law.

Quebec is not about to give up its share of the markets in other parts of Canada now, even though it is obviously inefficient to ship butter and other milk products to B.C. instead of producing it right in B.C. Allocating production through political decisions

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is another fundamental inefficiency. We will not survive in the world economy unless we are able to increase our efficiency.

I have a special word of caution for my friends in the Bloc. At least within the national system farmers in Quebec can bargain to retain their production rights, but what if Quebec opts out of Canada? Would Canadian producers gladly accept Quebec's produce when producers all over the country are clamouring to increase their production to serve their local populations?

Quebec's privilege within the system has been maintained at least in part to preserve national unity and that incentive would disappear if Quebec separated from Canada. Quebec would lose the market share it currently enjoys within the Canadian system and western producers would happily move quickly to fill that market share.

(2000)

Farmers all over Quebec would suddenly have to scramble to sell their produce. They would not be able to sell all of the excess in the United States. They would have to look at overseas markets. The adjustment would be painful indeed. Agriculture in Quebec may be permanently stunted as a result.

The industry can co-operate together on a national basis to find an orderly way to convert to a less regulated market, a way that would be fair to producers and benefit consumers all across this great land. One thing the government can do is promote more agricultural exports that would allow increases in production over present quota allocations.

We commend the efforts of the Minister for International Trade to increase exports and we urge the minister of agriculture to follow his lead and work harder to develop these export markets.

I have another example to illustrate that. The cruise ships that dock in Vancouver recently wanted to buy 20,000 dozen eggs from a B.C. processor-producer but finally gave up trying to get the necessary permission from the marketing board to supply them. The eggs were finally shipped from the United States and we lost that market.

This kind of rigidity is no longer acceptable. We must take advantage of the opportunities available to us in the marketplace. Let us hope that Ontario's recent decision to boost chicken production is a sign of a positive change in attitude. Indeed, we must allow all agricultural sectors to be market responsive.

Right now producers and processors collaborate to set their own prices using a complex cost of production formula but the market, not producers and processors, should set the prices for these products. We can help by including all supply managed sectors in the government's whole farm income stabilization plan. This would be a safety net based on total farm income applying to all farmers.

The managed sectors need to embrace this whole farm plan even though it would expose producers to market prices which might be lower than the supply managed prices they calculate for themselves. If the supply managed sectors are allowed to opt out of the whole farm alternative and continue on as at present, a GATT panel may rule against them and once again Canada could suffer trade penalties as a result. We could also suffer the insecurity of once again throwing this whole supply managed system into the wind.

Our producers cannot escape change. The old ways are no longer the best ways. It is time for us to free up our internal markets to include more producers and processors and benefit Canadian consumers, to strike down interprovincial barriers to trade, to capitalize on our nation's abundant agricultural potential by increasing production for markets all over the world.

As Reformers have said for years now, give Canadians the tools of deregulation, give farmers the freedom to make economic decisions without interference and they will do the job of competing with the best in the world for price and quality.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, I listened with a lot of interest to the member's comments. I cannot say that I agree with all of them.

I am a poultry producer and I work under supply management. There are a few things I would like to clarify before I ask my question. First, if you go to the supermarket and take a look at the meat shelf, you will find that poultry is probably the most inexpensive buy on the shelf.

As a poultry producer, I make x dollars during the year because I have x number of chickens that I can grow. If I find ways of bringing my overhead costs down, I up my profit margins. That is what makes my industry so efficient.

It is a stable industry under supply management. A stable industry has money to put into research and development. As I said previously today, in the early 1950s it took 14 to 16 weeks to raise a four pound bird. A male bird now can be raised to that same weight in 37 days. That is research and development. That is from a stable industry.

The member suggests we are going to do away with supply management. We are not because we replaced import quotas with tariffs that effectively protect the industry within Canada. I would caution the member that as we look at lowering provincial barriers across the country, this national board will replace that same job.

(2005)

We have to take a look at what happened in the United States. In 1958 Tyson Foods vertically integrated. We are talking about rural Canada. The strength of rural Canada is its farmers. Tyson Foods vertically integrated. Eighty per cent of the chicken production that was bordered along Canada went to the south central states. I know because I bought up some of that surplus equipment for my farming operation. It went dirt cheap. These

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guys could not survive because of overhead costs and the price that they were getting for their poultry.

Within our industry we have health standards which the United States does not even come close to. A declassified bird in the United States is 60 per cent bruising and is sold off of the shelf. You will not see that here in Canada. We have pride in the products that we are putting forward.

Our farmers were protected under the GATT because the levels were set high enough to protect the industry. We have an efficient and stable industry under supply management which is putting forward an inexpensive food product.

I guess I have to ask the hon. member: What more do you want?

Mr. Strahl: Mr. Speaker, I can tell you what we want. We want consistency.

I was reading a pamphlet from the election period. It happens to be one of mine. Perhaps that is why I was reading it. We said all along during the negotiations for GATT that we would be replacing article XI 2(c) with appropriate and equivalent tariffication.

We were raked over the coals incessantly, consistently, persistently by members like the one opposite who said that that was an unworkable option, that it would not work, that we were trying to destroy the industry.

Perhaps I could read just a brief bit here. It states: "All of the other political parties are supporting a contradictory trade position. They are calling for the elimination of export subsidies by other countries but they want to strengthen article XI 2(c) which permits Canada to impose import quotas. Reformers are asking, what will the other parties do if they are faced with signing a GATT agreement, which includes tariffication of access restrictions? What will they do?"

I fought incessant battles in my own riding because we said we would prepare farmers for the 21st century. We said: "Let's not kid ourselves". One of the stories I get now from my farmers back home where I have a lot of supply management is: "At least you told the truth during the election and not only that at least I can trust you to plan for the future". They feel very let down that they were promised something that was undeliverable during the campaign by the Liberal Party. Now they are having to try to readjust mid-course, midstream in that river I was talking about. They are nervous now about what the next thing might be.

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I would like to advise at the beginning that I will be splitting my time with the hon. member for Lambton—Middlesex.

I want to start today with an article that appeared in this morning's *Globe and Mail*: "Thomas Homer-Dixon notes that the current crisis in Rwanda is in part being driven by severe land and food scarcity". He further wrote: "Rwanda has eight million people crammed into an area the size of Vermont. Its population doubles every five years. Extreme nutrient depletion affects the soil in half the country and agricultural production per capita fell by almost 20 per cent between 1980 and 1990. The land competition fuels the vicious ethnic animosity between Hutus and Tutsis and the collapse of civil order has made the country incapable of dealing with underlying scarcity and population problems".

This clearly underlines why agriculture, no matter how much we talk of the new economy of the electronic revolution, is and always will be of central importance. Without food we cannot have peace. Without peace we cannot have food.

That is why we called our agricultural paper "Food security for Canadians and a fair return for Canadian farmers". Food security for Canadians and a fair return for farmers are the cornerstones of this government's agricultural policy.

In order to achieve that, and I quote from the red book: "The government is committed to achieving the full potential of the Canadian agri-food sector by developing new markets and maintaining existing ones while capitalizing on economic opportunities for value added regional development. Producers across this country have told us many times that they do not want their livelihoods to be dependent on government handouts. They do not want any special treatment. What they want is the opportunity to derive their income from the marketplace. One of this government's top priorities in this regard is to ensure that all Canadian producers—that is all Canadian producers—enjoy fair and unrestricted access to those marketplaces at home, within North America and abroad. This is why trade has been such an important issue in agriculture since the day this government took office last fall.

(2010)

This government strongly believes that Canada has the products, the expertise and the technology to compete and win in any market. But in order to do that, Canadians must not be prevented from getting to the starting line.

To ensure that the federal government is working on a number of fronts to secure greater market access for Canadian producers and to do that since last October, the single most dominant issue for this government and for Canada's agri-food sector has been international trade.

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It began with the conclusion of the Uruguay round of multilateral trade negotiations under the GATT after seven years of negotiations. Under GATT member countries will reduce agri-food export subsidies by 21 per cent by volume and 36 per cent by value over a period of six years. As greater disciplines are brought to bear on such price distorting programs as the U.S. export enhancement program and the European union's common agricultural policy, international prices for grains and oilseeds should gradually improve over time.

It is true that we did not get everything we wanted in Geneva. As we entered the negotiations late in the game it was not possible to build enough support for a strengthened and clarified article XI 2(c). We were, however, able to negotiate tariffs which will enable supply management to continue to exist as an effective Canadian approach to producing and marketing dairy, egg and poultry products.

We have not stopped there, however. To assist this sector with these adjustments a federal-provincial industry task force on orderly marketing has been established. Its mandate is to consult with all affected sectors of the industry, to develop co-operative processes to deal with the new rules in advance of the GATT implementation in 1995.

Under the task force five ad hoc review committees have been established for the dairy, chicken, broiler hatching eggs, turkey and egg industries. These committees will help draft a task force report to be submitted to the national and provincial agriculture ministers when they meet in Winnipeg in July.

As well, the U.S. is our largest trading partner. In 1991 Canada exported \$11 billion worth of agricultural product to the world, of which \$4.7 billion was exported to the United States. However, the federal government is also pursuing improved market access with the United States. Under the free trade agreement the last government promised guaranteed access, but we all know what we got was guaranteed harassment. That is why I support the minister's promise to push these negotiations to the wall.

This government has made it clear to the Americans that there will not be a deal unless it is a good deal for Canada. That means a good deal for the grains, processing and supply managed sectors. We will not trade off the interests of one for another.

Canada will continue the dialogue as long as necessary in order to reach a satisfactory conclusion. It has been made very clear to the United States that if it proceeds with recent threats regarding unilateral actions Canada will have no choice but to respond in kind. We are fully prepared to follow through in this area.

I would like to now turn to marketing. This government is committed to achieving the full potential of the Canadian

agri-food sector by developing new markets and maintaining existing ones. To help the sector take advantage of new trade opportunities the government has created a new branch of Agriculture and Agri-food Canada, market and industry services. This new branch has offices in all provinces and will work with industry to increase its share of both domestic and international markets. It is through increasing the sector's ability to meet customer demands that we will be achieving our goal of providing financial security for Canadian farm families and jobs for the Canadian agri-food sector.

(2015)

In Essex County, my home county, we can grow any product grown in the world. Farmers in my area in conjunction with the Windsor—Essex Development Commission have taken their own steps to prepare a marketing plan for the future. They started by conducting a comprehensive survey to identify those areas in which they can excel. Their goal is to identify markets and to find areas where we can substitute imported product for domestic product.

For example, one of the findings of the commission was although in my region there are five wineries, 60 per cent of the grape juice concentrate is imported from outside of the region from areas such as Chile, Europe and California. Those varieties of grapes could be grown in Essex County and we could substitute local product for imported product.

The survey also found that there is a need to identify market niches and corresponding products that local producers can add value to before export. Both of these ideas tie in with two items the minister spoke of this morning.

The minister of agriculture told the House that we must listen carefully to what the market is saying and not just try to sell what we produce now but produce what the market wants to buy. To that end the federal government has 55 trade commissioners and commercial officers working on agri-food trade development in more than 150 foreign markets. This includes 18 agri-food specialists.

To further assist us at home an agri-food industry council will be established later this year to advise on processes to improve Canada's market strengths, promote economic growth and create jobs.

The minister also spoke this morning of his role in rural renewal. It is clear, as a survey in my area found, that it is not good enough just to export raw product but we must export further processed products where the value is added in Canada. It is through such further processing that we can renew our rural areas. This will create jobs in these areas by keeping more dollars circulating within our communities as well as bring greater amounts of money into Canada.

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Agriculture and Agri-Food Canada is also working in co-operation with other federal departments and provinces to establish a single window marketing service for Canadian industry. A single window service will provide access to programs such as the agri-food industry marketing strategy program which helps agri-food associations develop and implement marketing plans, or the new getting ready to go global program which provides cost shared assistance to food and beverage processors to develop new strategies and initiatives.

In addition to easing restrictive barriers through trade agreements and providing market service and information to industry, the government is also constantly seeking out new markets and working to maintain and improve existing markets. This government is also looking to Asia for new markets and opportunities.

A concrete example of this is the minister's recent two week trade mission to the Asia Pacific. Accompanied by the Governor General, the minister headed a delegation that included 15 Canadian farm leaders and agribusiness officials.

Canada has some of the most productive land in the world. The article by Thomas Homer Dixon which I referred to earlier warns that a world food crisis is pending. A recent report of the International Food Policy Research Institute notes that grain production per capita has been flat since 1980. Canada has a responsibility to ensure that we protect our land so we can help feed a hungry world. The best way to do that is to protect our farmers. In doing so we will protect ourselves.

In conclusion, if one looks at the situation in the former Yugoslavia and if one asks the people there what they wanted more than anything, I believe they would ask for the two things we have in great abundance in Canada, bread and peace. The power expressed in the idea of bread and peace is fundamental. It was a promise of bread and peace that allowed the Bolsheviks to overtake Russia in 1917.

It is our abundance of bread and peace that underpinned our economic prosperity in the past and we must never forget its importance to our future.

Now we must move forward to implement an agricultural policy that ensures our future prosperity.

(2020)

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, I would first like to congratulate the Parliamentary Secretary to the Minister of National Revenue on her speech. Allow me to make a comment and perhaps ask a few questions that will be included in my comment.

In her introduction, the hon. member explained to us that, in order to achieve a certain level of peace in the world, it was necessary for us to provide underdeveloped countries with products such as agricultural products, agri-food products, et

cetera. Then she told us that we should assist our farmers in developing and rationalizing their production precisely to enable Canada to find new markets and develop them and to ensure that our farmers receive adequate income.

I would like to ask the parliamentary secretary, first, where does she see these new markets? Where could Canada direct this agri-food sector? And I would also ask her the following question: Has the party she represents re-examined its position or done a post mortem on the way in which the recent agreements were arrived at, agreements that were achieved with difficulty in the case of the GATT and, of course, the free trade agreement? Will we follow the same model to develop or interest or negotiate with other countries with regard to agri-food?

[*English*]

Ms. Whelan: Mr. Speaker, I thank the hon. member for his comments.

Briefly I mentioned that in my riding we have five wineries. We know we could produce grapes locally. We know that is a market in my area that we need to expand on and should expand on.

I also mentioned that the minister spent two weeks on a trade mission in the Asia Pacific. That is an area that his department is looking into for new opportunities.

I believe that every government learns from past experiences in negotiating future agreements and this government has learned from what has happened in GATT in the last seven years and from the free trade agreement. In the next agreements we negotiate we will take that experience with us.

Mrs. Rose-Marie Ur (Lambton—Middlesex): Mr. Speaker, I am delighted to stand in the House today and respond to this government's motion in support of Canadian agriculture. To the extent that this is a wide ranging debate, I hope to touch on a number of issues which are directly impacted by federal agricultural policies.

The primary industry in my riding of Lambton—Middlesex is agriculture. Stats show that nearly three-quarters of a billion dollars worth of farm products are produced in Lambton and Middlesex counties and more than half a billion dollars worth of farm supplies and equipment are purchased.

All of us in this House recognize that the production, sale and trade of agriculture produce is becoming more and more subject to both the constraints and opportunities that exist within the highly competitive nature of international trade.

Over the past couple of years more monumental changes have taken place in the field of international agriculture trade, necessitating some fairly radical adjustments to Canada's domestic structures. To that extent I have to say that the farmers of my riding who sell their products under Canada's supply management system were extremely disappointed that Canada was

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unable to secure a strengthening and clarification out of article XI at the recent Uruguay round of GATT negotiations.

Canada's unique system of marketing boards, agencies and commissions is arguably the most sophisticated system in the world, ensuring producers a reasonable income and consumers stable quantities of the highest quality food.

Two years ago Canada had a number of impressive allies in her fight to strengthen and clarify article XI of the GATT. However, due to relentless pressure and threats from the United States, our allies fell by the wayside one by one. Unfortunately by the time the deadline approached Canada stood completely alone at the bargaining table. We were faced with a fundamental decision: Do we leave and scuttle seven years of negotiation involving the interests of 116 nations and our own, or do we examine the factors associated with this most comprehensive round of global trade talks in history and work to implement the measures that would ensure the survival of our unique supply management system?

(2025)

The Government of Canada chose the second option. I am hopeful that Canada's farmers who operate under our current supply management system comprised chiefly of poultry egg and dairy sectors can successfully retain their system through a well regulated conversion process from the original import quota system to one that is to be characterized by initially high levels of tariffication.

Despite recent threats and posturing by the United States, I am hopeful that the Government of Canada will successfully implement this initial set of tariffs of supply managed produce beginning July 1, 1995. My constituents and I find it disturbing to read in the media accounts outlining the possibility of tradeoffs with the Americans in which some of the tariff levels and supply managed commodities may be significantly lowered in return for greater access of Canadian wheat to U.S. market.

While the Government of Canada is still negotiating with the United States to sort out a number of longstanding bilateral issues, I am gratified to have received assurances from the Minister of Agriculture and Agri-Food that in the process of these bilateral negotiations with our American friends there will be no tradeoffs between agricultural sectors.

The farmers in my riding of Lambton—Middlesex tell me that they do not want subsidies, they just want a decent price for their product. As I see it, we need to develop a farm income stabilization program that is regionally flexible, yet one that is also GATT consistent, market neutral, financially sound, affordable and effective.

One program to be looked at is GRIP. It is true that GRIP plays differently in different provinces. For example, in my province of Ontario it is seen as a very successful program. In others, especially Saskatchewan, people have the opposite opinion. Perhaps what is needed then is a set of more regionally sensitive safety net programs that take into account the various agricultural sectors and their producers.

The question of interest free cash advance payments comes to mind. On February 14 of this year I made a statement to the House calling upon the minister of agriculture to reinstate the interest free provisions of the advanced payment for crops act which was removed last June by the previous government.

I would like to take this opportunity to reiterate the same request. While I respect the reality that interest free cash advances have cost about \$50 million to \$75 million each year and that these moneys would come out of the total budget of \$850 million for all income support and safety net programs, I am convinced that it is a well spent investment, especially for our farmers who experience cash flow problems at various times each year. It almost goes without saying that proper stewardship in the form of sustainable agriculture continues to grow in importance.

Canadian agriculture has a proud environmental record and can be attributed to an even greener environment through a greater federal commitment to the development of ethanol as an alternate fuel. As co-chair of the ethanol task force, I have been working with my colleagues diligently over the past number of months in trying to convince cabinet members to take that extra step in providing assurances to the development and flourishing of Canada's fledgling ethanol industry.

Frankly it is an idea whose time is long overdue and I intend to keep advancing this notion at every opportunity. Ethanol as a fuel has come under the microscope more often in the past five years than any other transportation fuel from the standpoint of energy efficiency, environmental and economic benefits, sustainability, farm practices, cost benefit ratio, energy source comparisons and the impact on grain supply.

Can the same be said for the big oil companies that fought changes such as the removal of lead until the public demanded it be removed? Speaking of the public, demand for ethanol is so high in Canada that our small existing ethanol producing facilities have been forced to import ethanol from the United States in order to meet that growing demand. This is nothing short of ludicrous. Canadians have the will, the know-how in the market, both domestic and international, to support a major expansion of our ethanol industry.

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(2030)

The ethanol industry is not looking for an 8.5 per litre federal tax exemption for ethanol blended fuels. It already has its exemption as do alternate fuels. What ethanol manufacturers are seeking is a guarantee of the present commitment by the federal government or a maintenance of the status quo on tax treatment for the next 10 years.

Such a guarantee would ensure private sector investment for potential ethanol manufacturers who would like to create jobs and economic development to benefit the economy through the construction of a \$170 million world class ethanol production complex utilizing 20 million bushels of Ontario corn.

The Ontario, Alberta and Saskatchewan governments have all seen fit to help kickstart this renewable industry through long term tax exemptions.

Members of the ethanol tax force and our many supporters both here in the House and in the Canadian agricultural community at large are only asking for similar consideration federally. No subsidies, no loans, no grants, no loan guarantees are requested. If the crude oil increases and/or corn prices decline the ethanol industry is prepared to have a clawback formula.

Ethanol has much to offer Canadians who are environmentally conscious, thirsty for economic recovery and concerned about the sustainability of our agriculture and energy industries.

We do not need any more studies. What we do need is the political will to make the right decision. We all know that Canada produces enough grain to put 10 per cent ethanol in all Canadian gasoline and still be one of the world's top four grain exporters. Moreover, as evidenced by federal and provincial government policy, evaluation of ethanol cannot be assessed only in the context of cost versus gasoline. There are numerous factors that must also be considered.

There is a very positive and undeniable economic benefit to Canada when one thoroughly assesses all the impacts of renewable fuel programs in important areas such as farm income stabilization, rural development, direct Canadian jobs, exports and improved balance of trade, more valuable animal feed stocks, reduction in primary energy use, lower emissions of greenhouse gas. All of these are positive factors which will be the fruits of a courageous and visionary federal ethanol fuel policy.

We have to act and we have to act now or Canada will be left by the wayside. Renewable ethanol is already a large scale business in the United States and it is getting larger as we speak. Over 49 new plants are on the drawing board and 14 existing plants have plans for expansion.

Here in Canada we simply cannot afford to dither any longer. As I said, we simply do not need any more studies by well paid

bureaucrats. The beneficial results of the ethanol experiment are already before our eyes south of the border.

Let us not waste any more time. The time for a real federal commitment to ethanol and the positive impact it will have on our environment, our agricultural communities and our economy is now.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, may I extend my congratulations to the member who just spoke on her tireless and courageous support of the ethanol industry. I too support the ethanol industry not only in my own constituency but right across Canada. I congratulate the member for her work and I urge her to continue with what she has been doing.

Second I also congratulate the member for her comments regarding the interest free cash advance. I was in the House earlier this session when the member raised the question with the minister of agriculture and I am pleased that he is in the House again tonight to hear the member's request for an extension, in fact the reintroduction, of the interest free cash advance.

The member who just spoke and the minister of agriculture who comes from Saskatchewan will know that the interest free cash advance is not just a benefit to the farmer but it is a benefit to all of Canada.

Farmers under our current system, a marketing system that I support, cannot sell grains whenever they feel like it. They are subject to quotas. They are subject to elevators that are full. They are subject to a system that is backlogged so that grain can simply not be delivered when the cash is needed to pay for clothing or tuition fees, food or other payments that the bank requires in order to allow for a farm family to remain on the land.

(2035)

The interest free cash advance is a small price for our nation to pay for an accessible agricultural product and an income at the farm gate when in fact the grain needs to be sold and the system will not allow it to be sold.

I urge the member to continue to call on the minister of agriculture to reintroduce the cash advance. I have a brief question for her. She did ask the question of the minister before. Can she give the House an indication whether the minister is responding favourably to her request?

Mrs. Ur: Mr. Speaker, I would like to thank the hon. member for his statement and his question.

Perhaps it is presumptuous of me to answer when the minister is in the House. I have had favourable discussions with the agriculture minister. I had discussions this morning with the corn producers' representatives and I believe they were meeting with the minister today.

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I have not been updated on that meeting, but I hope it was favourable. The indications appear to be favourable but I am not psychic. I hope it is.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, I will be sharing my time with my colleague from Champlain.

It gives me great pleasure to take part in the debate on the agricultural sector. However, I cannot agree with the motion presented by the minister of agriculture. The wording of the motion is nothing but self-congratulatory, with praise for a duty that was poorly done.

I represent the constituency of Chicoutimi, and I can tell you that there are roughly 1,700 agricultural producers in the region. The dairy industry is the largest. Many of the farms are owned by individuals. Family farms are still very much a part of our region, but they have undergone numerous changes. With the globalization of markets and its very tangible impact on agriculture, it can be said that this sector is constantly subject to change.

The agricultural sector is active. In February 1991, all players in Quebec with a stake in regional development and the agri-food sector met in Montreal for the *États généraux du monde rural*, which established a series of benchmarks, including giving the regions control over their future, respecting and promoting local and regional values; having local and regional partners work together, diversifying the regional economic base, protecting and regenerating resources, and restoring a balance in political powers from top to bottom.

At the Trois-Rivières summit, round tables achieved a consensus on the major approaches to be taken to ensure the development of the agri-food sector in Quebec. The Trois-Rivières Summit generated a series of commitments. I will mention a few: first of all, to focus on research and replacing old technologies as part of a strategy to win new markets; to promote and support human resources training; to ensure the continued development and growth of agri-food businesses; to readjust existing income security programs based on production costs; to develop income security programs compatible with the rules of international trade; to promote financing for farm operations and the transfer of same without incurring massive debt; and subsequently, to consider assistance for conversion within the sector of operations that are not viable and help farmers who leave the profession.

(2040)

The federation of the Union des producteurs agricoles du Saguenay—Lac-Saint-Jean, in its activity report for 1992-93, has also changed its strategy and talks about winning new markets.

On page 7, the report says that this new theme in the agricultural and agri-food sector will guide our planning for the next decade. Some serious thought has been given to these issues. There is a need to promote the autonomy of farm operations and processing plants by supporting their efforts to adjust to new market demands and win new markets, and also increase their competitiveness by reducing production costs. All this to break the cycle of dependency on government assistance. However, a reasonable time frame is needed to provide for harmonious transition. By signing the GATT agreements, the Canadian government has upset farm programs and practices by making the agri-food sector compete directly with foreign countries.

This is not harmonious transition. We must consider farmers as entrepreneurs and support regional entrepreneurship. They should have access to ongoing professional training and to the financing and technologies they need to make their operation a profitable and competitive business.

Quebec is committed to promoting the development of a competitive agricultural sector that is regionally based. The agri-food industry must adjust to the demands of globalization. It cannot, by itself, guarantee the development of rural areas and maintain the social fabric, although it certainly can play a significant role in regional development.

Nevertheless, non-viable companies will have to be supported by the government until their activities are redirected within the agri-food sector or in other sectors of the economy. We have to make the industry aware of the importance of the environment as a means of promoting agriculture.

Finally, the agri-food sector needs a reasonable time to adjust to international competition. The federal government defended only weakly the interests of Canada and Quebec farm producers.

During the last negotiation sessions of the Uruguay round of GATT, and despite repeated assurances by the Liberal government in December, federal negotiators were unable to gather the support of enough countries to defend and keep article XI which protected egg, poultry and milk production, mostly centered in Quebec.

(2045)

Even though import quotas will be replaced by tariff barriers which will gradually disappear over time, the abandonment of article XI is disrupting Quebec agriculture. Clearly, the federal government did not come back from Geneva, last December 15, with the best of agreements. We would have wished for a larger reduction in export subsidies and a better access to foreign markets.

For Canada and Quebec farmers the biggest threat, at the present time, is the outcome of the current trade negotiations with the U.S.A. in the agricultural sector.

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The federal government is now pressured by American negotiators over the issue of restricted sectors like eggs, poultry and milk. Americans claim that pursuant to the agreement, tariff barriers must be completely abolished between the two countries by 1998.

Decision making processes must be decentralized. Stakeholders in the Quebec farming industry did what they had to do. They do not need for the federal government to impose policies that would be contrary to the priorities and positions they developed. They want to control the decision-making levers in the fields that concern them.

[*English*]

Mr. Peter Adams (Peterborough): Mr. Speaker, I listened with great interest to the member from Chicoutimi in his remarks and until the last few minutes I was carried along by his enthusiasm for agriculture in the Chicoutimi area and with his vision of agriculture.

I enjoyed when he was discussing agriculture, talking about research, new technology and market developments and global competition, these things which I think in the stereotype of agriculture we do not hear enough about. Agriculture is a very diverse, very sophisticated part of the economy and the social structure of Canada. In listening to the debate today I think the diversity of agriculture across the country comes out.

In my riding of Peterborough there are 1,100 farms, about half of which are in beef. About a quarter are dairy farms. There are large poultry farms and hog farms. We have a fine buffalo farm which produces breeding stock of buffalo. We have sheep farms, goat farms, we produce bees, we have market gardens and whole variety of crops, soft fruits and things of that type.

I mentioned Peterborough in the same way the member mentioned Chicoutimi, to show that in my riding the diversity of agriculture is extraordinary.

One thing I think the government has to do is continually inform the people of Canada, particularly the people urban areas, of the true nature of agriculture as an industry in this country and as a way of life in this country. It is a diverse, progressive part of our society which, as the member for Chicoutimi mentioned, includes the family farm. It includes 4H and all of those things we associate with our rural communities.

The government has to help farmers reach out to the urban areas and get rid of this stereotype of agriculture which exists there and show them what a vital and interesting and diverse part of our country it is. It also has to reach out and tell Canadians that they receive cheap, high quality, healthy food from their farm sector. We spend 10 per cent or less of our disposable income on food and we get the very best food for that. I think the government should articulate. There are some developed countries which spend almost 25 cents on the dollar they earn on food. In developed countries we spend less than 10 cents thanks to our farm communities.

(2050)

Also the government has to tell Canadians, particularly urban Canadians, about the agri-food industry which the member for Chicoutimi mentioned and the huge trade surplus we have in that area.

Last, I urge the government to continue with its consultations with farmers and the agri-food industry in making all its decisions.

My question to the member for Chicoutimi is will he help us—I heard his criticisms—give urban folk in Canada an understanding of the true nature of the high quality of agriculture we have in this country?

[*Translation*]

Mr. Fillion: Mr. Speaker, to start with, I would like to thank my colleague for his long preamble, which, in spite of my criticism of his government, seemed to support some of my arguments. I would like to get back to his main point which was farm diversification.

I am all for it, except that under the present system, the federal government is funding diversification in western Canada at the expense of Quebec. Which, to some degree, explains why Quebec has been unable to diversify in that area. I could give you many examples and statistics. But I will only talk about lamb production. Quebec has been unable to emulate the west. The sheep population increased by 9 per cent between 1988 and 1991 in Quebec, whereas it went up by 33 per cent in western Canada. Why? Thanks to programs funded by the government at the expense of Quebec.

Mr. Réjean Lefebvre (Champlain): Mr. Speaker, farmers are prepared to meet the challenge of globalization, despite the loss of protection with respect to the marketing of products on which quotas apply and the mandatory elimination of certain government subsidies as a result of the GATT agreement. Like all good entrepreneurs, they want to know what kind of support they can expect to receive from the government.

Producers recall the inertia of the federal government which failed, during the signing of the GATT agreement last November 15, to obtain assurances that the numerous trade disputes pitting Canada against its main trading partner, the United States, would be resolved. Canada therefore finds itself in the position of having to negotiate under pressure in an effort to resolve numerous trade disputes in the agricultural sector. The government has left itself in a tenuous position and must now adopt a defensive posture in order to limit the damage.

The negotiations currently under way with our neighbour to the south are going nowhere. The dispute, you may recall, centres on our main products, that is ice cream, yogurt, Western wheat and the new Canadian tariffs on poultry, milk and eggs. The government must not cave in to pressure from the United

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States. It must stand its ground and think first about the future of Quebecers and Canadians.

In addition, the government must reduce the inequities between east and west. If past practices are any indication of what lies ahead and if inequities increase, producers will come to expect a double standard in the case of eastern and western farmers. The competitive position of Quebec farmers is directly affected by this practice.

In the past, producers disciplined themselves and worked together to ensure that production levels were geared to the needs of Canadian consumers.

(2055)

Quebec farmers fell for it. Take chicken production for example. Each province would have to produce chickens to meet the provincial demand. In 1990, taking advantage of its geographic location and the impending abolition of quotas, British Columbia decided to go it alone to get ahead of the other provinces and increased its production capacity. Now Ontario would be prepared to follow suit and saturate the market in Quebec.

In parallel with this trade liberalization on the Canadian market is the concentration of enterprises within the industry, which unfortunately will take place at the expense of producers. Certain processors also own hatcheries and flour mills, thereby controlling the price of farming inputs as well as prices paid to producers when poultry is sold. Producers are wondering how long this little game will go on and what the government intends to do in its role as partner in this changing environment?

This turmoil created uncertainty among Quebec producers who have seen the share of the federal budget for agriculture allocated to western Canada increase from 42 per cent to 64 per cent since 1980, while Quebec's share dropped from 30 per cent to 10 per cent during the same period. In spite of this inequity, our producers are working enthusiastically and manage to keep agriculture in Quebec profitable and this, even though their indebtedness ratio is the highest in Canada.

The government should do whatever is necessary to stabilize the farmers' economic environment. After all, the agricultural industry accounts for 15 per cent of jobs and over 8 per cent of the GDP in Canada.

The government should start by reducing the number of assistance programs. Agriculture Canada is administering approximately fourty, another 22 are co-managed with the provinces and 286 more are administered by the provinces alone.

In the area of agricultural finance, the federal government intervenes through the Farm Credit Corporation and the Quebec government through the Société du financement agricole. The

terms of reference of these two organizations are amazingly similar, yet both are maintained. In terms of visibility in Quebec, it is in the interest of the government to maintain an organization of its own, but in terms of customer service, it will prefer a single-window approach to agricultural financing. You can be sure this would be the approach preferred by Quebec producers.

Meanwhile, the Quebec government is contributing 20 times more than the federal government to agricultural financing. Furthermore, only 16.7 per cent of the Farm Credit Corporation has gone to farms in Quebec, as compared to 35 per cent in Western Canada.

In their agriculture policy statement, the Liberals promised to create for farmers a long-term mortgage, with two thirds of the interest sheltered from fluctuating rates, a guarantee plan for farmers whereby the government would guarantee the loan made by a farmer selling his farm, thus ensuring a stable retirement for sellers and helping established farmers and newcomers obtain capital at reasonable rates, and thirdly, a farm leasing plan whereby farmers whose property had been seized or who were starting out could rent land under long term leases from the FCC, with the rent credited toward possible future purchase.

But what has become of these good intentions? Is it only pious wishes? We may well ask, the farmers are still waiting.

I am not calling for the abolition of standards but for an adjustment to the new agri-food environment where companies will have two choices: to compete on international markets or to serve specific niches in local and regional markets. Our small businesses must be allowed to develop and our entrepreneurs must be given an opportunity to carry out their business ideas and thus develop our regions, all this without threatening food quality.

However, we find on our grocery shelves beef from Nicaragua with no identification of origin on the package. As a result, consumers cannot encourage our own producers and buy a better quality product.

(2100)

Although the government says in its agricultural policy that it intends to apply Canadian standards to imported food, it has no control over sanitary conditions where the food is produced and processed and over environmental standards on foreign farms.

Quebec has developed a seal of quality, "Qualité Québec", that is placed on products to encourage people to buy local products.

I therefore call for the strict application of present regulations on the identification of the origin of agricultural products; this is another measure that could maintain and even create jobs at no great cost.

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Our farmers and processors must not only adjust to the various standards but above all meet consumers' needs and requirements. Again, through its policy statement on agriculture, the government wants to promote and reinforce our marketing strategies under GATT and any other trade agreement in order to preserve a system beneficial to consumers and producers alike.

Producers are still waiting for these great principles to be applied and in the meantime most of them, especially in Quebec, must deal with a crumbling quota system and the opening-up of our markets to foreigners knocking on our door.

Along with the many changes occurring in the Canadian and Quebec agricultural environment, the profile of consumers is evolving. Families are smaller. People are looking for more refined products with less fat and added value whose quality sets them apart from the competition. All businesses are based on consumption and Agriculture Canada seems to spend a great deal of energy on applying standards and not enough on advertising and marketing.

If the government is a partner of the agri-food sector players, it must do its job by adjusting quickly to the new realities and making its presence felt instead of keeping a very low profile as it does now.

Producers must face another reality: the protection of natural resources that has become necessary because resources are not inexhaustible and because of their apparent degradation. Producers are determined to promote and adopt sustainable agricultural practices combining resource preservation with farm performance.

It is up to all the stakeholders in the agricultural sector to take the necessary measures to pursue sustainable development while minimizing output losses for producers. The government's role in the quest for a sustainable agriculture should be to support the changes decided by producers, and not impose such changes through regulations.

Although the Canada-Quebec subsidiary agreement on sustainable agricultural development provides for the implementation of several research and technical innovation projects over the next four years, the results do not benefit those who are primarily concerned. The government must ensure that research conducted by the Department of Agriculture in Canada is shown to producers and—

The Acting Speaker (Mr. Kilger): Order! I am sorry to interrupt the hon. member, but his time is up. We now move to questions and comments. The hon. member for Glengarry—Prescott—Russell.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I listened attentively to the words of the member and to the member who spoke before him and, frankly, I have questions

to ask about where the information comes from—if it can even be called information—that these members have shared with the House.

The member who just spoke to us called for the Government to deliver on the Agricultural Equity Development Program, as set out in the red book. Mr. Speaker, I know that the member may not be in the habit of reading his mail, but the program was announced three weeks ago by the Farm Credit Corporation and the Minister of Agriculture could confirm this immediately.

Second, I must ask the member opposite, because he told us, regarding quotaed agriculture, if I understood his words correctly, that Quebec should have a percentage of the poultry market proportionate to its population. Is he telling us that he wants Quebec to have less poultry production than it currently has? If that is his position, it is not mine.

Finally, Quebec produces 48 per cent of industrial milk.

Is he telling us that he favours a reduction in the industrial milk granted to Quebec? Because, once again, that is not my position or that of my colleagues.

(2105)

[*English*]

This member will have to explain to us just what he means and where he gets his information from, particularly on the equity lease issue that he advocated, that already exists and that was already announced by the government more than three weeks ago.

[*Translation*]

Mr. Lefebvre: Mr. Speaker, it gives me great pleasure to answer the honourable colleague seated across from me. At present, leases are not in use.

I would like to go back to some statements I made. When I defend the farmers of Quebec, I am also talking about small farms. In the West and in Ontario, they are used to seeing large producers. In my constituency, I want to defend the small farms.

At present, dual jobholding is common, with spouses forced to look for work. We are moving toward globalization of markets, and we know that the big farms are indeed ready for global markets, even with the GATT agreement. However, we also have to think about small farms, which are fighting to survive. I personally believe that we are going to have to allow products to be processed in our regions and to develop new local and regional niches.

When I talked about standards, I did not mean that I have anything against standards, but sooner or later, the government will have to reach a decision on this issue. I am in favour of having standards now, but not in favour of having them applied immediately. Two or three years could be allowed before they are implemented.

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Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, I will be sharing my time with the member for Glengarry—Prescott—Russell.

The government recognizes that an economically healthy farm sector depends on conservation and protection of our natural resources. It is a simple fact. Without fertile soil and clean water, Canada's farmers cannot continue to produce the high quality nutritious food they are famous for.

Over the past few years all Canadians have come to recognize the importance of protecting the environment. Many Canadians have changed the way they go about their daily lives. They are reusing, recycling and reducing, the famous three *rs*.

More and more of our industries are also changing the way they go about business. They are trying to minimize their impact on the environment. They are also increasingly recognizing the need to protect the environment can represent business opportunities that not only result in environmental benefits but in jobs as well.

Canada's agri-food industry is no different. Things are changing on the farm. Many urban Canadians may not realize it but Canadian farmers are changing the way they do business. As we all know, change is not easy but farmers are used to facing challenges. For example, farmers across the nation are working to preserve wetlands that are crucial to wildlife and the entire ecosystem. In Prince Edward Island farmers are partners in the P.E.I. wetlands stewardship program that helps them build fences around wetland areas to protect them from cattle. Farmers are increasingly moving to low till or zero till cropping technologies to reduce soil loss and runoff into our lakes and rivers. In my riding of Wellington—Grey—Dufferin—Simcoe the Grey County Federation of Agriculture made mention of this problem in a brief presented to me in March.

Because much of our landscape is blessed with many rivers it is essential to protect them from contamination and from erosion. A study in progress in Ontario is indicating that no till farming has increased almost 50 per cent in the last three years.

Farm families have always been great recyclers and reusers. It is often born of necessity. Therefore it is no surprise that recycling empty pesticide containers is a major initiative found in many Canadian farm communities. Agricultural pesticide use is declining. Figures show Ontario farmers have reduced their use by about 20 per cent over the last decade.

(2110)

In Quebec, farmers are taking part in a program to reduce their pesticide use by half by the year 2000. Farm organizations are increasingly taking a leadership role in promoting environmentally sustainable agriculture. Prairie pools and the co-operative formed by the Manitoba, Saskatchewan and Alberta wheat pools are developing an environmental assessment guide. It will be

distributed across the prairies to help farmers incorporate environmental planning into their farm management practices.

The government is working and will continue to work in partnership with farmers, farm organizations, industry representatives and the provinces to ensure this trend continues. It is in everyone's interest to see that Canada's agri-food industry is second to none in the world when it comes to working in harmony with nature. Building Canada's reputation as an environmentally sustainable producer of food and crops can only help us in seizing world-wide marketing opportunities.

Just last month the Canadian Agricultural Energy Use Data Analysis Centre was opened in Saskatoon. The centre will provide farmers, companies involved in agriculture and governments with the information they need to improve the efficiency of energy use in the agricultural sector. It is a partnership effort involving the federal government, the Saskatchewan government and the University of Saskatchewan.

Also last month the direct seeding program was announced. This three-year \$1.6 million program will help Saskatchewan farmers to obtain the information they need to make the technology transfer to direct seeding, that is seeding the new crop directly into the stubble of the past crop.

What are the benefits of direct seeding? It reduces field work. It saves farmers fuel costs. It reduces soil erosion. The crop yields are equal to or better than traditional seeding methods.

There is another benefit that non-farming Canadians may want to spend a few minutes thinking about. We have heard a lot about greenhouse gases changing the global environment. Canadians are worried about this. Let us consider that scientists believe the undisturbed plant material left behind by direct seeding methods can reduce greenhouse gas concentrations. Agriculture can play an important role in protecting our environment.

The direct seeding program is a result of the partnership of the federal government, the provincial government, private business and non-government organizations. This is the kind of partnership for sustainable agriculture that we need to see continue and will continue from this government.

I quote from a Saskatchewan Wheat Pool brochure on sustainable agriculture: "We are not where we should be or could be, but we are a long way from where we used to be". The government, in consultation with stakeholders, is developing long term approaches to sustainable agriculture that will get us to where we should be, approaches that will integrate not only our environmental goals but our economic and social goals. Our rural areas and farming communities must be safe, healthy and vital places. These long term approaches will guide us as we develop a new national soil and water conservation program. This involves reviewing our programs for their environmental impacts and it involves continuing to help our agri-food industry to acquire the environmentally sound technologies and

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practices it needs to meet our goals for a sustainable industry. That is this government's agenda to get us where we should be.

(2115)

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, the presentation we have just heard is evidence of how dedicated my colleague opposite is to the environment, co-operation, recycling and the harmony of nature.

I am confident that these sentiments are shared by all parliamentarians. It is critically important that all of these factors be present if we are to have sustainable agriculture.

I would, nevertheless, like him to explain to us how opportunities can be seized on world markets. That is the real issue, because if we want to seize these opportunities, the wealthier countries will have to stop subsidizing agriculture indirectly.

Financial assistance, particularly if it also entails standards specific to certain countries, impedes the movement of our goods and prevents them from being exported.

I want to give you one example and then I would like to hear your view on the subsidies that wealthy countries award to agriculture and find out if there is any way to change this situation.

In the Lac Saint-Jean area, we produce an aperitif made from a fruit characteristic of our region, namely the blueberry. Vast quantities of this product were exported to Japan because Japanese consumers had created a great demand for it. Japan did everything it could to block the sale of the product on its markets. It proceeded to indirectly subsidize national companies so that they could compete with our products.

I wonder if the hon. member would care to comment on this aspect of the question which, in my view, is a logical follow up to what he was saying earlier.

[*English*]

Mr. Calder: Mr. Speaker, I am very pleased to hear that the hon. member shares with me the responsibility that we have to enhance our environment and turn it over to our children in better condition than when we took it on. That is a commitment that as a farmer I have always had.

As to the rest of it, I have lobbied for farm issues for years. One of the problems that I had as a person representing supply management within Canada was as I lobbied for my own sector I knew I was doing it to the detriment of another part of agriculture, one of the people who worked in the same business. In other words, if I was effectively able to get a good deal for

supply management it could have been to the detriment of grains and red meat and that always bothered me.

Under the new GATT agreement we are now underneath one umbrella. Now we can lobby for the farm industry as a whole. Also, the GATT agreement laid out world-wide foundations that we never had before and now have.

When I campaigned in the October election I campaigned for the retention of article XI(2)(c)(i) for supply management because at that point that was what we understood to be the only position that we had and therefore we went for it.

(2120)

When we became the government we found afterwards that the position of article XI(2)(c)(i) was not attainable because there were 116 countries out of 117 voting against it. That was not our fault. What we did was go to the places, the SM-5, the supply managed groups to replace that aspect of it and said: "All right, what do we need? What do we need to protect that part of agriculture?" They told us. We negotiated it and got it. That part of supply management is protected.

However, I want to go back to the foundation as the soil is within agriculture. With the GATT signing we now have a foundation that is world-wide that we can build from. If another country like the United States challenges us on wheat we can work from a base set of rules which we never had before. I think we are miles ahead because of that.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to speak for a few minutes tonight to express the grievances, wishes and desires of the people whom I have the honour and the privilege to represent in this House.

[*English*]

Let me commence my remarks by complimenting the minister of agriculture. Not only has he proposed this motion today which is unprecedented but I have no recollection in the 14 years I have had the honour of representing my constituents at the federal and provincial levels of the government taking an initiative like that, of having a debate on its own; not an opposition motion but a government initiated debate of this kind. I congratulate the minister.

I also want to indicate to the House and indeed to all Canadians that the minister has been in the House as we have had this debate all day. He has been here for about 12 hours listening to the suggestions of hon. members from all sides of the House. I know that members of his able staff are here taking notes and informing themselves of the wishes of Canadians through their respective members of Parliament with regard to agriculture.

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[*Translation*]

There are about 68,000 farms in the province which I have the honour to represent. My riding alone has 1,000 farmers. So it is an important region for supply managed agriculture.

As you well know, Mr. Speaker, there are also poultry producers, egg producers and many others. I would like to share some of my constituents' concerns and make some suggestions to the government.

First, I would like to join with some of my colleagues who today expressed an interest in ethanol.

[*English*]

I as well as other members use ethanol blends in my automobile. At the present time I do that in an effort to encourage agriculture in part because it is a good conservation measure and of course because it makes my car work better. My ethanol is a local brand called McEwans. You know it well, Mr. Speaker. I think Mr. McEwan is a close personal friend of yours. A number of McEwan gas bars in eastern Ontario sell this very good product.

This ethanol blend, however, as all ethanol blends in eastern Canada, mostly has in the portion of the blend which is ethanol a product imported largely from the United States. There is nothing wrong with that per se, except that in encouraging agriculture by purchasing gasoline I would much prefer to encourage agriculture in Canada and even better agriculture in Glengarry—Prescott—Russell.

[*Translation*]

You no doubt know the group of producers in our region, the St. Lawrence Ethanol Co-op, which also has an ethanol project in our region. I even think that it is in the riding of the hon. member for Leeds—Grenville, with many producers coming from your riding, and the president is a resident of mine. A whole group of corn growers in eastern Ontario is interested in this project. I point out to the minister that these growers need our encouragement and support.

(2125)

I would also like to make some suggestions about the Farm Credit Corporation to the minister.

[*English*]

The Farm Credit Corporation of course lends funds to a number of producers both in my riding and elsewhere and I congratulate it for the work it does. I am not always pleased with what FCC does but I do not share the view of the Reform Party member who spoke earlier who suggested that there was no

room for the Farm Credit Corporation in financing agriculture at all.

I do not share those views. I think the FCC has a significant role to play and if it did not it certainly would not have the loan portfolio that it does. In any case the Farm Credit Corporation is a valuable instrument and we should encourage it.

I want to suggest to the minister that he consider doing what another minister had done a number of years ago and that is to review the present loan portfolio of the Farm Credit Corporation in an effort to determine whether or not it would be possible to lower the interest rates on some of the existing loans.

In approximately 1985 or 1986 the then agriculture minister had made a decision to lower the interest rates on a number of outstanding loans, I believe they were loans financed at 16 per cent and above, to bring them to what had been the prevailing rate for the preceding year which was in the order of 12 per cent. That had a significant impact.

Of course farmers can do that now but they are subject to a considerable penalty and that has reduced some of the potential help that farmers could have received had they been able to restructure those loans with the Farm Credit Corporation.

I want to bring to the attention of the minister this suggestion of mine and I hope that he considers it.

[*Translation*]

I want to say a few words on GATT. The GATT agreement signed last fall was not the Liberal government's first choice. We did say what our first choice would have been. Mr. Speaker, you know hockey well. You know that if 117 teams play under the same rules, and if 116 of those teams decide to change the rules, you will not be able to do anything about it. Indeed, if 116 out of 117 teams decide to change the rules, those rules are going to be changed, no matter what.

Under these circumstances, we had to find what was best for our country. I think we have done that. And the member for Glengarry—Prescott—Russell is not the only one to think so. I have here an article published in the December 20 issue of *Agricom*, which is an agricultural publication from my riding. It says: "In spite of the loss of article XI, Canadian supply management programs are safe". I will only quote another short excerpt: "The new GATT agreement provides for the maintenance of supply management programs through tariffs".

[*English*]

Agri-com is not the only newspaper that said that. As a matter of fact I have before me the May 10 editorial of the agricultural publication *Farm and Country*, a very well known publication in

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my province of Ontario. The editorial is entitled "Canada survives GATT Chess Game" and reads:

"The world's dairy producing countries which protected their markets before will continue to do so. The U.S. section 22 is gone. The EU's"—European unions—"variable import levies are gone. So is Canada's article XI. But domestic industries around the world will still be protected". The still critical *Globe and Mail* should take note.

In other words, this writer is responding to criticism of that in Toronto's *Globe and Mail*.

(2130)

The point I am making is that agricultural publications are telling us that our supply management has been protected, but it is not over. I raised this in a question with one of my hon. colleagues earlier. I give this note of caution to members of the House and hopefully through them to all Canadians involved in supply management. I have said this before. The supply management system has achieved a certain maturity and when an industry does, it sometimes becomes self-critical. That is not bad in itself but when there is an excess of that there is a danger.

I am thinking generally of the chicken and poultry industry. I have what I have referred to as the fear of implosion for lack of a better word, and I am concerned about it. I hope producers in supply managed commodities will ensure they do not become their own worst enemies.

They could have been their own worst enemies last December and some of them were. Some of them panicked. Many of us, the parliamentary secretary, the minister and myself included, spent hours and hours, days on the phone with farmers reassuring them and telling them that if they sold their quota they could be putting the whole system in a tailspin. Most of them were careful and through the efforts of everyone the supply management sector survived.

[*Translation*]

But the concerns persist, and I want to point that out.

Let me express some thoughts in the few minutes I have left. I do not know how to solve the problem, but I ask the minister and the parliamentary secretary to think about this. We live in a society which does not give sufficient recognition to the agricultural sector and that concerns me. This is true for all of North America. Again, I do not know the solution, but I think it is good to mention that point.

I have had the opportunity to go to Europe many times and I noticed that Europeans in general value their agriculture a lot more than we do here. Is it because more European consumers go to the market to buy products directly from the farmer who is a personal friend, whereas here in North America consumers

think that produce comes from the supermarket? Is it this lack of interaction which is responsible for the lack of recognition? I do not know. However, I urge the minister and his cabinet colleagues to look at this important issue and try to make sure that Canadians living in urban areas can better understand our agricultural sector.

[*English*]

Mr. Speaker, I thank you and the House for giving me this opportunity. Again I thank the minister and his parliamentary secretary for the attention they have given to agriculture in Canada.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, as I did earlier I want to congratulate the hon. member as well for his support of the ethanol sector. I was very pleased that he has chosen to utilize ethanol blended fuel in his vehicle.

I too have been using ethanol blended fuel in my vehicle for the last two and a half years, but I have a greater difficulty in securing ethanol fuels for my vehicle in northern Saskatchewan than he would have in Ontario. I certainly encourage the member for Glengarry—Prescott—Russell to do whatever he can within government to support the ethanol industry to ensure it can survive and prosper not only in Ontario but throughout the prairie provinces as well. I believe there are many other Canadians who would benefit by using ethanol blended fuels in their vehicles, as he and I already have.

On the same subject of sustaining the environment, I know the member has some interest in the organic farming industry. Does the member have any thoughts on the organic industry, given that the organic growers require a greater amount of marketing support from the federal government? That would be because the organic industry is more expensive to maintain. Also there is a problem with the official certification of an organic product. I wonder if the member for Glengarry—Prescott—Russell could offer some advice to the minister about what the federal government could be doing to ensure that the organic industry is able to prosper within our country.

(2135)

Mr. Boudria: Mr. Speaker, first of all I want to thank the member for a very good question. He and I served on a number of committees together during the years we have been here. He might recall my raising this issue in the past with the previous minister of agriculture.

In regard to the certification process and also in regard to what a person can call organic, the difficulty we have is that the identification of products as being organic seems to be a little bit like the expression "good", good versus what. It becomes a relative word particularly in the absence of more definitive rules than we have had.

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For instance constituents have had problems importing organic products. Their products would be stopped at the border by inspectors who did not want to allow the products to come in because they were applying tests that apply to non-organic products and they did not match. I had to intervene on a number of occasions during the previous Parliament with the then minister. The goods were released and were allowed to come into the country.

It created quite a problem at the time. There were many consumers willing to buy the product but there was difficulty with certification.

What we need is clearly marked differences for organic and non-organic products, tests that have to be followed in order for products to be identified that way. It should not be subjective. It should be totally objective. As well as ensuring that when these products are imported for part of the year, particularly products such as tomatoes that we do not grow, that the people who enforce the rules at the border are clearly aware of the differences because they are clearly not the same. Even the appearance of the product is not the same. Products may have a more blemished and bruised look because they are organically grown and because they are not sprayed with some of the things that give the flawless appearance that products that do not have the organic properties sometimes have.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, during the last six months the grain handling and transportation system in the west has been in crisis. Tonight I want to take part of my time to discuss the recommendations made by the subcommittee on grain transportation which has reported to the Standing Committee on Agriculture and Agri-food. I also wish to address some of the long term solutions offered by the Reform Party for grain transportation in the west.

The subcommittee on grain transportation has been examining the current problems over the last few weeks and even held public hearings with the major participants in the grain handling and transportation sector.

The subcommittee reported to the Minister of Agriculture and Agri-Food and the Minister of Transport on Friday, May 6. In the report the members of the subcommittee describe the current situation as a crisis. They estimated that in this crop year alone the grain car shortage in the west would cost producers at least \$35 million in demurrage charges for ships waiting at the west coast ports. They also estimated that two million tonnes of grain sales would be lost or at least deferred which could cost producers between \$100 million and \$200 million.

The report prepared for the subcommittee on the St. Lawrence seaway by the Library of Parliament also felt that there was an even far more serious long term consequence if this transportation crisis is not solved on an urgent basis. It was felt Canada's reputation as a reliable supplier of grain to the world would be jeopardized.

The report said: "If Canada cannot meet its delivery commitments on time sales will be deferred, cancelled, and customers will go elsewhere".

(2140)

The subcommittee determined that the current grain transportation crisis was caused by a number of circumstances including, first, a sharp increase in the movements of grain to the U.S.A. resulting in a doubling of turnaround times for rail cars from 20 days to 40 days; second, a tight lease market in the U.S.A. for grain cars because of the flooding of the Mississippi needed to replace barges; third, an increase in the movement of non-board speciality grains which are handling intensive, resulting in longer car cycles; fourth, a very severe winter which slowed rail traffic; and, fifth, a 13-day strike at the west coast by grain handlers.

The Reform Party supports the recommendations made by the subcommittee on grain transportation and the subcommittee on the St. Lawrence seaway. If I had the time, I would like to outline all nine of the recommendations made to the Minister of Agriculture and Agri-Food and to the Minister of Transport in response to this crisis. However I think at this point in the debate everyone in the House is fairly clear on the content of these recommendations.

In addition to the subcommittee's report to the ministers, Reformers have two other recommendations which we believe will help address the crisis. First, farmers should be allowed greater choices as to how their grain is shipped to market. In times of backlogs and strikes alternative ports including U.S. ports should be used to export Canadian grain.

The second recommendation we would like to put forth is that there is an excessive amount of overregulation and the rail transportation system is unable to respond effectively to market demands. The rail car allocation system needs to be less centralized and less regulated.

Personally I would like the ministers responsible to seriously consider the port of Churchill. It could be used to help alleviate the immediate crisis. I would like to also encourage the minister to develop a long term strategy for grain transportation using all ports: Vancouver, Thunder Bay, Churchill and the U.S.A.

On the longer term the Reform Party believes that permanent reforms are necessary to ensure that politics are removed from the transportation of grain. I emphasize the Reform Party believes that agricultural commodities should move to markets by any expeditious mode, by any route, and in any form or state of processing. Such decisions should be based exclusively on the principle of cost effectiveness and with the best interest of the customer in mind.

To this end the Reform Party makes the following recommendations. First, the Western Grain Transportation Act should be repealed and all transportation subsidies should be redirected to the Reform Party's proposed comprehensive safety nets

programs which will defend Canada's food producers against matters over which they have little or no control.

Second, in order to create a genuinely competitive transportation environment the Reform Party recommends the deregulation of the rail transportation system, turning control of the allocation of rail cars back to railways and the grain companies and eventually privatization of all rail cars. This would mean the end of the grain transportation agency and the senior grain transportation committee.

There are about 21,000 grain hopper cars in the system today and 18,500 are owned by the government. Reformers see no reason for the grain companies and the railways not to own their own rail cars. The free market should determine how many rail cars are needed and when and where they are needed in the system. The turnaround time for a rail car in the grain transportation system is between 20 and 25 days, and this turnaround time has not improved since 1908. By comparison, the potash industry in my riding has a turnaround time of between 7 and 8 days to the same ports. The potash industry leases its own rail cars and the grain industry should do the same.

(2145)

As our final recommendation, during periods of labour disputes the Reform Party recommends the alternate use of shipping points, including U.S. ports. Should that not prove sufficient in maintaining shipment levels and customer satisfaction then they should legislate the grain handlers as an essential service.

A final point is in regard to the strategic use of the port of Churchill. The Hudson Bay Route Association has its office in Yorkton, Saskatchewan. For years this association has been effectively promoting the use of the port of Churchill as an alternate port for grain shipments. If the shipment of agricultural products is based exclusively on the principle of cost effectiveness and with the best interests of the customer in mind as the Reform Party proposes, the port of Churchill will be successful in attracting its fair share of the transportation market.

For example, and this is important, if CN will provide the boxcars this summer to an agricultural commodity broker he will move at least one and possibly two shiploads, that is 80,000 tonnes of pulse crops, through the port of Churchill to Europe at a saving of 60 cents per bushel. The Hudson Bay Route Association also maintains that if elevators are plugged and the grain bins are full then the boxcars designed for the Churchill run should be moving grain to Churchill and customers could be advised of the availability of grain at that port.

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The Hudson Bay Route Association has also learned that the Canadian International Development Agency, CIDA, gives away 750,000 tonnes of grain handling. It asks, if we are going to give that grain away, why we cannot direct those ships to pick up their grain at Churchill. It is a question that deserves an answer.

Even the Minister of Human Resources Development publicly supports greater utilization of the port of Churchill. The ministers of agriculture in both Saskatchewan and Manitoba publicly support greater use of the port of Churchill. The federal and provincial politicians agree that now is the time to actively promote the port of Churchill to grain customers throughout the world.

In closing I would like to point out that I was raised on a farm. I farmed myself for seven years just outside Yorkton. Farming is part of me. Farming is in my blood. Farming is my culture and my heritage. Farming is very special to me, so special that I do not want the government running it. The government is too involved in trying to solve the farmers' problems when farmers are quite capable of solving their own problems; if only the government would get out of the way.

I encourage members of the House to support the subcommittee's recommendations to help get the grain moving in the west. I also ask for support of the Reform Party's longer term solutions to our grain transportation system.

Mr. Wayne Easter (Malpeque): Mr. Speaker, I am pleased to note that the Reform Party supports the recommendations of the subcommittee on transportation and agriculture dealing with car shortage.

That committee's recommendation shows the kind of proactive approach the minister talked about in his resolution this morning. I would encourage the member opposite to read the transcripts of that hearing. It was not the excessive amount of regulation that was the problem with respect to car shortage. It was that the regulations were not enforced enough for the GTA.

With regard to the example of 1,000 cars of canola meal, that was a result of non-administrative product and it was the problem. It is not just a matter of less regulation; it is a matter of enforcing those regulations.

What would the member suggest the government should do with respect to the railways not living up to their obligations under the Western Grain Transportation Act in terms of providing the rolling stock and capital investment with which to move the product to market?

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, the recommendations of the committee with regard to that are sufficient.

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(2150)

In regard to something else, there is no incentive built into the system now for many of these bureaucrats to really get at some of the problems that underlie the whole grain handling system.

When one has over a dozen support programs and all the bureaucracies saying that they are trying to help the farmer and in effect working at cross purposes, it does not help. This is where I get back to what the Reform Party is saying.

We are saying that you should take all of these 11 departments of agriculture and get them to start working together. The best way you could do that is with the Canadian Wheat Board. Give farmers some control. Let them get involved. Right now it is run from the top down. We find this totally unacceptable. We are a populace party and we would like to see a lot more of the grassroots farmers supported and represented in these agencies.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I will not abuse your consideration. It will be a short question.

The member talked about wanting greater choices in the transportation opportunities for farmers. I am wondering if he is aware of the producer payment panel report on the Crow benefit that has just recently been produced and made public, a report that basically indicates that a pay the producer option means less money and fewer farmers on the land. Is that the program that he supports?

Mr. Breitzkreuz (Yorkton—Melville): Mr. Speaker, I am not sure of everything that the member is speaking about but I think we should put this money put back where farmers have control over it. Put this Crow subsidy money into a fund that is administered. We have proposed three of them. I am just going to briefly explain what I mean by this.

We could take these over a dozen consolidated, unco-ordinated support programs and put them into three major programs and use the funds that are now presently in the Crow subsidy and gradually eroding. We could put these into funds that would protect producers from unfair trade subsidies that other countries have, natural hazards and income fluctuations beyond their control. They would be effective and farmers would begin to be able to make some choices that would really make farming a profitable enterprise once again.

I think that is the kind of thing we would like to see happen in agriculture.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, how appropriate tonight that the Reform Party should have the last word.

Flying east to west the southern landscapes of Canada offer a panoramic view of fields and farms stretching to the horizon in a richly textured patchwork. This rich and productive farmland

injects a massive boost to Canada's general economic activity and provides the most basic of all human needs, food.

Yet, agriculture remains a virtually invisible industry scarcely noticed by the media when more fashionable news captures the interests of consumers. Issues that do enter the public arena are treated as the preserve of an emotional special interest group or a sad but quaint relic of other times.

Agriculture in Canada in reality is a vital and integrated industry, including primary production, processing, marketing and delivery of a final product to the consumer. It remains a fundamental part of the economy and society affecting in subtle ways the development of our social policy in Canada and a changing economic agenda.

Three decades ago Canadians spent 25 per cent of their budget on food. Today we spend much less, 13 cents of every dollar and we get better quality and more consistent supplies than virtually any overseas country.

There is an established pattern of consumer demand that suggests stability for the short term but emerging trends may reshape food production in the long term. To anticipate changes in demand we need to know what already exists, what could be and what can be made to be. Managing what exists today was yesterday's business. Our task is to plan and manage what tomorrow may become.

Consider the following. In present day agriculture the interest of the consumer is almost constantly sacrificed to that of the producer. The system seems to consider production and not consumption as the object of all industry and commerce.

As a trading nation Canada must address the fact that the global neighbourhood is a place of change. A neighbour of today may not be there tomorrow. Where is the Bloc?

(2155)

Globalization really boils down to a definition that means jobs and money now go in search of skill and income levels regardless of distance and borders. The production process takes place over thousands of kilometres and is co-ordinated by instant communication.

Now how will these global changes affect our current levels of domestic production? What kind of planning process needs to be in place to address the future needs of not only Canada but the world? What kind of trading agreements will need to be negotiated with countries such as China? Our current government policies do not give serious consideration to these issues. They regulate for today with little thought for tomorrow.

In the year 2000 earth's inhabitants are expected to be 6.4 billion and 10 billion by 2030. Before the world reaches population stability food demands could be three times today's level, but arable land is expected to increase by the year 2000 only to the extent of 4 per cent worldwide. So traditional methods of improving crop yields will be hard pressed to make up the difference between population and farm land growth.

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In Canada the government has had a unique pervasiveness and integrated relationship with agriculture because of the highly disbursed nature of farming and the limited size of the individual enterprise. Because of the importance of a strong agricultural sector to the overall competitiveness of the economy, it is imperative that Canada develop an industry that takes advantage of its specific natural and human resources.

Practically speaking, consumers eventually get what they want. Just how quickly and efficiently that happens measures a supplier's success. How readily Canada anticipates and responds to emerging demands will become an important yardstick determining her competitive advantage or lack thereof. And so while the world waits, Canadian consumers also present a very real and current challenge. They create demand and they consume the product.

About 90 per cent of the people who are here now will be here at the turn of the century, I am very happy to say. Canada like many other countries is approaching zero population growth. Beginning in about the year 2010 if no dramatic change in fertility or immigration occur our population will start to decline. This implies weak domestic opportunities for growth and increasing competition at all levels.

As well, there are growing concerns for food safety which places further pressure on government as well as distributors as consumers become more aware of the food chain. It is an irony of the food industry that it takes a lot of work to be natural.

Opportunities exist to attempt new communication approaches to more effectively manage the public's worry about food safety. There are implications for increased costs to the consumer. Government too needs to accept responsibility for developing regulations that assure producers remain competitive within this food safety conscious environment.

Regulations have been mentioned prior to my presentation tonight. They are an insidious form of hidden taxation and any assessment of the tax environment in Canada should also consider its regulatory climate. It is complex with many departments unable to work independently of one another because of the current structure. Can you imagine implementing even the slightest regulatory change when regulatory amendments have to go through 80 to 90 offices before they can be gazetted. It is taxpayers' money that continues to support this huge monolithic structure.

Government now has an opportunity to encourage initiative and innovation to meet changing expectations, heightened com-

petition, industrial evolution and risk. Its responsibility becomes one that must not limit innovation by overregulating. As well the regulatory process has to be streamlined to allow for timely and effective change to meet the needs of the marketplace.

How do we become market responsive? We know the characteristics of the consumers we wish to serve. We know the emerging reality of increased competition in the marketplace and of the new global trading environment regulated by GATT rules and the NAFTA alliance.

NAFTA raises questions of basic rights and obligations regarding issues related to sanitation and vital sanitary measures for agriculture. Technical standards such as these are based upon scientific principles and risk assessment.

We understand also that distortions to world markets and prices for commodities have been the result of subtle but invasive farm policies worldwide. And the cost of protection is getting higher and higher.

Currently a number of sectors of the agriculture industry are production driven under supply management regulations. This continuation of such regulation does not bode well for the consumer who seeks choice in an open market environment. It is time to redefine supply management and to decide what Canadians want in terms of farm policy.

To achieve this, the Standing Committee on Agriculture and Agri-Food should be asking how to achieve an orderly marketing system in Canada, how to handle imports, how to harmonize the current quotas given to producers in order to shield consumers from short market disasters. The standing committee has been hesitant to date to look into these matters. Why?

We know that a farm policy is no substitute for realistic rural policy. Guaranteed prices do not prevent bankruptcies, and being self-sufficient does not ensure food security.

To those who remain in the House tonight and to those on the agriculture committee, it is time to be courageous in leadership and to demonstrate that development of new opportunities demand a new approach, and then go and do it. It is no longer enough to follow where the path is going.

It is time to go where there is no path and blaze our own trail.

The Acting Speaker (Mr. Kilger): It being 10 p.m., pursuant to order made Friday, May 6, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 10 p.m.)

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