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(HANSARD)

Monday, October 25, 1999

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Monday, October 25, 1999

The House met at 11 a.m.

Prayers

• (1100)

BUSINESS OF THE HOUSE

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think you will find unanimous consent for the following motion dealing with speaking times during today's debate.

I move:

That, during today's sitting, the Member proposing a motion on an allotted day shall not speak for more than twenty minutes, following which, a period not exceeding ten minutes shall be made available, if required, to allow members to ask questions and comment briefly on the matters relevant to the speech and to allow responses thereto, and immediately thereafter a representative of each of the recognized parties, other than that of the member proposing the motion, may be recognized to speak for not more than ten minutes, following which, in each case, a period not exceeding five minutes shall be made available, if required, to allow members to ask questions and comment briefly on matters relevant to the speech and to allow responses thereto.

• (1105)

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I rise on a point of order.

I notice that the motion contained the words "during today's sitting". In fact the motion was established some time ago. I understand there may be a party in the House that wants to enhance its opportunities for speaking.

I just want to make the point that for today's sitting, as far as we are concerned, this is the motion that exists. If any other party wants to have more speaking time then it should elect more seats in the House of Commons.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I rise on a point of order. As the House leader of the official opposition has indicated, the motion being put forward today is for today's purposes only. It is certainly something that will be discussed at a future House leaders' meeting.

It is put forward by the opposition House leader in the usual spirit of gentlemanly co-operation we have come to expect from the official opposition. We will be discussing it in the future and we will see about electing more members in the future as well.

The Acting Speaker (Mr. McClelland): Does he have the unanimous consent of the House to present the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. McClelland): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—FARM INCOME

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.) moved:

That, in the opinion of this House, the government has failed to defend the interests of Canadian farmers from the unfair subsidies and unfair trading practices by foreign countries and its Agriculture Income Disaster Assistance (AIDA) program is a catastrophe since Canadian farmers are continuing to face record low incomes, especially in the provinces of Manitoba and Saskatchewan where the combined realized net income is 98% below the five-year average and, accordingly, the government should immediately ensure that emergency compensation is delivered to farmers that have not been served by AIDA and launch an international campaign against foreign subsidies, provide tax relief, lower input costs, reduce user fees, and address the inadequacies of the farm safety net programs.

Mr. Jay Hill: Mr. Speaker, I rise on a point of order. At the outset of today's debate on the Reform motion dealing with the agricultural crisis in Canada I would like to notify the House that all members of the official opposition will be splitting their time today.

Mr. Howard Hilstrom: Mr. Speaker, the motion is seconded by the Leader of the Opposition. This debate should not have even had to occur today because at the start of this session on October 12,

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after the prorogation of parliament, the Reform Party had asked for an emergency debate on the issue of farm income.

The farm income issue has reached a crisis proportion in the past year to year and a half and has been identified as such through committee hearings, by farmers themselves and by Statistics Canada.

• (1110)

The motion today sets out both short term and long term problems that have arisen. Certainly one of the long term problems that is identified in the motion deals with the practices of our competitors, namely the United States and the European Union. The program the government designed to address the farm income crisis was called the agriculture income disaster assistance program. I will be dealing with that a little later in my speech this morning. As an aside, I believe I indicated I will be splitting my time with the member for Calgary Southwest.

In dealing with this income crisis Reform knew as early as September 1998 that the farm situation in western Canada, in particular, and the cash crop people in Ontario were hitting a financial crunch which they were no longer able to handle totally on their own. As a result, the advisory committee on safety net programs was called to examine this issue. Reform put forward a motion to the Standing Committee on Agriculture to hold hearings with regard to the situation.

What came out of that was a solid recommendation to the agriculture minister as to the seriousness of this crisis and a suggested solution, which was a program of domestic support based on individual farm income situations. On receiving the recommendations from the safety net committee, which included all the different farm organizations across the country, the government took the program called AIDA and made it fit the amount of money on which the agriculture minister was able to get a commitment from cabinet.

The fact that the crisis was real, that the statistics were there from Statistics Canada, did not seem to matter. It was a situation where the government made the program fit the budget as opposed to taking care of the income crisis.

On top of that we had a situation where there was a natural disaster of flooding in southwest Manitoba and southeast Saskatchewan which certainly compounded the major problems in those provinces. We will see from the Stats Canada statistics that compounding will make for a negative realized net income in Saskatchewan and a drastically lowered realized net income in Manitoba.

Another statistic of great concern also comes from Statistics Canada. Total cash receipts for farms in Canada will be flat right through until the year 2003. When we look at whether or not the

government has to do more for farmers in Canada to retain a viable agriculture sector, we see that the government has to do more in the area of domestic support than what it is doing at the present time.

The AIDA program was simply a two year program designed to provide funding for Canadian agriculture producers to cushion an extreme income reduction beyond their control. The government and the agriculture minister totally missed the point, missed the real crisis in farm income. The real crisis is that for many years now through the 1990s net farm incomes have been dropping due to the fact that commodity prices have been extremely low. This is mostly affecting commodities that are exported to other countries around the world.

• (1115)

We also see that input costs are rising dramatically. The cost of a pickup, for instance, which most farmers require, is between \$30,000 and \$41,000 for a decent half tonne. How can farmers continue to survive on commodity prices that are only designed to buy a \$10,000 pickup? That is just one little example.

We can look at what the people who administer the AIDA program are saying in the media. The managing director said that despite all of the negative talk about the program not working cheques are flowing to producers. He said that he thinks the message is out there and that payments are going to the rural communities. Part of the problem is in getting our urban cousins, city dwellers, to understand and support agriculture. In essence, they are doing a spin doctor routine by telling Canadians that money is flowing, cash is flowing and that farmers are all right, when in reality there are tens of thousands of farmers who are not receiving any money. A relatively small amount of farmers are receiving money.

The results of this crisis are being reflected in the communities, in families and at the social level. In Manitoba even the United Church has seen fit to try to do something for farmers by way of financial assistance and by bringing this crisis to the forefront. That has not happened since the 1930s.

The Liberal government got us into this mess and it has failed in its efforts to fix it. That is why we had to force this debate today. The Reform Party has put forward many solutions for the government to consider because it has failed to bring forward a suitable long term program to fight this income crisis and it is now in the position of having to come up with some immediate domestic support to get cash into farmers' hands before the end of October.

The agriculture minister promised in December 1998 that he would have cash in the hands of farmers by spring. That did not happen and that is a condemnation of this government.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, I want to compliment the member for Selkirk—Interlake

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for his presentation on the ongoing crisis in our agricultural sector and I urge him to persevere.

This is the fourth time in five months that the official opposition has tried to raise both the consciousness of the House and, more importantly, the consciousness of the government with respect to the seriousness of the income crisis facing our farmers, a crisis further compounded by flooding earlier this spring in certain parts of Saskatchewan and Manitoba.

We are frankly at our wit's end as to what more can be done to get the Prime Minister to personally address this issue and to get the Minister of Agriculture and Agri-Food to acknowledge the inadequacy of his efforts thus far, but for the sake of our constituents and Canadian farmers everywhere we will try again today.

Once again we will lay before the House the mounting evidence that Canadian farmers continue to face record low incomes due to factors beyond their control. We have already done so once before in this session during our replies to the Speech from the Throne, a speech in which the government completely failed to even acknowledge the problem. If only one fact could be cited, which should be sufficient evidence in itself to prompt the government to greater action, it is the fact cited in the motion that combined realized net income for farmers in Manitoba and Saskatchewan is down 98% from the previous five year average.

• (1120)

In human terms this means a lot more than the loss of income. It means tears and heartache. It means the churning of stomachs, worry and despair for thousands of farm families. It means a loss of the ability of those families to provide for themselves and their children. It means the loss of hope, which is the worst loss on the farm, a loss of confidence in the future and a desperate feeling of people not knowing where to turn. For some it has already meant the loss of the farm itself.

Once again we appeal to the government. If the government will not be moved by the statistics and the hard facts concerning the disastrous drop in farm income, surely it must be moved, and moved to do something more, by the human tragedy that surrounds those facts.

The position of the government appears to be that it has done all that it can or can be expected to do. This position we categorically reject. We urge the House to reject it by supporting this motion. Instead of pursuing its current policy, we therefore urge the government to do the following six things.

First, we ask that it acknowledge that its ill-conceived, ad hoc AIDA program is a failure. It should be reformed or replaced so that it actually delivers payments to farmers in combination with provincial contributions in the order of the \$25 to \$50 per acre

promised in the press releases and the public statements of the minister.

Second, we ask that it present to the House an immediate plan to provide tax relief to Canadians, including agricultural producers and farm families. This plan should include reductions in taxes on agricultural inputs such as fuel and fertilizer and it should include reductions in user fees such as those collected through the Canadian Grain Commission and the Canadian Food Inspection Agency.

Third, in order to find the money to meet the cost of providing any additional emergency assistance, the government should make a formal and urgent request to the Standing Committee on Finance to do precisely that, to find the money; not by increasing total taxes or borrowing or returning to deficit financing, but by readjusting the government's current spending priorities. This is precisely what any family or business facing an emergency situation would have to do. It would have to take funds from other areas to address the emergency requirements. This is what the government and this parliament should be learning to do, whether it is to cope with the spending requirements of an agricultural emergency or to cope with the government's \$5 billion pay equity bungle.

Fourth, in order to address the longer term dimensions of the problem and to ensure that there is a long term future for agricultural producers, the government should present a plan to the House to redress the inadequacies of its current farm safety net programs, in particular crop insurance and the net income stabilization program.

Unlike the NDP we do not advocate a return to the protectionist or dependency creating subsidies of the past. Such measures would not survive challenges under either the NAFTA or the WTO and proposing them only raises false hopes that will be dashed later on.

What we do advocate is reforming crop insurance to include disaster insurance so that programs like AIDA do not have to be invented on an ad hoc basis after the fact every time there is a major climatic disaster like a flood or a drought.

We advocate an expanded NISA-type program that will really do the job, a single trade distortion adjustment program, a single agricultural income insurance program that compensates agricultural producers for income injury suffered as a result of somebody else's subsidies in violation of the spirit and letter of free trade.

This idea was first raised in this House by Elwin Hermanson, our former agricultural critic and now the leader of the official opposition in Saskatchewan. He is a respected agricultural leader who has just received an overwhelming mandate to represent the farming and rural communities of that province.

Fifth, we demand the immediate formation of an emergency team Canada mission to Europe and Washington, led by the Prime

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Minister but including the Minister for International Trade, the Minister of Foreign Affairs, the Minister of Agriculture and Agri-Food and other provincial officials. Their mission would be to make the case as it has never been made before that European and American subsidies, contrary to both the spirit and the letter of free international trade in agricultural products, are killing our farmers.

We have one further proposal for the agricultural minister which we insist he convey to the Prime Minister and that is that the Prime Minister himself participate in this debate. The Prime Minister has consistently absented himself from every major discussion of this issue in the House since he became Prime Minister six years ago. This is inexcusable in a country where agriculture is one of the major primary industries and where hundreds of thousands of Canadians are dependent on agriculture for their livelihood.

• (1125)

We are aware that the Prime Minister does not know the difference between wheat and toadflax, but surely the agriculture minister could brief him before he came down, because the Prime Minister's continued indifference to this issue is an insult to farmers everywhere in this country, particularly in the west.

If the Prime Minister really cares about this issue, why does he not come down here and say so, and present to the House not the usual fluff and chaff, but a plan incorporating the emergency measures and agricultural reforms which this motion urges upon the government?

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, in a major speech of October 13 the member for Calgary Southwest berated the government for not having a good policy or an aggressive policy with respect to tax cuts and debt reduction. While I have great sympathy for helping not only western farmers but farmers in my riding, particularly the pig farmers who have recently suffered considerably from low prices, he now proposes and is advocating increased spending for crop and disaster relief for farmers.

Within the context of his remarks about debt reduction and tax cuts, can he put a figure on what he thinks the government should be spending on farmers who are in difficulty? Is it \$1 billion? Is it \$2 billion? Is it \$3 billion? Is it \$4 billion? Can he be specific in terms of the money that he would spend?

Mr. Preston Manning: Mr. Speaker, I thank the member for paying attention to my speeches, but if he had paid a little closer attention he would have had the answer to what he is driving at.

I think we should wait until we see the further updated presentations from Saskatchewan and Manitoba later this week with respect

to the figure. Whether the figure is \$1 billion or \$1.5 billion, this is what we should do to meet that.

First, we should try to meet it within the existing government spending envelope. We are simply going to have to learn to do that. If there is an emergency let us readjust our spending and tell the Standing Committee on Finance to do that. We have some ideas as to where to get that money. We would be interested to see if anybody else in the House does as well.

Second, I said in my reply to the throne speech that one of the answers was to cut taxes. That is still part of our solution. Why not cut taxes, including taxes on agricultural inputs? That can be done without increasing the deficit or the spending requirements of the government.

The third thing which answers the member's question is, if the House had listened to Hermanson when he was here, as early as 1995 he proposed the reform of the NISA and the setting up of a single trade distortion adjustment mechanism. If that had been done the amount of money in the NISA accounts today to deal with emergencies would be significantly higher than they are. We would be in a much better situation to address this problem.

The answer is to listen when reforms are proposed by the official opposition.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I listened very intently to the member's speech. As someone who has farmed for about eight years, I can understand some of the concerns and issues that are going through our farm community today.

The member said that the finance department and the finance committee should find the money. If I recall, it was his party that proposed something like a \$600 million reduction in spending for the Department of Agriculture and Agri-Food in one of its budget proposals. We left that money in that envelope for financing, yet the member's party would have withdrawn it.

Second, he talked about taking the NISA program and expanding it so that we protect farmers from all kinds of trade distortions that are occurring all over the world. I agree with him. It is a big problem that our farm community is facing today. I know that the member also believes in equality. I hear him saying it time and time again. Is he also going to protect every other business interest in this country from trade distortions all over the world using government programs?

Mr. Preston Manning: Mr. Speaker, there are two responses to that question. First, the point about Reform advocating a reduction in agricultural spending several years ago is correct. However, we also proposed these other measures, which more than compensated for that from the farmers' standpoint and which would protect distortion adjustment mechanisms.

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• (1130)

Second, if the member does have this great background in agriculture, which I am sure he does, he will understand that there is more protectionism today in the agricultural sector than there is in many of the other sectors that are subject to free trade. That has been the case ever since free trade has been talked about. It has been the big problem in Europe. The big problem is getting subsidies down in agriculture.

Where the trade distortion adjustment program is particularly relevant is in the agricultural sector. That is why we advocate it. There are other measures in both the WTO and NAFTA to deal with other trade distortions. In agriculture, those measures are inadequate as is demonstrated by the situation our farmers are in today.

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I am pleased to have the opportunity to make a few comments on the issue that is before the House and the motion that is before the House today.

There is no question that the financial difficulty facing many Canadian farmers this year is of great concern to all of us: to myself, to the members of the government, to the agriculture and food community and indeed, to all Canadians. I know very well how difficult the times are for a number of Canadian farmers every year, but in particular, this year.

At the same time, I do not want to lose sight of the larger picture, not diminishing the problems, as I say, that a number of producers have. I want to remind all hon. members that the fundamentals of the agriculture and food sector remain on the whole very positive. On a national basis, farm income is only slightly below the five year average. I remind the House that is on a national basis.

Thanks to the safety net programs that we have in place, the cattle industry is prospering, supply management sectors are sound and, in spite of price instability, our hog sector continues to claim an ever increasing share of North American production, laying the groundwork for the future.

In addition, investments in the agriculture sector are up and food exports are increasing, in particular those of processed food products so that we get the value added and the jobs here in Canada. That is certainly an important area of growth for the future.

Unfortunately, however, some commodities in some regions are in trouble. These farmers are dealing with an extended period of low commodity prices but not extended to the extent that some of the members opposite are trying to make us listen to. We know that the prices of commodities in 1996-97 were some of the highest prices that we have had in the industry for a number of decades. The situation, however, has been aggravated by turmoil in the financial markets around the world, prolonged by the increasing use of subsidies in the United States and the European Union and

made worse this spring in some areas by excessive moisture or, in other areas, by drought in certain parts of the country.

I remind the House that farmers have not been left to face these challenges alone. We have been working with them and the provincial governments to develop both short term and long term solutions. I remind everyone that agriculture is a joint responsibility of both the provincial and the federal governments as so declared in our constitution.

I want to begin by making some comments on the short term solutions. Agriculture income disaster assistance, or AIDA, is putting \$1.5 billion into the hands of Canadian farmers in need over a two year period. So far 16,000 farmers across the country have received money from AIDA. Over \$220 million has been distributed. It is averaging just a little less than \$15,000 per producer. Applications are continuing to be processed and cheques are being mailed out even as we speak today. Over half of these cheques have gone to farmers in the hardest hit provinces of Saskatchewan and Manitoba.

Farmers continue to receive support from other safety net programs as well. This spring changes were made to the crop insurance program to put money into the hands of farmers in southwestern Manitoba and southeastern Saskatchewan when excessive moisture prevented them from seeding. In addition, we worked with the province of Saskatchewan to give those producers access to up to \$50 per acre for unseeded crop land this year and in future years.

A number of changes were also introduced to NISA, the result of which was more money for more farmers and faster. Twenty-four thousand farmers have already taken advantage of these changes. As a result, they have been able to get more than \$260 million out of their net income stabilization account. That is what the program is there for. It is a contribution from the federal and provincial governments and individual producers. The account will be available for producers to draw on in the down years when it is needed.

• (1135)

I remind everyone that another 80,000 farmers have triggered the opportunity to take money from their NISA accounts. There is another \$900 million in those accounts which they can withdraw right now if they need to. These programs and the adjustments we have made to them are closing the gap between farmers' current incomes and their five year averages. Our safety net system is helping farmers to stabilize their incomes in the middle range between the higher and lower income years.

I am not suggesting that our farm income protection system is perfect. There will never be a system that is all things to all people under every condition, every day of the year and every year. What I am saying is that we do have a solid foundation in place and, together with all the players, we are working very hard to build on that foundation.

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We have already made changes to AIDA to keep money flowing to producers between now and the end of the tax year. Further changes are also being considered, including coverage of some of the negative margins.

I continue to meet with colleagues in cabinet, in caucus, in the provinces and with farmers themselves. I can assure the hon. members that the government is looking at a variety of options to give more resources and support to farmers.

In addition to the short term measures I have talked about, I am also working on long term solutions. Together with our partners we are rebuilding, renewing and revitalizing our farm income protection system. The system must encourage farmers to make production decisions based on market conditions. It must be national in scope and available to farmers across the country regardless of region or commodity produced. It must respect Canada's obligations under the international trade agreements. A safety net structure that invites countervail or other trade problems will only do harm not good. It must not encourage overproduction.

Canadian farmers are committed to responsible stewardship of their land and water. The challenge is to fashion these guiding principles into a framework that is acceptable to 10 provincial governments while maintaining a cost sharing arrangement of 60% federal money and 40% provincial money. I do not think I have to explain how difficult a task that is.

Provincial premiers and their agriculture ministers recognize how critical this matter is to the Canadian primary producers. I will continue to count on their goodwill and diligence to develop a solution that is in the best interest of farmers across the country.

I continue to work and meet frequently with the national safety nets advisory committee. Safety nets are only one part of the solution. Stronger international trade rules are another part. Canada cannot afford to match the huge injections of cash to farmers that take place in the United States and the European Union. The reality is that our pockets are just not that deep. In the final analysis it is probably not even smart to try.

Higher subsidies only serve to drive commodity prices down further, encouraging overproduction and hurting farmers not only in Canada but everywhere in the world. I have made that point forcefully to my counterparts in the European Union, to my counterpart Secretary Dan Glickman in the United States, at the Cairns group meeting in August and at the Quint meeting in September. I will continue to make that point because that is where the discussions take place, at the WTO and those types of forums.

I plan to continue working to shore up support at the WTO negotiating table. Meanwhile, the government is working in other ways as well to provide support to the industry and the tools

farmers need to adapt, diversify and compete in a rapidly changing global marketplace.

In the Speech from the Throne, we reaffirmed our commitment to research and trade development, two major building blocks of the future, particularly in the agriculture and agri-food sector.

• (1140)

We are also in the process of reforming the western grain handling and transportation system to ensure that farmers have a competitive, efficient system to get their goods to port and from there to markets around the world.

I am absolutely committed to working with farmers and provincial governments to build a highly competitive, increasingly diverse agriculture and food sector in the country. We are doing that through the short term and long term measures which I have outlined today.

I look forward to the constructive comments from members in the industry and members of the House. As much as we would like to have an ideal situation, there are always limited resources. Our challenge is to target those limited resources as fairly as we can to those who need the support.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the agriculture minister began his remarks by saying that the situation is not too bad. I would remind him that was the theme of R.B. Bennett's speeches in the House a long time ago. He might reflect on what happened to R.B. Bennett.

We have to get real in this discussion. We appreciate the minister's presence here. Could he give straight answers to the following questions? We made six proposals for fixing the situation. Could he tell us whether he supports: replacing or reforming AIDA; providing tax relief now; asking finance to readjust the budget priorities; reforming crop insurance to include disaster insurance; expanding NISA for the long term; and, leading an emergency trade mission to Europe and the United States and getting the Prime Minister engaged?

Does the agriculture minister support those specific proposals for dealing with the situation, yes or no?

Hon. Lyle Vanclief: Mr. Speaker, we have already been flexible and have made changes to AIDA. We are not finished yet.

The second point was tax relief. The government has given \$16.5 billion in tax relief in the last two budgets. Farmers have benefited from that as well.

It was very clear in the budget. Before last year's budget there was a \$900 million contribution made by the government toward the situation and along with the provincial government's contribution that comes to \$1.5 billion.

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Regarding NISA, we made changes to NISA this summer that lowered the triggers. We made another \$121 million available to producers and, if everyone had listened, I said in my speech that we were looking at that as well.

Regarding trade, I outlined the only approach that can be made. When we talk about trade, it is not just between two countries. It is in the form of WTO and we have a strong approach to that.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, the minister of agriculture shows a fairly rosy picture but I do know that he recognizes it is not quite that rosy in western Canada.

He talks about the 14,000 to 15,000 people who have been approved for AIDA. For each one that has been approved there is one who has been declined.

I wonder if the minister of agriculture would please tell the House if those people who have been declined are simply on their own and should not expect any further assistance from the government.

Lastly, there are extraordinary circumstances with respect to some areas that have been dealt another blow of natural disaster. The AIDA program is not sufficient for those particularly extraordinary circumstances. Will the minister tell the House if there are going to be additional programs for natural disasters?

Hon. Lyle Vanclief: Mr. Speaker, the applications that have come in have not all triggered a payment. I would put to the hon. member that there is never a situation when 100 per cent of the applications for anything, whether it be this type of program or any type of program, have been accepted.

• (1145)

I have put criteria in place so that all farmers no matter where they live in Canada receive assistance, if they trigger those criteria. As I said, unfortunately the program cannot be all things to all people at all times.

The provinces have a role to play as well. Recently one of the provinces came forward with more support for its producers. Other provinces can do so if they wish and we would welcome those discussions with them.

Mr. Howard Hilstrom: Mr. Speaker, I rise on a point of order. Mr. Speaker, I would like you to ask the House for unanimous consent to have the minister stay just a few minutes longer so there can be more than the 10 minutes of questions.

The Acting Speaker (Mr. McClelland): The hon. member for Selkirk—Interlake has asked for the unanimous consent of the House to extend the time provided for questions and comments of the minister of agriculture by five minutes.

Some hon. members: Agreed.

Some hon. members: No.

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, quite frankly it is not surprising that the Liberals would not want to keep the minister here. Obviously he does not have the answer to the agricultural problem.

I want to know what responsible government would abandon its farmers by cutting subsidies by unnecessarily high amounts before ensuring that they would be on a level playing field with other countries.

Hon. Lyle Vanclief: Mr. Speaker, when the Liberals took over as the government, this country took in \$120 billion a year and spent \$162 billion a year. If we were going to sustain any kind of support whether it be in the agriculture industry or any other sector, we could no longer continue on a course of bankruptcy as a country.

We made some tough decisions. Support programs were removed. The hon. member wants to forget that there was \$1.6 billion in capital money which was put in as a replacement of some programs in western Canada. Adjustment programs of hundreds of millions of dollars were put in to assist the industry to adjust. There is \$600 million a year contribution by the federal government in the safety nets. In the last two years there has been another \$900 million.

We would all like to have more. Our challenge is to do as much as we can with the resources that are available. We will continue to look at that and try to find other appropriate ways to assist.

The Acting Speaker (Mr. McClelland): Before we go to the next speaker I want to clarify a couple of items.

As we have done in the past, during the time provided for questions and comments if there seems to be a number of members who wish to ask a question, I will identify at least three initially if there is a five minute period so people will know whether or not they are going to be called. If that is the case, then it is obvious that questions and comments will have to be kept at around 60 seconds. We have done it that way for the last year or so. We will continue to do it that way.

I also want to clarify that in this first round it was one 30 minute slot to the official opposition, it being a supply day motion, and then 10 minutes with a five minute question and comment for each of the recognized parties. I was in error in saying that the hon. member was splitting his time. It was 10 minutes to start with.

[*Translation*]

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, three things are clear from this motion: the failure of the government's

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agriculture income disaster assistance program; the need to set up an emergency program immediately to come to the aid of farmers, and the matter of the unfair subsidies paid by foreign countries to their farmers.

Our remarks will focus on these three points. The first is the government's failure with its AIDA program. The government has no compassion.

The federal income security program is a fiasco that ignores the reality faced by the farmers. The present situation in agriculture is proof that the AIDA program does not work and cannot guarantee farmers a decent standard of living. The government cannot simply wash its hands. It is responsible for the situation and is contributing to maintaining this farm income crisis situation.

• (1150)

The main problem, but not the only one, arises from the fact the AIDA program, as designed today, is denying the benefits to a number of producers that it was originally intended to provide. As it is currently designed, AIDA program will not distribute the \$900 million in federal government funds set aside for farmers in the coming years. It will not enable the government to keep its promises of support.

AIDA therefore does not meet the needs of farmers. The problems posed by AIDA are many and prove that the federal government really does not know farmers. In its design, AIDA does not take account of the situation farmers are in.

Why are agriculture producers with a negative cost-price ratio being penalized? Why does the program set a ceiling on what a farmer can receive, and the method by which the ceiling is calculated means that the ceiling is lowered when the farmer is experiencing a crisis?

Why has the minister not made a commitment to producers to spend all of the announced \$900 million? Why has the minister not made an exception in his assistance program to include the sheep producers who experienced heavy losses in the 1997 scrapie crisis and were ineligible for the \$600 per capita compensation? Why has he not made that effort, given that it would have cost only about \$1.5 million?

The flaws in the program are the fault of the government and will contribute to keeping farmers in a precarious situation. The rule on negative margins will seriously affect farmers who are in such situations this year.

Because of the sharp drop in commodity prices this past year, the Canadian Federation of Agriculture estimates that there will be 10,000 farms with negative margins. Is the federal government prepared to change its principles and to give consideration to these

otherwise viable operations deserving of assistance? Is the government prepared to accept responsibility for the eventual disappearance of farm businesses because of the flaws in AIDA?

This situation notwithstanding, the federal government is doing nothing, thus giving proof of its lack of compassion. Why has it not followed the recommendations of its advisory committee?

In Quebec a revenue stabilization program has been in place for some twenty years. It is a three-way program, with the federal government contributing one-third.

The Quebec government is currently satisfied with the AIDA arrangement, because the province continues to manage its own program and the moneys received were used to lower participants' contributions. The same goes for those who do not have access to the stabilization program, but who benefit from NISA because, again, they are subsidized by the province and the program is managed by Quebec.

The second point is the need to take action to save farmers. Farmers are going through the worst crisis since the thirties. In Quebec, low prices for pork, down 34% from last year, have had a direct impact on farmers' income.

Faced with this situation, the government must continue to help the agricultural sector, particularly since it has the means to do so, while also complying with international agreements. However, if this government finally decides to act, the measures will have to be comprehensive because the agricultural issue concerns the whole country.

According to Statistics Canada, the net farm income went from \$4 billion in 1989 down to \$2 billion in 1998. In Quebec, the net farm income dropped by \$10 million over that same nine year period. Based on estimates, Quebec's total net farm income will be \$526 million, that is a 26% drop over the average income for the past five years.

The last point is subsidies made to the agricultural sector in foreign countries. Ottawa is more virtuous than necessary. According to Bob Friesen of the Canadian Federation of Agriculture, Ottawa went too far in that "Canada reduced subsidies beyond what was expected of it. Ottawa could do a lot more for farmers without violating trade agreements".

For each dollar received by Canadian farmers, their American and European competitors receive \$2.5 dollars, and this does not include the \$8.6 billion that they just received in assistance.

In 1998, the OECD estimated that total support through agricultural policies amounted to \$140 U.S. per capita in Canada, compared to \$363 in the United States and \$381 in Europe.

As we can see, the argument invoked by the Minister of Agriculture about the constraints imposed by the WTO is not valid. Let us not forget that, under the 1995 GATT agreement, the signatories pledged to reduce their farm subsidies by 15%.

• (1155)

Canada, ever virtuous, went for up to 50% of international guidelines, while the United States and the Europeans went for up to the full 100%. The Bloc Québécois will always take the side of farmers when they are being oppressed.

[*English*]

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, the hon. member has rightly noted that the federal government has constantly been saying it had to cut subsidies to farmers due to the trade agreements that are in place. The minister's answer this morning and the fact that the government has cut subsidies up to 60% when it only had to cut to 20% indicate it has really been using one excuse or the other, whatever suits that day.

Does the hon. member agree that the government has abandoned farmers in an effort to meet a budget line and that it has been using the excuse of the trade agreements?

[*Translation*]

Ms. Hélène Alarie: Mr. Speaker, I agree completely, because the government still had some leeway, particularly in a time of crisis. If the agricultural sector were in its prime, then would be the time to go all virtuous, and take the hard line adopted in Cairns.

But with the sector now in crisis throughout the country, I think the government could have taken the maximum leeway allowed under the WTO rules.

[*English*]

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, I wonder if the Bloc members have looked at the realized net income for Quebec. They would then understand that the situation there is not nearly as serious as it is in other parts of the country. The realized net income there has not dropped.

My question for the hon. member is twofold. First, does the hon. member recognize that AIDA does not address the real problem in the farm income crisis? The real problem is the long number of years where the income has been so low that when AIDA pays out it pays out only a very small amount, a few thousand dollars that does nothing to help the crisis.

[*Translation*]

Ms. Hélène Alarie: Mr. Speaker, I am very pleased to answer the member's question.

Quebec producers' net income from farming has indeed dropped less than that of producers in western Canada. There are several

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reasons for this, one being that our income support program has been stable for 25 years. Instead of fluctuating with the federal subsidy, Quebec takes what the federal government offers under the tripartite agreement and maintains the stability of our program. This is a big help. Quebec therefore plays a greater role than the other provinces in supporting its farmers. When there is a crisis, we pay our farmers and then we collect from Ottawa, which the other provinces do not do. They do the opposite.

If AIDA is not meeting farmers' needs, I think everyone who spoke this morning has shown why. Just applying is a nightmare requiring farmers to pay an accountant \$1,000 to fill out the forms. Right from the word go, there is a problem

[*English*]

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, I am honoured to lead off on this important topic today on behalf of the New Democratic Party caucus.

The record will show that our caucus has been in the forefront of this issue. We have discharged our obligation as an opposition party by bringing the crisis in agriculture to the floor of the House of Commons on numerous occasions. We also brought it to the standing committee on agriculture and to meetings with farm organizations, particularly on the prairies.

Our caucus does not have any difficulty or major disagreement with the resolution before us today. Our disagreement is with the party that has moved this motion because we believe strongly that the crisis in agriculture, especially on the prairies, has been accelerated by the rise of the Reform Party in western Canada and the eager acceptance by the government opposite of some of its half-baked ideas.

Reform members may not like it, but consider their farm policy resolution back in Saskatoon in 1991. They stated that their party's policy was not guided by the interests of producers but by the "demand of consumers for secure supplies of food at the lowest competitive prices".

• (1200)

That was nothing short of a declaration of war on the family farm. Shilling for this cheap food policy led to predictions at the time that up to one half of the farmers in western Canada could be wiped out. Well, guess what? According to an Angus Reid poll a couple of months ago 46% of western farmers are seriously thinking about packing it in if their current demoralizing financial situation continues.

A mass exodus of farmers should be music to the ears of Reform members. After all, it was their leader who said in Truro, Nova Scotia, in 1992 "The brute truth is that the prairie provinces cannot support the number of farmers they have been supporting".

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This brute truth was corroborated in 1995 by Reform's lead agricultural critic, the member for Kindersley—Lloydminster. The official opposition leader said a few minutes ago that we should listen to Hermanson. Let me quote Mr. Hermanson who said in March 1995:

I am not complaining about the cuts in support to agriculture. I will say it again, so that it is clear to the House. I am not complaining about the cuts in support to agriculture. Probably Reform would have done some of the cutting differently, and I think better.

By "better" the former member undoubtedly meant deeper. When the Liberal government heard the Reform Party's agricultural proposal to shift from government supported to an industry shaped by market forces it put on its happy face and moved as quickly as possible to accommodate those recommendations. It did so by taking a meat axe to government programs relating to agriculture.

The facts of the matter are that all signatories to the 1993 GATT Uruguay round agreed to lower domestic support payments by 20% over five years. The government thought it had a better idea: why not eliminate it by 60%. Why not accommodate Reform and cut much deeper? It was a win-win situation for the government and accordingly it hacked and slashed support payments with a vengeance. Instead of simply agreeing to abide by the 20% GATT rule in reducing domestic support payments the government, as I mentioned, has happily reduced it by 60%.

What is the impact of these cuts? Today, on every dollar of wheat sold the Canadian farmer receives a grand total of nine cents in subsidies. We must contrast that with the 38 cents received by the American wheat grower or the 56 cents in subsidies awarded to the European grower. It is an unconscionable disparity that explains why our farmers are at a huge disadvantage.

I want to address some remarks to the minister of agriculture. The minister told delegates to the united grain growers convention 11 months ago that he was fully aware that as bad as 1998 had been on the prairies in Manitoba and Saskatchewan the outlook for 1999 was even worse. More important, he pledged to do something about it and that something became known as AIDA.

AIDA does not seem to be working very well in Manitoba and Saskatchewan. It seems to be working not too badly in British Columbia or Alberta. There are statistics on that. It certainly seems to be working reasonably well in southwestern Ontario where we hear that cheques are in the magnitude of \$65,000 or \$70,000. In Manitoba, and it is important to note that less than half the producers are even qualifying for anything, the average cheque is about \$14,000. In Saskatchewan it is even less, as the member is noting. It is \$11,128.00. Again more than half the farmers that are applying under AIDA are not receiving anything.

I am sure it could be agreed that it takes a particular form of genius to predict accurately the provinces most at risk for an upcoming year and then design an assistance program which actually extends more help to the farmers in neighbouring provinces than the farmers that actually need it. It is like calling for emergency highway assistance after seeing a two vehicle accident. Police and ambulance arrive to provide assistance to the people who saw the crash while the victims of the crash remain trapped inside with no one paying them any attention.

Since we are in the middle of the world series it is worth saying that prairie farmers are paraphrasing what Babe Ruth said about another program, that AIDA is not worth a cup of warm spit on the prairies. That is exactly what farmers wanted to tell the agriculture minister to his face last July in Prince Albert. They wanted him to step out of the shadow of the Marlborough Hotel on July 6 and speak so that everyone could hear him, so that there could be a genuine dialogue between farmers and their Minister of Agriculture and Agri-Food.

• (1205)

I was amazed on that occasion that the minister failed to recognize that farmers see the minister of agriculture as their minister. They wanted to talk to their minister and tell him their frustrations about the complicated AIDA forms, the exclusion of negative margins, the inclusion of NISA and off farm income, the low commodity prices and high input costs. In short, these farmers wanted to tell their minister about the state of agriculture as they live it on a daily basis.

Instead of understanding their desire to be heard and to engage in any kind of meaningful dialogue with their minister, the minister of agriculture came across that afternoon as petulant and uncaring to the several hundred farmers in attendance.

Farmers were not interested that day in the minister's six second sound bite. They wanted to talk to him directly. They wanted to tell him in their words what was wrong with AIDA from their point of view and what was needed to correct it. They wanted desperately to tell him that they need an effective, long term, viable safety net program to support them.

We support that on this side of the House as well. Farmers know that for them to be competitive Canada must provide them with levels of domestic support comparable to those provided by our trading competitors. The minister denied prairie farmers that opportunity on that occasion and in their disappointment and frustration some of them reacted.

Because of how poorly AIDA is working on the prairies some people say scrap it, get rid of it. Our caucus does not agree with scrapping the AIDA program. We say again that it seems to be

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working elsewhere. Therefore it can be made to work in Manitoba and Saskatchewan.

However for AIDA to work on the prairies the reference period must be extended to five years or more. The three year reference period is simply too short. A longer period would provide a much more accurate picture as to what is actually happening to net farm income, especially for grains and oilseed producers. In addition to a long reference period, negative margins must be factored in to the AIDA calculation.

In closing, two days ago the Minister of National Defence in Ottawa, in speaking to an audience of current and former peacekeepers, said that the failure to act in the face of misery and hurt when one has the means to correct it is wrong. I pass that message on to the minister of agriculture and indeed the entire government opposite.

The government knows there is unprecedented hurt and stress in rural Saskatchewan and Manitoba. That stress extends beyond the farmgate. It includes grocery and hardware stores, gasoline and implement dealers. Without immediate action the hurt will become unsustainable and unprecedented numbers of farmers and others will simply walk away, devastating our rural way of life.

These injustices must be corrected immediately. On behalf of the caucus I urge the government, through the minister of agriculture, to make the changes to AIDA that are so desperately needed. With the changes outlined here prairie farmers can continue to do what they do as well as anyone in the world, and their sons and daughters can follow in their footsteps with some assurance that with hard work and a bit of luck they too can expect a reasonable living standard. That is what our farm families are seeking and I implore the government to act now before it is too late.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, much of what my hon. colleague from Palliser has said and has said very well is true but I do want to correct his opening remarks. Coming from the same province as I do, there are three basic questions I want to put to him just for the record.

First, could he comment on the fact that the NDP government in Saskatchewan took a real beating at the rural polls in the September election? Second, what government was it in Saskatchewan that stole some \$450 million from the farmers GRIP program? Third, would he like to explain why the property tax on farmland has increased some 300% in NDP Saskatchewan?

• (1210)

Mr. Dick Proctor: Mr. Speaker, yes, there was a modest downturn of rural support in Saskatchewan last September. No provinces have GRIP any longer. It simply was far too expensive a program not just for Saskatchewan but for a number of other

provinces as well. Taxes on farms need to be addressed by all three levels: provincial, federal and municipal.

Mr. Mark Muise (West Nova, PC): Mr. Speaker, I listened intently when the minister of agriculture spoke. He said that not all programs were perfect and that some people from time to time may fall through the cracks. We also recognize, according to Statistics Canada, that net farm income dropped in 1996-97 by 55% and is projected to drop by another 35% in 1997-98.

What would my hon. colleague expect the minister of agriculture to say to farmers from the Annapolis Valley who for the past three years have experienced drought conditions and cannot qualify under the AIDA program or any other program, or to those farmers who in the last few years came into the farming business and are unable to benefit from this program?

The problem was beyond their control. It was something that happened to them. It was not something they mismanaged. It was just something that happened. What would my hon. colleague expect the minister of agriculture to do?

Mr. Dick Proctor: Mr. Speaker, I appreciate the question of the member for West Nova. Part of the problem he is addressing about the Annapolis Valley would be resolved if there were an extension on the three year period for AIDA to which I referred in my speech.

Farmers have gone through a tough patch and had no crop. Under AIDA they cannot put down a negative margin. They can only put down a zero. If they have lost \$20,000 or \$30,000 in a crop year they cannot include it at the moment under the AIDA application. Extending that out to five or seven years would give a better picture and get a truer value of the extent of the loss farmers and producers are suffering.

Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.): Mr. Speaker, I want to respond to one or two observations made by the hon. member for Palliser.

In his remarks a few minutes ago he indicated, and one could perhaps infer it from what he said, that very little AIDA money is flowing into his home province of Saskatchewan. In the interest of accuracy we should share with the member the latest information.

As of October 20, five days ago, a total of \$72,149,506 has been paid out to farmers in the member's province of Saskatchewan. That is from a total number of claims paid of 6,865. With Saskatchewan having so many cereal grain farmers and cereal grain farmers being so impacted by low commodity prices it is understandable that the largest amount of money would be going into the member's home province. Almost half of the AIDA money paid out has gone to Saskatchewan.

I wanted to share that information with the member as I am quite sure he would want farmers to understand it.

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Mr. Dick Proctor: Mr. Speaker, \$72 million is a significant amount of money, but I would respond to the member for Charleswood St. James—Assiniboia by reminding him that the Government of Saskatchewan has put \$140 million in and of itself into the AIDA program. The member is telling us that \$72 million of the AIDA program was paid back, not a terribly significant or compelling number.

The member did not tell us from the data he has how many people in Saskatchewan do not qualify for AIDA. As I said in my speech, from the figures I have seen, less than half of the producers in Saskatchewan and Manitoba are qualifying for any kind of payment.

• (1215)

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, it is a pleasure to stand and speak to this particular issue.

I agree with the assessment made by my colleague from the NDP on the motion put forward by the Reform Party. We also do not disagree with the issues put forward in the Reform motion. However, I suspect it must be difficult for the Reform members to keep turning those 180 degree turns all the time and making changes to positions that they had taken previously and putting forward resolutions such as we have today.

I would also suggest that if the Reformers really felt that it was an issue of great importance, then perhaps it could have been a votable motion as opposed to simply a non-votable supply day.

There are obviously some issues that the Reform Party, needless to say, has not been terribly forthcoming with respect to its position on assistance to agriculture. As a matter of fact a number of Reform members have indicated quite emphatically that tax relief and reduced subsidies are the only ways we should be going in industry. I could quote a number of members who suggest that the Reform Party does not really believe in support and spending through ad hoc programs to the agriculture industry.

In a debate with me on national TV, the member who put forward the motion suggested quite clearly that hog farmers should take a lesson from cattle producers and stop whining. That does not speak very well to the belief that agriculture is in desperate turmoil and needs some assistance.

I wish to talk about a couple of issues, the first one being AIDA. The member from Charleswood has indicated that the provincial governments are doing a wonderful job but that the federal government is not doing its job. The federal government takes credit for \$1.5 billion which has been allocated to the AIDA program and farm relief.

Mr. Howard Hilstrom: Mr. Speaker, I rise on a point of order. I would like you to advise me. I think the member put my name to certain quotes pertaining to this issue. If so, could the hon. member tell me exactly what they were?

The Acting Speaker (Mr. McClelland): That would be a question of debate. Provided that another member is not in some way casting unparliamentary aspersion on another member, it is not the role of the Chair to get involved in such questions. The hon. member for Brandon—Souris.

Mr. Rick Borotsik: Mr. Speaker, if the hon. member would like, it happened on November 30. I have the transcript from CBC television.

The member from Winnipeg, who suggested that a wonderful job has been done by the federal government with respect to dollars allocated to this particular farm crisis, had indicated that over \$200 million has already been distributed. However, remember that the minister of agriculture continually stands in the House and says that \$1.5 billion has been allocated to the AIDA and farm disaster programs that we are now suffering. Two hundred million dollars being distributed to this date, October 25, is a far cry from the \$1.5 billion he continues to use.

Let us look at the AIDA numbers. Saskatchewan and Manitoba have in fact received a goodly share of the \$200 million that has been distributed thus far, but for every one application that has been approved there is one application that has been denied.

I asked the minister of agriculture earlier this morning if he believes that the people who have been denied do not require any assistance throughout the farm disaster. His answer was “absolutely not”. He said that not everyone was going to qualify and not everyone was going to get assistance from the \$1.5 billion. To date, only \$200 million has been allocated.

In Manitoba and Saskatchewan right now there are people who are in desperate straits. They do not qualify for AIDA. For what reason? It is because the AIDA program has criteria attached to it which will never allow them to qualify for disaster assistance or AIDA assistance.

• (1220)

Let us talk about some of those inefficiencies or deficiencies within the AIDA program. Negative margins was mentioned. When we first talked about this as the PC Party of Canada, we had a program set out that dealt with 70% of the farm income. We would also like to see negative margins covered. When the program was put into place negative margins were not covered. A substantial number of applicants need cashflow in order to put their crops in next year but they have been disqualified because negative margins are not allowed in the program.

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A five year averaging of margins was not allowed. A three year averaging of margins was accepted by the government, a criteria that disqualified a number of people. Seventy per cent of nothing is nothing but that does not mean the producer or farmer does not need cash in order to continue the operation. A five year averaging would have been much better.

Let us talk about the bureaucratic nightmare of applying for the AIDA program. It is so complicated that in some cases it dissuades people from even applying. Beyond that, once a person gets an application into the AIDA bureaucracy, there is a whole different set of circumstances.

Why is it that in Manitoba and Saskatchewan, where the federal government administers the program, almost one out of every two applicants gets disqualified? There are verifiers and the rules change every day. We can talk to five different verifiers or auditors and five different answers will come forward. That is not only frustrating for an applicant who has put in an application, but it is also to the point where other applicants will not even apply. Rules are changed on a daily basis. We need some consistency within the program to make it fair.

Another issue not dealt with in the existing AIDA program is that of year ends, a simple little bureaucratic nightmare. For a corporate farmer with a year end that falls outside of the calendar year end, the AIDA program is unfortunately backdated to a 1997-98 program as opposed to a 1998-99 program. We recognize that the 1999 crop year is going to have some serious ramifications on the farm economy. With corporate year ends, which have not yet been resolved, some corporate farmers may not have any option or opportunity to take advantage of AIDA in 1999. That is an absolute travesty because those particular producers as well as all producers need a 1999 support system.

I have the distinct displeasure of representing an area that has more than simply a commodity crisis going on right now. We have a natural disaster. Millions of acres of land could not be seeded in the spring because of too much water.

The minister of agriculture has tried to make the AIDA program everything for everybody. This is an extraordinary circumstance that has to be dealt with by extraordinary support from the federal government. It has not been forthcoming. Those producers in the area who do not have any crops and who do not comply with the AIDA criteria will not be farming in the next year.

I speak with some authority. When our party was in power prior to 1993, we came forward with some very strong programs. We implemented the NISA program which people throughout the House are now taking credit for. We came up with the GRIP program which is still in effect in Alberta and in Ontario and is doing quite well for the producers in those areas. However, it was

the Liberal government in 1995 that decided to take a little short term gain for a long term pain. It got rid of the GRIP program. If it were in place today we would not be standing in the House trying to demand additional support services from the government.

Through the late eighties and early nineties the Progressive Conservative Party put hundreds of millions of dollars in support to farm communities and farmers with respect to drought assistance and commodity assistance. The federal government can take some lessons from what happened prior to 1993, and I wish it would.

The Reform Party talks simply of tax relief and getting rid of subsidies. That is very laudable. It should happen and it will happen, but it will not happen between now and next spring when farmers will need and demand some assistance to get their crops in.

• (1225)

I thank the Reform Party for bringing forward the motion. However, it has always stood in the House and said "If you can't stand on your own, then you had better get out of the way". Our party says "If you can't stand on your own in this particular situation, we should be there as a part of the government to say that here are the services and support that is necessary to keep you going until the next crop year".

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, if I understand the member correctly, he is saying we should loosen the criteria and give as much money as possible to all the farmers who say they have a problem.

That was precisely the mistake made by the government when it attempted to help the east coast fishermen who were affected by the cod moratorium. A lot of the \$1.5 billion that went to the maritimes did not reach the people who actually needed it.

Surely criteria have to be established and there has to be a bureaucracy that looks at how the money is spent on a program like this. If the member really has complaints about the AIDA program, surely he has a responsibility to be specific in his complaints rather than just suggesting we add more money to the pot.

Mr. Rick Borotsik: Mr. Speaker, the hon. member is obviously not listening. I never asked for more money to be added to the pot.

I suggested that the \$1.5 billion, that has continued to be used as the number distributed to agriculture, should be distributed. The number now stands at \$200 million for 1998. The reason the minister of agriculture is tinkering with the program now is because he is embarrassed. The criteria that were put into place in that program were so restrictive that it never had the opportunity of putting the money out that was necessary to get out.

I think the government should be embarrassed that \$1.5 billion is available and only \$200 million has gone out to desperate farmers who need it. When the government changes the criteria to reasonable criteria then the full \$1.5 billion can be distributed to the

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people who really need it, not one out of every two applications being denied.

Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.): Mr. Speaker, I will bring forward some factual information in reply to my hon. friend from Brandon—Souris.

I think he left the impression with some listeners and viewers that the GRIP in the provinces of Manitoba and Saskatchewan was taken away against their wishes. I remind the member for Brandon—Souris that GRIP was abandoned because those two provinces did not want GRIP. They felt that the premiums were too high and the federal government agreed to it. The province of Ontario wanted to continue with GRIP and does so today.

The member for Brandon—Souris finds the AIDA program wanting and would like to see it improved. Again he would like to leave the impression that it is the sole responsibility of the federal government. I would remind the member for Brandon—Souris that this is not just a one government program. The provinces are involved as well. The federal government pays 60% of AIDA. The provinces pay 40%. The provinces agreed to the criteria involved in AIDA.

My friend from Brandon—Souris supported the former Filmon government which agreed to AIDA. The Romanow government, which still exists by a thread, agreed to the criteria of AIDA.

It is nice to bring these things into perspective so that the people out there, many of whom are not farmers and are living in cities, understand the true facts about AIDA.

Mr. Rick Borotsik: Mr. Speaker, maybe there is some foreshadowing there with respect to the Filmon government and the NDP government. The federal government also agreed to the AIDA and perhaps it may well be a former federal government.

Let us talk about the issues brought up by the member for Charleswood St. James—Assiniboia. First, the GRIP was put into place and it was and is a good program in those provinces that still continue with it; FIDP in Alberta and the MRI program in Ontario.

• (1230)

It was to the government's detriment that GRIP was taken away in 1995. Had the government had vision, it could have seen that the commodity prices are very cyclical in the farming economy. One government and a provincial government suggested they did not want to have it for the opportunity of saving money, as the federal government did when it took away its contribution to the GRIP. Perhaps it should have seen down the road that this program was going to be necessary in 1999, 2000 or 2001, instead of getting rid of it. It was short term gain for long term pain.

As for the provincial government, yes, Manitoba did give \$50 an acre for unseeded acreage. That came totally at the expense of the provincial government. The federal government has still not made its commitment to that \$50 per acre.

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, I will be sharing my time with the member for Souris—Moose Mountain.

It is important that we are debating this motion today. I congratulate the member for Selkirk—Interlake for bringing it forward. The country's agricultural crisis is not being addressed properly. It needs to be discussed and debated. The issues need to be brought forward for all Canadians to consider. It is a simple fact that the agricultural industry in Canada is in crisis. There was no indication in the throne speech from the Prime Minister that he was going to adjust programs to handle this, which has necessitated this motion.

As we debate this today, family farms are being repossessed. Families are being torn from the land they have worked for generations. Families are losing a way of life that is unique to Canada and to their heritage. Their fathers and grandfathers sweated and worked hard for years to develop a way of life. Not only do they lose their farms and their jobs, they lose their homes, their heritage, possibly their pride and their self-esteem.

With all the hard work that went into their farms, things outside their realm are affecting what they do. No matter how hard they work and no matter how sharp they are in their marketing decisions, the fact remains that they cannot sell their product for enough to pay the bills.

Situations have come into the farm communities over which the farmers have had no control. Our farmers now need some help. They need help to compete against the monopolistic wheat board. They need help against European subsidies that drive up production and drive down prices. They need help against U.S. protectionism and subsidies that distort the marketplace. They need help against the natural disasters that have devastated the prairies in this and previous years.

Farmers need help to combat the attacks by people who know nothing about farm life and rural life. Environmentalists have come forward without any thought of what they are doing to our agricultural people, with unfounded allegations that are going to tremendously affect farm life. Farmers need help to fight the input costs that have been driven up, the input costs and taxes that have been created by this government.

The government they have to turn to for help is the same government that has put them in this position. It is a catch 22

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situation. Most of their problems have been created by the people they are forced to go to as a last resort.

Farmers would sooner keep everything inside than say that they need help. They would not ask for help unless it was very badly needed. They have to go to the government that has its hands in their pockets right up to the elbow. We are here to find help from one of the sources that is creating the problem.

The east coast fishery is in turmoil. As mentioned earlier by a government member, the TAGS program on the east coast did not do what it was supposed to do. We can look at the dairy and hog industry in Quebec, or the diverse crops and farming in Ontario. The prairies have been devastated by low commodities. We can look at the B.C. forest and fishing industries, or the dairy industry in the Fraser Valley.

• (1235)

The one thing people do not want to hear is “Hi, I am a Liberal. I am from the Liberal government and I am here to help you”. That sends shock waves and fear through the hearts of all producers.

This country has come to a crossroads when it comes to agriculture. As a country, as a government and as a people we have to decide if we are going to put the measures in place to preserve a way of life that has helped to build such a great nation. We have to decide if the family farm and the family farm way of life is worth preserving and we have to decide now because if we do not, it is gone.

There has not been a crisis such as this one since the Great Depression. I did not live through that, having been born after it, but I listened to my folks talk about it. Terrible stress and duress was put on families and the things that happened then, we do not need again. We need to do things quickly. The problem is many faceted in the agriculture industry. We need to react quickly and respond immediately.

We need to have programs in place that will give some long term stability to the industry. We need to look at all costs. Commodity prices are down and revenues are low, but let us look at the other side of the issue.

The government has put a program in place that obviously is not working. It seems to be reluctant to move further. It is trying to match the amount of dollars it took out of the budget to suit the program instead of looking at the damage being done and then having the program match that.

We need a government that will stand up for farmers and a way of life that Canadians are proud of. We need a government that will go to bat for its people and not create bureaucratic nightmares that do not get the job done.

The official opposition has come up with a plan. Our job is to point out the shortcomings of the government but also to bring forward plans and ideas that will help to solve the situation. Five key areas need to be addressed.

The first one is a short term solution. We have to find some solutions immediately. The AIDA program is not working. It needs to be replaced or reformed. The hurt in the agricultural community is not being addressed by the size of this program. We have to look at all angles. Some of the provinces have come up with ideas. The federal government should look at what is going on in Alberta and what has been developed for the short term.

We also need medium and long term solutions. Every time we get in a crisis we try to develop a program to handle it. Let us develop that program when we are in good times to carry us through the bad times so that farmers do not have to come on bended knee to the government for help. Let us get something in place that will work.

Some changes are needed to the safety net programs. The three year average currently used in AIDA needs to be extended. We have heard that from other members. Negative margins need to be considered in the program. The application process needs to be simplified. For every farmer that is receiving aid, one is being rejected for various reasons. Are those people who are being rejected disappearing or is their hurt gone? No, they are still there and need to be addressed.

Crop insurance programs need to be put in place that would address those situations as they arise. The premiums must be affordable so that farmers can get in early and they are there to help.

We need free and fair trade abroad. We have done a good job in reducing subsidies but other countries we deal with have not. For instance, European subsidies on wheat production are 7.7 times higher than Canada's. U.S. subsidies are 4.5 times higher than Canada's. We have to address that situation. We need a government that will put a team together to say to the Europeans and the Americans that something has to be done about reducing the subsidies to bring up the commodity prices.

Trade laws must be modified. There is a situation very close to my home where groundless anti-dumping complaints have been lodged by the United States. We have to change the rules. We have to go to the bargaining table and stand up for our producers.

Many of my colleagues and I had the opportunity to meet with some northern state U.S. senators over the last year. We need to open up that dialogue. It became quite obvious through these talks that we need to know more about each other and we need to educate them on what we are doing in the House.

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• (1240)

The government must actively promote value added processing. We should not sell a grain that has not been processed. We should not be selling our other products unless we can add value. We have to put some emphasis on that as that would bring relief to the prairies and add value to the products.

The government needs to open up the marketing choices that farmers have. They should not be restricted. There should not be a monopoly. They should be able to make the choices they want to make in order to improve their bottom line.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, regarding the criteria for something like the AIDA program, there are two choices. We can either make the criteria very stiff in order to prevent people from abusing it, or we can make it looser so that people who should not take advantage of it can do so. Another alternative is to add money to the AIDA program.

What scenario does the member think the government should follow? Should it loosen the rules and thereby have people abuse the program, or should it put more money into the program?

Mr. Rick Casson: Mr. Speaker, that way of thinking about the situation is the problem. Let us listen on Thursday and Friday when the premiers and the delegations are here from Saskatchewan and Manitoba. Let us hear what they think needs to be done.

To assume that if restrictive regulations are not in place that eliminate half of the people from applying and that to reduce the regulations will cause abuse, is wrong. People are genuinely hurting. We have to make this program available to them. To approve one application and then to reject the next one for whatever reason is not the answer. To assume abuse is the wrong way to go about it.

Let us find out from the representatives of the farming community exactly what needs to be done. Let us follow their lead. They are the ones that do know.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I found the debate rather interesting, in particular the address presented by the Leader of the Official Opposition.

I would like the member to expand a little further on the AIDA program and the distinction of the hon. member opposite regarding there being only two options. I wonder if my colleague could address that question in another way and simply suggest to the hon. member that perhaps there are not only those two distinctions.

Perhaps one of the biggest problems with the AIDA issue is not that it does not work because it is not a good program, but it does not work because nobody understands it. The government does not understand it. The bureaucrats do not understand it. The farmers do

not understand it. Certain accountants, when they are given all the papers to complete, will charge \$500 or \$600 to present the application only to discover that the farmer does not qualify or only gets \$45. Could the hon. member comment on that issue?

Mr. Rick Casson: Mr. Speaker, I thank the member for Kelowna for his question.

I have the opportunity once in a while to meet with farmers in the morning for a coffee in a local truck stop. There are dryland grain farmers, sugar beet growers, cattle producers, cattle feeders and people with a small land base that get into custom farming. It is a wide range of folks. Of those who completely understand the AIDA program there is not one that does not feel confident that it can help them out. They know they are going to have to go to an accountant. They know they are going to have another \$500 or \$600 bill.

Simplifying the process would go a long way toward relieving their concerns. Simplifying the process does not require one more dollar, it just requires some common sense.

• (1245)

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, I am delighted to participate in this debate for one basic reason and that is that the constituency which I represent was perhaps the worst hit constituency across Canada last spring.

My remarks will dwell on people. Everyone has done an adequate job of talking about the reasons, but I want to talk about the people, the people who I serve and the people across Canada, who through no fault of their own cannot extract one cent for the help that is needed now.

The people that I represent are proud prairie people, people who have been betrayed, people of the land. They are people who are fourth and fifth generation farmers. They are young farmers, young farm families, many of whom I know personally. They will tell me, as will some of the older people, that the situation they are looking at right now is even more severe than it was in the depths of the 1930s.

I get very emotional when I talk about these people. Make no mistake about it, these people have been betrayed. They have been betrayed by this government. They have been betrayed by their provincial government.

When the flood came two years ago to Manitoba the people that I represent rushed to help not only because of their location, many of them took equipment to help. Two years later there is more land under water in my constituency. A hundred times more land did not get seeded. While my constituents agreed with immediate help for the Red River flood, they are still waiting for some help from this government. Is it any wonder they feel betrayed?

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My same constituents were happy to see the immediate influx of cash during the devastating ice storm. But there they sit with frozen grain in the field this fall. They filled out AIDA forms, which is like buying a \$500 lottery ticket, and they lost because they have received nothing.

They are being betrayed because of the stubborn insistence of this government which says that the current programs are meeting the farmers' needs. They are not. The government should open up its ears to the provincial delegation that is coming down.

The sad part is that many of these young people are telling me that they are being politically punished simply because they do not support a government, provincial or federal, which really has no keen interest in agriculture.

They are feeling betrayed as well by the fact that they lost \$400 million out of the provincial GRIP program. Boy, that would come in handy right now.

They are feeling betrayed because the property tax on their agricultural land is sky high.

They are feeling betrayed because the grain companies, which they really believed would be there when they needed them, are not there.

Finally, the greatest betrayal of all, they were told if they would just settle for the Crow rate removal, get rid of it, the government would pay them out. All they got was one year's free freight. That is all. That is not the end. This government told them in no uncertain terms that if they would accept the Crow, then they would not be fighting these big subsidy wars. The House knows the rest of the story. It is little wonder that I get emotional when I talk about this.

Virtually every night last summer, if a phone call was not picked up by my offices, I tried to make contact with that constituent. This House is dealing with a human tragedy which I witnessed for all but three days during last summer. People ask if anyone is listening.

• (1250)

Our daily newspaper, the *Regina Leader Post*, announced the results of a phone survey which revealed that even in Saskatchewan 60% of the people responded that farmers should not get any financial consideration. Obviously many people agree.

Farmers are not looking for a handout. They hate that term. They are not looking for a subsidy. Farmers are simply pleading with the government that they need some survival funds right now. That is what they are asking for. GRIP has turned them down. If farmers lost money for three years, GRIP does nothing. Farmers need assistance.

It is time the government stopped trying to score political brownie points. It is time the government took a look at people and helped them to survive so that they can, once more, pour billions of dollars back into the economy of Canada.

At this time of the year we hear the statement "If ye break faith". Because the government's AIDA program was not designed for the area which I represent, it has broken faith. The government can correct that. It can correct that this Thursday. It can be corrected by making an agreement with the group coming here to put an end to what otherwise would be the blackest chapter in the history of agriculture in my constituency. The future is in our hands.

I want to mention three phone calls that I received. This will give members some idea of the extent of the suffering out there.

A young farmer's wife phoned me in August. She was 32 years of age and had one child who was starting school. She wanted to know if I could help. This family had spent \$500 filling out an AIDA form. They were told that they would get a little bit. Two weeks later they were told that their application would be reviewed. Eventually this family may get something.

Before this phone call was over, this young lady broke down. She was in tears. She wept bitterly. The power bill would soon be due. The phone was about to be cut off. This lady's final words were that they had never asked for help before from anyone.

I want the government to listen. The programs which have been created have been misconstrued and misstated. The minister of agriculture said that individuals would receive \$50 an acre for flooded land. Nobody received \$50 an acre; not anywhere near it.

The second phone call I received was an even sadder case. This call came from a lady who was phoning from the bedside of her husband. She had spent the entire summer trying to get a bed in the hospital. Her husband is dying of cancer. The government had told this lady that they would get a small amount. All I could do was write to the government and beg on this couple's behalf. I want members to note her last words. She too broke down and said that their only son would probably never survive the agriculture crisis long enough to keep the land which was his great-grandfather's.

This is as great a crisis as that which has ever happened. Yet, we are still trying to make some political points from it.

The last phone call I received was very personal. It came from a young couple who are living on the same farm as my wife and I lived on. This young fellow bent my ear for 50 minutes. He basically said that he had learned not to trust any government. That is a sad case.

• (1255)

On behalf of my constituents and those across the prairies, we are not asking, we are begging that on Thursday the government

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meet with the provincial people and say, yes, that it can indeed look after those people who do not qualify because of some stupid form. They hate that form.

Let us look at the human tragedy. Let us stop the bleeding. It is in the hands of the government. Hundreds of farm families need to be listened to.

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, I would like to ask the hon. member two very specific questions. The first is, given that the AIDA program and other compensation programs are 60:40, should the provinces be required to pay their share?

The second, related question is, when this visit comes on Thursday, what happens if the federal government cannot get agreement with the provinces to reform AIDA in the manner that the hon. member suggests is necessary? Should the federal government then act unilaterally to reform it if it cannot get the agreement of the provinces?

Mr. Roy Bailey: Mr. Speaker, that is a good question. I believe that both the federal and the provincial governments believe that it should be zero for qualification and not a negative. That has to be changed.

Second, if the government does not get the agreement of the provinces, then this must happen. If this human suffering is going to be stopped, this bleeding that I referred to, then it will fall on the government's shoulders to say, yes, it can make those improvements to AIDA that will fill the needs at this time.

I understand that they are going to be asking for \$1 billion. The most disappointing thing I heard came from the only Liberal member from Saskatchewan, who I thought had passed away because we had not heard from him. He said that we do not have enough jingle jangle down here. That is nonsense. If this human story is turned over to everyone in the government, my guess is that the farmers will get help. However, if it is turned over just to cabinet, I am afraid this may rest on its hands. I hope I am wrong.

We have to help and I think the hon. member would agree with that.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, would the member for Souris—Moose Mountain please tell me if it is Reform policy to issue \$1 billion in subsidies to farmers in Saskatchewan? If so, how would he see that being distributed fairly?

Mr. Roy Bailey: Mr. Speaker, is the hon. member for Brandon—Souris calling the AIDA program a subsidy? Is he calling the crop insurance program a subsidy?

All I said was that there is room within existing programs to sharpen them up to stop the human bleeding. That is what we are asking for. Quite frankly, if the government needs some help I can tell it how to help the hundreds of people who I know personally. Do not call it a subsidy. We are not calling it a subsidy. If the government wants to call it a subsidy, fine.

• (1300)

Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.): Mr. Speaker, I would like to repeat the question of my hon. friend from Brandon—Souris. Is it the Reform Party's policy to ask for an additional \$1 billion for farmers in the province of Saskatchewan?

I remind the House that if the answer to the question is yes, this is a demand from a party that just a couple of years ago wanted to take about \$1.5 billion out of agriculture. Which is it?

Mr. Roy Bailey: Mr. Speaker, it is interesting that the hon. member should happen to refer to that. If he wants to know Reform policy I can give it to him straight out. We are there when help is needed. He should not ever let anyone fool him that we will not be there to help on a fair and equitable scale.

I will get to the question by the hon. member. We are saying that if the government were to get rid of many of its taxation policies it would not have to worry about programs like this one. It would not have to tell over half the farmers in Saskatchewan that they would not get a cent. Reform policy is to look after everybody fairly, not just so that a few get money and the others do not.

Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.): Mr. Speaker, let the record show that the previous speaker from Brandon—Souris did not answer the question. It does not come as a great surprise to me.

I will be splitting my time with the distinguished member for Waterloo—Wellington. I am very pleased to take part in this important debate. I wish to bring another perspective to the discussion.

Canadian farmers produce some of the safest, highest quality and most affordable food in the world, but having the best product at the best price does not do a lot of good unless there is an efficient, cost effective way to get product to the market.

This is what the government's grain handling and transportation reform is all about. It is the issue I will speak to today. This is an important issue for the bottom lines of western farmers. It is also an important issue for the thousands of Canadians whose livelihoods depend on a robust farm economy.

Before I talk about the ongoing consultations and the decisions that lie ahead I would like to give some sense of the history of this very complex issue. The difficulty of transporting grain across vast

expanses of land to deliver it to port for export is an issue that is multifaceted and that has prompted endless discussion. The severe backlog of grain shipments and ships waiting in the port of Vancouver during the winter of 1996-97, particularly in February of that year, hurt producers in the pocketbook. As a result the government's resolve to tackle the problem hardened.

During that winter, extreme weather conditions and railway infrastructure problems caused disruptions that affected every part of the grain transportation system. The then agriculture minister convened a meeting in Calgary to which he invited all participants in the system: railways, grain companies, the Canadian Wheat Board, the Canadian Grain Commission and the car allocation policy group. They turned their efforts to finding solutions.

All agreed that it was time to concentrate on building a grain transportation system in which there would be more accountability and reliability, where there would be rewards for those who overperform, penalties for those who underperform and a system with incentives built into it to make sure grain gets to where it is supposed to be and on time.

In July 1997 the Minister of Transport, the Minister of Agriculture and Agri-Food and the Minister responsible for the Canadian Wheat Board again convened a meeting of all stakeholders to develop strategies to ensure grain moves efficiently throughout the crop year and to further discuss industry calls for an early review of the grain handling and transportation system rather than wait for the 1999 statutory review under the Canada Transportation Act.

Several months later in December the Minister of Transport announced that Mr. Justice Willard Estey was to head a major review of the grain handling and transportation system.

• (1305)

His mandate was to come up with recommendations for, first, a responsive, efficient, customer oriented logistics system that would enhance the competitiveness of producers, shippers, carriers and ports; second, a system where all stakeholders including producers would share in the rewards of productivity improvements and would also share in the appropriate direct consequences for activities that detract from system performance; and, third, a system with well defined accountability for all elements of the grain logistics system to encourage high performance levels by each participant.

Justice Estey consulted with industry stakeholders in the early part of the year and provided a preliminary report at the end of April 1998. His final report delivered at the end of last year contained 15 recommendations. These recommendations constituted a blueprint for a less regulated, more accountable and competitive grain handling and transportation system

The government agrees with Justice Estey's vision that the western grain handling and transportation system should be made

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more efficient, more accountable and beneficial to farmers. We want it to move to a more contract based, commercially oriented environment with appropriate safeguards for all stakeholders.

Justice Estey set out key principles to be followed in solving grain transportation issues but there was still work to be done to put the operational details in place. To achieve this the Minister of Transport appointed Arthur Kroeger, a former deputy minister of transport, to involve western stakeholders in developing those operational details.

Over the course of this past summer Mr. Kroeger held extensive consultations among grain industry stakeholders on 12 of the 15 recommendations included in the Estey report. He headed a steering committee which set up three working groups that concentrated on rates, revenues, commercial relations, competition and safeguards. Mr. Kroeger was asked to provide recommendations on any issue that was not agreed upon by the stakeholders during the process.

When he delivered his report to the government last month he indicated in a letter to the Minister of Transport that there was still a dispute over the issue of eliminating regulated grain freight rates and replacing them with a cap on revenue for each railway. The point of a revenue cap is to provide a safeguard to ensure that producers are not paying too much to transport their grain and that as savings are achieved throughout the transportation system farmers get to benefit as much as anyone.

The main dispute was the starting point for a revenue cap, which Mr. Kroeger recommended should be set at 12% below the 1998 level. This would be a reduction of \$3.73 per tonne or a total of \$112 million below the 1998 level based on a total grain volume of 30 million tonnes. This means that shippers of grain would benefit to the tune of \$112 million in the year 2000. I assure the House that many farmers are holding for greater savings than those.

In his report Mr. Justice Estey recognized the mutual dependence between the railways and grain producers, and I quote what he said:

—the efficiency and economic health of the rail system is of prime importance, ranking next in importance to the economic well-being of farmers. The railway and the farmers cannot do without each other. Mutual survival dictates that efficiencies and economies must be shared between the two.

I could not agree more. The prosperity of our producers depends on it. Mr. Kroeger also recommended that the federal government assess the results of these reductions at the end of a five year period. If at the end of that period the results were found to be unsatisfactory we would have other options open to us such as developing further measures to increase competition. In the meantime, however, the revenue cap would provide safeguards against excessive rate increases to grain producers during the trial period.

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All the issues in the report and Mr. Kroeger's letter will be very carefully studied before we move to any consideration of new legislation.

We recognize the important role that grain handling and transport play in the costs and incomes of farmers and in the strength of the rural and agricultural economy of the west. I am confident, though, that through changes to the grain transportation system Canada's grain sector will become more competitive, which can only help western Canadian grain producers.

• (1310)

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, I certainly thank the member for Charleswood St. James—Assiniboia for identifying for his government a potential \$112 million saving to farmers on grain transportation. Today's debate is exactly about how to get more money into the hands of farmers, particularly those who are especially suffering in the area of export commodities.

In addition to making grain transportation more of a commercial contract based system, would the member consider advocating to his government the reduction of the four cent federal excise tax on fuel and lowering user fees, especially in the case of the Canadian Grain Commission, or not increasing those fees to cover its deficit?

Finally, to help farm incomes greatly he could advocate a voluntary Canadian Wheat Board so that farmers who want to form a co-op, which in essence is what the Canadian Wheat Board is, specific to their products, in this case durum wheat, could add further value and the value added money would stay with farmers producing durum wheat?

Would he comment on those ideas and indicate whether he would support them?

Mr. John Harvard: Mr. Speaker, I do not know whether I can remember all those questions. I remind my hon. friend from Manitoba that the input costs or the fees charged by the grain commission have been frozen. I recognize the financial difficulties of farmers in Manitoba, Saskatchewan and elsewhere. If those fees continue to be frozen for an indefinite period I would certainly support it and recommend it to the government.

I love advice from the Reform Party on a voluntary wheat board. The fact of the matter is that the producers the Reform claims to support are in charge of the Canadian Wheat Board. I remind the member for Selkirk—Interlake that we changed the governance of the wheat board. It now has 15 members, 10 of whom are elected by farmers.

The Canadian Wheat Board is dominated by producers who speak for farmers. If the Canadian Wheat Board wants to make

changes with respect to marketing, whether it has to do with co-ops or anybody else, God bless them. Let it go ahead. It is the producers' board. We in Ottawa should not be telling them otherwise. Get a grip.

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, my colleague from Charleswood St. James—Assiniboia has indicated that he and the government recognize that the last couple of years have been really hard on farmers for a variety of reasons, rail costs being one of them. A solution for rail costs is not in place as yet. Farmers will not benefit immediately from that at this crucial point.

If the government recognizes the last couple of years of hardship, why would it set up a program that does not take in five to seven years but takes in only the two years of great hardship? Why set up a program that will not meet the needs of farmers out there? From my perspective it sounds a lot like EI where we have it out there but some 40% of the people cannot access it. That is what the government has done to farmers as well.

Mr. John Harvard: Mr. Speaker, I am not too sure whether the member for Churchill expressed her question clearly, or maybe I misunderstood it. If she is referring to the reference period, the reference period has to do with the past three years. I know there have been considerations about looking at a different kind of reference period called the Olympic model. Things are being considered.

AIDA has been modified to some extent from the time when it was brought in last Christmas. I would not be surprised that in aid of improving it and streamlining it there will be some other changes.

• (1315)

Who knows, there might even be another reference period adopted to give farmers a choice.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I take the opportunity to enter this debate to provide some of the details on the government's response to this very serious financial situation facing Canadian farmers.

I feel very strongly about this issue for two reasons. First, in my riding of Waterloo—Wellington approximately 30% to 35% of the wealth generated is as a result of agriculture and agribusiness. Second, I still live on the family farm and therefore have firsthand experience about what it is like in this kind of situation. It is very important that we detail it in an effective and progressive manner and that is precisely what we are doing today.

While overall the agriculture and food sector is strong and makes a significant contribution to the Canadian economy, the government knows very well that the past year has not been an easy time

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for many of our producers and farmers. As the hon. Minister of Agriculture and Agri-Food explained recently, Canadian farmers encountered problems last fall when the prices in the Asian economy hit North America. That situation was compounded by declining commodity prices, a low Canadian dollar and unusually difficult situations that occurred, especially the flood and drought conditions in certain areas of the country. All these things combined to make for a serious impact on the income of many producers, particularly those in grain, oilseeds and hog operations.

In response to that situation the government moved to the aid of Canadian farmers by introducing the agriculture income disaster assistance program, AIDA. Funded 60% by the federal government and 40% by the provinces, AIDA is providing \$1.5 billion over two years to those farmers in need. That funding is in addition to the \$1 billion the federal and provincial governments contribute each year to the safety net programs, including crop insurance and the net income stabilization account which cushion farmers during difficult times, and those programs which invest in marketing research and other initiatives which serve to strengthen the sector.

Working closely with farm organizations and farmers themselves, the federal and provincial governments designed AIDA to be a national program which would be as inclusive as possible, open to all farmers in all commodity areas in every region of Canada.

AIDA uses an individual producer's revenue and expense information from tax returns to calculate payments. The applicant's gross margin, that is, the allowable revenues from all commodities minus allowable expenses, is compared with the average from the three previous years to determine the amount of assistance available through AIDA. The farmer is entitled to a payment that brings his or her income up to 70% of the previous three year average.

AIDA was also designed so that governments could offer assistance to new or beginning farmers. That is crucial because we need to help our young people in this regard. Special procedures were put in place so that producers who had just started were able to apply for the program even though they may not have had the historical information necessary for the calculations.

AIDA has proven successful in helping Canadian farmers to withstand the current crisis. The numbers speak for themselves. Up to October 20, over 54,000 applications had been received. More than \$220 million is now in the hands of more than 16,000 farmers across the country, with average payments amounting to about \$14,000 per producer.

Saskatchewan is perhaps the province most affected by this crisis. I was in Saskatchewan this past summer and saw firsthand the kinds of situations the farmers are facing. More than 6,800 farmers in that province have been paid over \$72 million. In Ontario where the provincial government is administering the program, more than \$61 million has gone out to 4,200 producers.

• (1320)

The impressive number of applications means that Canadian farmers will use most, if not all, of the \$600 million available to deal with reduced incomes in 1998. This money will ensure that farm incomes for 1998 are brought close to the previous five year averages.

In a move to ensure cash continues to flow to those farmers in need, the government has also made advance payments available from AIDA 1999. This allows farmers to get 60% of their estimated entitlement without having to wait to file their income forms next February. A total of \$900 million in funding is available in 1999, the second year of the AIDA program.

In provinces where the Government of Canada is delivering the AIDA program, Saskatchewan, Manitoba, Newfoundland and Nova Scotia, application forms for 1999 have been available since the beginning of September. I encourage all of those who need money soon to submit an application as quickly as possible.

There are those in the opposition who want the government to throw out this successful program and replace it with an acreage payment. Some on the prairies are demanding up to \$80 per acre. The Government of Canada has not and will not implement such a program for three very good reasons.

First, acreage payments would go to all the producers regardless of need. This would not be fair to those who have suffered from some of the worst declining market conditions for a long time. Again the AIDA program is targeted at those in need.

Second, if we were to cover all land, an \$80 per acre payment would cost up to \$5.2 billion in Saskatchewan alone. To be fair, the payment would not just be offered to Saskatchewan producers.

Third, any ad hoc programming that is not disaster based and that does not treat all farmers equitably would violate our international trade obligations. If we were to implement this type of program we would be subject to countervail activity from our major trading partners, especially from the United States. The government cannot act irresponsibly in this regard and it will not.

AIDA is trade friendly because it treats all farmers in financial need equitably regardless of what commodity they grow or what province they live in. However the Government of Canada realizes that AIDA is not working for everyone. We realize that some producers have had several back to back years of low income, primarily due to repeated drought or flooding conditions. It is for this reason that the minister's national safety nets advisory committee was asked to recommend changes for the second year of the program. That advisory committee incidentally is made up of representatives from all the major farm commodity groups. The government is now considering its recommendations and will proceed accordingly.

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The Government of Canada is committed to Canadian farmers, as well we should be and as we are. We are working to improve conditions for producers on many fronts including in the upcoming World Trade Organization talks where we will put forward a strong position which represents the broad trade interests of the entire agriculture and food sector.

We will continue to support farmers with effective and flexible safety nets. Dialogue continues with the provinces and farm groups on options for the long term renewal of a safety net package and a permanent disaster program. We will continue as we should to push for changes on the international front to level the playing field so that our farmers can compete on the same footing as their American and European counterparts. World Trade Organization talks in Seattle in December will be a major stepping stone toward our goal of subsidy elimination.

We will continue to invest in research and development so that the industry will be further strengthened by adopting new technologies which enhance food production and help the industry to develop new products and technologies that allow new uses to be made of existing products. In addition we will continue to support diversification in an effort to foster self-reliance and improved competitiveness.

All of our efforts will result in a strengthened agri-food sector and a strong and vital rural Canada. That is what all of us on the government side are working toward. We think it is important. We understand the importance of rural Canada to this great country of ours.

• (1325)

As the Speech from the Throne indicated, this government is committed to building a higher quality of life for all Canadians. That includes helping the agricultural sector to deal with this very difficult income situation. We know that AIDA has made a difference and has made significant contributions so far and will continue to do so in the months and years ahead.

I applaud the government. It is appropriate that we let it be known to Canadians wherever they may live in this great country of ours that is the position of the Government of Canada.

Mr. Mark Muise (West Nova, PC): Mr. Speaker, it is interesting to hear my colleagues from the other side boast about leadership and vision. My constituents in West Nova, particularly those in farming and even those in the fishery fail to see where that vision and leadership is. We look at the Speech from the Throne. There is no leadership, no vision, nothing about fishing and farming. My constituents tell me that the AIDA disaster program is exactly that, a disaster.

Farmers would not have to ask for help if this government showed leadership and direction. That is not a question. I will leave it as a comment.

Mr. Lynn Myers: Mr. Speaker, I certainly thank the member opposite for the question. He speaks of vision, leadership and direction.

Need I point out to him that in 1997 the New Democratic Party had a shopping list of \$17.6 billion in additional spending? How much of that was geared toward subsidy for agriculture? How much was geared to help our farmers? A measly \$11 million.

Imagine that they would now support leadership and direction when they had absolutely nothing to say about agriculture and the supports necessary.

Shame on the NDP.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, today we are to be debating the farm income crisis and not slamming each other around, party against party. We are all supposed to be doing what we can for the farmers.

I got one little hint of a positive comment from the member. He was talking of diversification in agriculture. Certainly that is one of the areas in which farm incomes can be raised.

When it comes to the Canadian Wheat Board, the member must be reminded that the wheat board only operates under the confines of federal legislation that restricts farmers from selling wheat and barley on export except through the board.

If in the case of prairie pasta producers, farmers were able to increase their incomes selling durum wheat by value adding it into a pasta type product, would the member support having a voluntary wheat board? It would allow growers of various crops to value add to their crops in conjunction and in co-operation with fellow farmers of the same attitude. Would he support a voluntary wheat board to promote this diversification in western agriculture?

Mr. Lynn Myers: Mr. Speaker, I thank the member for the question.

We on the government side have strongly supported the Canadian Wheat Board over the years and will continue to do so in a very effective and strong fashion. Recently the kinds of changes that we have implemented support the Government of Canada's position in this all important area, fully understanding how important that wheat board is to Canadians.

I fail to understand from the Reform Party where exactly its principles are and what is left of them when it comes to agriculture. I was astounded to listen to the Leader of the Opposition, or more to the point not to listen to the Leader of the Opposition through the whole last session of parliament. How many questions were asked in this House by the Leader of the Opposition with respect to agriculture? The answer is one. Imagine, of all the questions that could have been asked, only one measly question was asked about

agriculture. The Reform Party really has to get its act together with respect to this all important area.

• (1330)

I was surprised that the very person who is moving this motion today, the member for Selkirk—Interlake, was quoted not so long ago as showing compassion for our pork producers when the bottom fell out of the market. He told the CBC program *Politics* on November 30, 1998 that cattlemen do not go crying for aid every time the price of cattle goes down and neither should the hog industry.

Where is the compassion? Where is their sense of what is right for the agricultural sector? It is not there and Canadians see through it every time.

Mr. Deepak Obhrai (Calgary East, Ref.): Mr. Speaker, I would like to remind the hon. member opposite that the official opposition asked dozens of questions but the government answered none.

It is a pleasure to rise to speak to the motion which is before the House. I would like to thank my colleagues who have spoken today for their dedication to and hard work on the farm crisis which exists in this country. It is because of their commitment that the farm crisis issue is before the House today. If it was left up to the government this issue would not see the light of day in this place.

We are constantly reminded of the government's supposed commitment to our farmers. Yet, we continue to wait for the government to act in any meaningful way. I listened, as did all members of the House, to the government's Speech from the Throne, advertising to all its agenda going into the new millennium. There was a very brief mention of the upcoming WTO negotiations and the importance of those negotiations to the future of the agricultural sector in this country.

I listened with great interest to the Minister for International Trade in his reply to the throne speech for any new initiatives from the government that would deal effectively and immediately with the farm crisis that exists in our country. The minister talked a great deal about the need for Canada to open up to the world and that Canada is more open to trade than any other leading industrialized country. The minister talked of a rules based system and how Canada is one of the most active advocates and promoters of a rule based international trading system.

The minister spoke of a system that would guarantee a level playing field which would give Canadian businesses in all sectors easier access to the world market. He said that the humanization of globalization was the government's objective.

The issue of culture, the role of artists in our society and the importance of cultural diversity were all mentioned as priorities of the government by the Minister for International Trade. I waited

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and waited for the minister to mention where our farmers fit into the future equation of the government. I heard no mention of the crisis on our farms in either the throne speech or the trade minister's reply. I am truly saddened that the minister has chosen to ignore the needs of our farm communities.

It has not taken long for the new Minister for International Trade to tell Canadians what his true priorities are. Just last week the minister proudly announced the government's commitment to a global agreement which would protect Canada's cultural industries. Where is the government's commitment to protect Canada's farmers?

In the official opposition's dissenting report on Canada's position in the upcoming WTO negotiations it urged the government to make agriculture the number one priority and noted that tariff and subsidy reductions are crucial to the future success of our farms. Why is the government not working toward a global agreement to eliminate agricultural subsidies?

We have asked the Prime Minister to use his influence with the U.S.A. to eliminate its destructive agricultural subsidies. The Prime Minister came to the aid of our defence and aerospace industries in a recent trade dispute threatening our favoured nation status in bidding for defence contracts.

I called for prime ministerial intervention on this issue months ago when it looked like the Minister of Foreign Affairs and the Minister for International Trade could not get the job done. To his credit the Prime Minister did intervene and he did prevent what could have been a disastrous situation for our defence and aerospace industries.

• (1335)

The plight of our farmers demands that the Prime Minister intervene in the same manner for the elimination of the export enhancement program and similar export subsidization programs that directly impact Canada's ability to compete in global agricultural markets.

We know that the European Union heavily subsidizes its agricultural sector and has been opposed to any talks on liberalizing its aggressive export subsidization policies.

In the long term, if there is ever to be a fair rule in place for agriculture, it can only come from ensuring that agriculture is a priority in the upcoming WTO negotiations.

The government talks about the importance of the Seattle round. However, the government must adopt a clear position on this issue and demand maximum market access for all countries, including major tariff reductions for everyone and significant subsidy reductions by all major players.

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Up until now we have not seen the political will necessary from the government to act aggressively in these negotiations. The Minister for International Trade is off to Geneva this week for talks with the European Union on the WTO position. Agriculture must be his first priority in these talks.

The official opposition has called on the government to immediately launch a team Canada mission to Europe; a delegation that would include the Prime Minister, the Minister for International Trade, the Minister of Foreign Affairs and the Minister of Agriculture and Agri-Food; a team Canada mission dedicated to making a powerful argument to the Europeans that it is in the best interests of Europe that subsidies be removed. We must appeal to them that subsidies go against the very principle of free trade that the European Union seems to espouse.

In the last two weeks alone there have been three decisions that have forced Canada to expand and open its markets. We all know of the auto pact decision. The WTO in effect said that the auto pact discriminated against foreign automakers because only the big three were able to import cars into Canada duty free.

The WTO also ruled that Canada has been unfairly subsidizing its milk products.

In a mixed decision, the U.S.A. department of commerce cleared our beef producers of being unfairly subsidized, yet refused to eliminate tariffs on Canadian cattle.

Other countries are using mechanisms available to them to open our markets to their producers and to protect their industries. Why then is our government not acting in a similar fashion to protect our agricultural industry?

Our government continues to react in a passive manner and refuses to act aggressively in protecting and promoting the interests of Canada in the global marketplace. If the government is committed to free trade, as suggested in both the throne speech and the reply by the Minister for International Trade, that means more than simply knocking down our subsidies and trade barriers here at home. It means aggressively knocking down trade barriers that exist in countries around the world.

Our farmers are calling for the government to develop lasting solutions to the agricultural crisis. The usual do nothing approach advocated by the government is simply not good enough any more. The government cannot continue to be broadsided by decisions like the auto pact. Until this government acts our farmers will continue to operate at a disadvantage

I would like to wrap up my comments today by saying that the government's inability to deal with foreign subsidies is killing our farmers. Why is the government refusing to deal with this issue? It is more concerned with protecting our culture and appeasing the

Maude Barlows of this world than it is in fighting for the future of our Canadian farmers.

It is clear that the new international trade minister's priorities lie elsewhere. I question whether the government's position on agriculture going into the WTO negotiations has any real teeth at all.

It is truly disgraceful that the farmers of this country are paying the ultimate price for a government that does not have the stomach or the political will to participate forcefully in today's global market.

• (1340)

Mr. John Bryden (Wentworth—Burlington, Lib.): Mr. Speaker, as the agriculture minister said, agriculture is a joint federal-provincial responsibility under the constitution. The Reform Party has always championed the issue that the federal government should stay out of areas of provincial jurisdiction. "Get out of the provinces' faces" has been the Reform Party attitude.

I have some figures here. In the years 1995, 1996 and 1997 support payments by the federal government to Saskatchewan alone were \$779 million, and to Manitoba, \$258 million. That is two and a half times more than the provinces put in during that same period. What the Reform Party is saying right here and now is that it wants more federal intervention and more federal money for the provinces. I would like to know how the Reform Party reconciles that with its policy of the provinces first, the federal government second.

Mr. Deepak Obhrai: Mr. Speaker, I would like to remind the hon. member that it was the federal government which cut transfer payments for health care and education to the provinces, forcing them into a financial crisis in which they could not address this issue. Nevertheless, Alberta has just given \$100 million to its farmers.

The bottom line is, what is the federal government doing about it? The issue is that the higher subsidies of the European Union and the U.S.A. are killing farmers in this country. That is what we are asking the government to address at the forthcoming WTO negotiations in Seattle.

What we have heard is the weak statement that, yes, we will talk about it. We would like to know exactly what is the position.

Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.): Mr. Speaker, I really think we should shed a tear for truth. The hon. member from Alberta is suggesting that we have been indifferent to killer subsidies imposed by the European Union and the U.S.A.

Let me remind the hon. member that in the past year the government has hosted and led an unprecedented number of

meetings with all of the agricultural and agri-food stakeholders on what their input should be with regard to coming to a Canadian position on the WTO negotiations. All of the industrial stakeholders were very impressed with the kind of program which the minister of agriculture put together in the past year to come to a determination of what our country should say at the WTO negotiations beginning in Seattle next month.

In this debate we should have more facts and a little more truth so that people can understand what this debate is all about. Those are the facts.

Mr. Deepak Obhrai: Mr. Speaker, that is the usual Liberal rhetoric. The government can have as many meetings as it wants, but it has produced zero. Nothing has happened.

The official opposition is asking the Prime Minister to lead a high level delegation to Europe to explain the damage which the subsidies are causing to their industries as well as ours, as well to free trade. That is what the opposition is calling for. Maybe the hon. member could advise his government to do that.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I was really enthralled with my hon. colleague's comments. He was very astute and very much to the point.

What is it that has really been accomplished by the Liberal government to help our farmers build into the secondary processing industry? There is so much value added that could be done by our farmers. What help have they been given? Instead, the government has reduced the ability of farmers to have the money to do the things they want to do. It has increased the costs for services rendered. It has increased their taxes instead of cutting taxes. All of these things go against farmers being independent.

I wonder if the hon. member would speak to that.

Mr. Deepak Obhrai: Mr. Speaker, there is no question that farming prices today have been rising. That is because of the government's high taxation policy. As well, it has not addressed the issues. It is a do nothing approach again. It takes a slow approach. Nothing happens. If something does happen, then the government wakes up to the fact that something has happened. It is the usual do nothing approach which has resulted in the farm crisis we have in our country.

• (1345)

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is my pleasure to speak on the issue of the farm income crisis in Canada. I am proud to say that the Reform Party is sponsoring the debate today because we know how critical the issue is to hundreds of thousands of Canadians. It is about time we debated the issue in the

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House of Commons, and it is time the government started paying attention.

I will reiterate something my leader said today. He said that we would like to see the Prime Minister take a personal interest in this issue. It is an extraordinarily important issue but we never see him anywhere on it. He can attend the opening of a plant somewhere that may contribute a few million dollars to the economy but when it comes to agriculture, which has a multibillion dollar impact on the economy, he is absolutely nowhere to be seen.

I want to address a couple of things. I want to first address an issue the agriculture minister raised when he spoke earlier today. He said that on average things on the farm are pretty good. As my leader has said on more than one occasion "if your hair is on fire and your feet are in a block of ice, on average you are doing okay, but it really does not go to the issue".

The issue is that thousands of farmers are going broke today and the government has no plan. It does the easiest thing it can. It says that it will put together some kind of a program, and even though it will be deeply flawed and will not help at least half of the people out there, it can at least say that it is doing something. It has completely failed to deal with the issues that are a little more difficult to deal with. It in fact retreats and runs away from them.

I will now deal with two issues: European subsidies and taxes. I will talk a little about the subsidy issue. We have seen the Prime Minister make extraordinary trips around the country for all kinds of things that he should not be doing. His time should be more valuable than that. We have seen him go on trade missions for the photo opportunities so he could stand there and sign agreements that were put in place months or years before. He just has to get there, get on the bicycle and ride along the Great Wall of China for the photo op. That is what he does.

He should be leading trade delegations to Europe. He should be using Canada's privileged place in the world to demand some kind of agreement on the issue of subsidies. What do we get? We get him running around the world as he pursues the photo opportunities. It is an absolute disgrace that he is not engaging in a serious way in the debate today given how much is at stake and given that half the country, especially western Canada, is in a very difficult position right now. It is absolutely disgraceful.

My colleague argued a few minutes ago, as did my leader earlier today and in his response to the throne speech, that the government should put together a super committee of cabinet consisting of the Prime Minister, the agriculture minister, the foreign affairs minister and the trade minister to give this the priority it should get. That is a common sense approach considering that Canada is a trading nation. We do depend to a large degree on the trade we do with the rest of the world. We have a small domestic population of 30

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million people and we depend on trade for about 40% of our economy. We must do a better job of dealing with trade issues. Canada could be doing more about the irritants and barriers to trade that are out there.

The issue of tariffs on beef is one barrier that affects my riding. We have pleaded with the agriculture minister to make some very small changes that would allow more American beef to come into Canada. In the spirit of goodwill, we would, as a quid pro quo, then expect the Americans to not pursue the complaint they have against Canada. As a result, we would save millions upon millions of dollars in tariffs that are being charged against live Canadian beef going into the United States. What do we get? We get stonewalling from the government and all kinds of reasons why it cannot move quickly.

• (1350)

I distinctly remember that when a law was struck down by the courts respecting the wheat board, the cabinet moved within two hours to change the law. However, it cannot change in a few months some regulations respecting the import of American beef. It is time it quit pretending. It should take the issue seriously because we need it addressed.

I want to talk for a moment about taxes. We stand in the House day after day saying we need to have lower taxes. The government says that it is working on it and it is getting there. The provinces are taking the issue so seriously today that they are seeking a meeting with the government because bond raters in New York and other places around the world are so concerned about the government's high tax and high debt policies that our economy is suffering as a result. We have higher borrowing costs and a much weaker dollar because the government cannot get its act together.

We are arguing that a common sense way to help farmers would be to lower taxes. Every year the farm population spends millions of dollars on fuel costs and fuel is 50% tax. Every year, whether or not crops are good or bad, they have to spend a lot on fuel because that is what they do. They have to put the crop in the ground. The government could help immediately by beginning to lower the taxes on fuel.

Although there have been some tough years for farmers in the last few years, when they do have a good year they spend an outrageous amount of money on income taxes. Over a 40 year period on the farm, I argue that the government takes hundreds of thousands of dollars in extra taxes from farmers. That is shameful. It should be lowering taxes.

In Europe they have high subsidies and high taxes. In Canada we could subsidize every taxpayer by cutting taxes. We could give our people a huge competitive advantage by lowering taxes but the government refuses to act. It continues to spend more and more every year and we never do get the tax relief that would help everyone.

Consider the taxes that are embedded in the cost of fertilizer and chemicals amounting to billions of dollars over the course of a farmer's lifetime spread out amongst all farmers. We are saying that the government should start to reduce taxes so that those input costs go down. If it did, farmers in Canada would have a fighting chance, but with this government in place it seems like it does not care. It is falling on deaf ears. This is such an obvious way to help not just farmers but everyone that I cannot understand why it does not move to do it immediately.

We see instead that taxes are going up. On January 1 we will see a big CPP tax hike and a personal income tax hike because of bracket creep. We will see the small business exemption eroded again because of bracket creep. We will see the \$500,000 capital gains exemption eroded because of bracket creep, which affects farmers. The government is raising taxes when we are already the highest taxed country of all of our major trading partners, one of the highest taxed in the world and they are still going up. That does not help farmers. That does not help anybody.

The government must put the effort into ensuring that Canada's trade interests are protected. It is not doing it today. In fact, the Americans and the Europeans are eating our lunch while the Prime Minister effectively holidays around the world. It also has to start to lower taxes for the sake of everyone. It is the fair and compassionate thing to do.

Mr. Jerry Pickard (Chatham—Kent Essex, Lib.): Mr. Speaker, I certainly have thought about the comments made by my colleague across the way. He makes it sound as though Canada's agricultural sector is really going down the tubes.

I would point out to him that annual exports in agriculture have risen from \$13 billion to \$22 billion over the last five years, the term of the government. That seems to be quite an increase in the amount of production and quite a success story for a major section of the economy in agriculture.

• (1355)

I would also like to point out that our supply managed commodities sector economy is doing very well at the same time. We are up \$250 million in exports from 1995 to 1998, a three year time period. We are up \$1.3 billion last year alone. Dairy receipts have increased by \$299 million.

When we talk about the increases in the millions and billions of dollars in exports—

The Speaker: I am sorry to interrupt the hon. member. I guess that was more in the form of a statement. Does the hon. member have a rebuttal?

Mr. Monte Solberg: Mr. Speaker, what I heard was the member denying that there is a problem for so many farmers today. Many farmers are going bankrupt. I wonder if he understands what that means on a personal level.

I happen to represent a rural riding. Many of the people who phone me are completely desperate because of the low commodity prices, thanks to European subsidies which my hon. friend failed to address, and because they are facing such high input costs, in part because of taxes, they simply cannot make it.

My friend did not address whether or not those exports he referred to meant more profit going into the pockets of farmers. Well, of course, the answer is no. There may be lots of exports going out, but if they cannot be done in a way that leaves people profitable, how does that benefit farmers? My friend over there is denying reality.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, once again the Reform Party continues to confuse people.

The member continues to say that the government should lower taxes and that lowering taxes is the answer to the farm problem. At the same time, his leader says that we need a comprehensive subsidy to protect our farmers from distorting trade practices around the world. What he is saying is to spend more money on subsidies and, by the way, reduce the taxes. Now let us be serious. The member cannot have it both ways.

Mr. Monte Solberg: Mr. Speaker, the Reform Party is very serious. We want to see the government re-prioritize its spending.

Why is the government giving billions of dollars in subsidies to profitable big businesses every year? I wonder if my hon. friend would answer that. Companies that are making profits of \$200 million a year are still getting subsidized by the government. We are arguing that should not be happening.

We are saying that there should be a trade distortion adjustment program put in place that protects farmers from the hurt caused by unfair foreign subsidies. We believe that it should be financed to a large degree by farmers. I do not think anybody argues with that. We want to see a long term program put in place that is GATT green and that protects farmers in the long run and not this ad hoc, trade distorting approach that the government is currently engaged in that ultimately helps one in two farmers. The farmers who do get some help sometimes are getting \$8 cheques from the government after spending \$500 to do the accounting for these stupid programs.

The Speaker: We will take up the debate after the question period. We will now proceed to Statements by Members.

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STATEMENTS BY MEMBERS

[English]

THE LATE CHARLES MERCIER

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, on September 30, 1999 the life of 34 year old, senior OPP Constable Charles Mercier was taken in a tragic highway accident while he sat in his cruiser in St. Catharines, Ontario.

Anyone who knew the 13 year OPP veteran knew that he was a kind and gentle man, with a good sense of humour and keen negotiating skills.

But Chuck Mercier was not just a police officer. First and foremost, he was a loving husband to his wife, Joyce Pavelich, a dedicated father to his children Michelle and Nicholas, a loyal son to his mother Hélène, and late father Clermont, and a good friend to his brothers Pierre and Paul.

To the Pavelich, Mercier and OPP families, I would like to express my deepest sympathies. During this time of unspeakable grief and sorrow, may they take comfort in their memories of an honourable man who chose an honourable profession. He will never be forgotten.

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SURREY SPIRIT OF YOUTH MURAL PROJECT

Mr. Chuck Cadman (Surrey North, Ref.): Mr. Speaker, I wish to acknowledge the work of the youth involved in the Surrey Spirit of Youth Mural Project.

Last summer over 50 students designed and painted 16 murals throughout the city. The project has now produced 23 murals depicting various themes reflective of our community, including the environment, multiculturalism, heritage and the celebration of youth.

The prime mover behind the project is the Surrey Crime Prevention Society under Jim King and Peter Maarsman. The project visionary and driving force is Marc Pelech, a high school art teacher.

• (1400)

Many local organizations and businesses contribute materials and funding, with support from all levels of government. The Spirit of Youth mural project is a good example of how people with vision can come together with business and government to enhance the communities we live in. I invite members to visit its website at www.surreycrime.bc.ca and click on the mural project.

My congratulations to all those involved, especially to the young artists who spent the entire summer, much of it under tarps, providing us with 16 more reasons we are proud to call Surrey home.

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SLEEP-WAKE DISORDERS CANADA

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, I am pleased to inform the House and all Canadians that October 25 to 30 has been designated National Sleep Awareness Week.

This week coincides with the changing of clocks to help remind us how important sleep is to our everyday lives. Over two million Canadians suffer from sleep disorders and in several cases many people are not even aware they are affected. Sleep disorders decrease the quality of life of many Canadians by decreasing alertness and the ability to perform effectively on a daily basis.

Sleep-Wake Disorders Canada, a national voluntary health organization, responds to the needs of people with various sleep disorders, ranging from the most common insomnia to sleep apnea where breathing stops several times during the night.

Sleep-Wake Disorders Canada recruits and trains many volunteers through chapters across the country that help people suffering from sleep disorders to improve their quality of life. The organization also distributes information, encourages research and establishes local self-help groups.

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CANADIAN PSORIASIS FOUNDATION

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, October is Psoriasis Awareness Month.

One million Canadians suffer from this non-contagious skin disorder. It is an unpredictable disease affecting both men and women of all ages. Psoriasis can have a devastating impact on a person's life, both physically and emotionally. One in five are hospitalized frequently.

The Canadian Psoriasis Foundation is helping by providing support and teaching those affected valuable coping skills. The foundation supports and encourages research activities to find a cure while also promoting public awareness of the disease.

I encourage all members of the House and all Canadians to support the work of the Canadian Psoriasis Foundation and to wish it a successful awareness month.

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[Translation]

TRUCKING INDUSTRY

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, an agreement to reduce the number of hours worked by truck drivers will be concluded in the next two weeks between the partners in the Canadian transportation industry.

Mr. Vaudreuil, the president of the CSD, in Quebec, feels that reducing the number of hours worked is a noble principle as far as health and safety are concerned. He is, however, worried about its effects on the income of the 900 trucker-owners in his association.

If the rates remain the same, the independent truckers will simply be earning less. This is less of an issue for the thousand or so unionized drivers in Quebec.

In order to settle the income issue, a consultation committee must be struck to bring together representatives of industry and of the various levels of government. According to Mr. Légaré of the independent trucker association l'Association des camionneurs artisans du Québec, the solution in Quebec depends on truckers' right to unionize or on the creation of a trade association to represent them.

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[English]

FESTIVAL OF LIGHTS

Mr. Deepak Obhrai (Calgary East, Ref.): Mr. Speaker, I rise today to extend again my personal invitation to all members of the House to attend the second annual Diwali celebration on Parliament Hill on Thursday, October 28.

Last year's celebration marked the first ever Diwali celebration on Parliament Hill and was a tremendous success due to the overwhelming support of the Indo-Canadian community. Again this year the community is joining together from coast to coast to celebrate the Festival of Lights.

This event is wholly sponsored by the Indo-Canadian community. Over 400 people are expected from across the nation. Regretfully the Liberals have brought politics into this important celebration by trying to undermine the event, but then they are famous for creating division among communities.

The event is being celebrated in room 200, West Block, on Thursday, October 28. The community would appreciate the presence of members.

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[Translation]

DR. KÉVORK BAGHDJIAN

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, last Saturday, Dr. Kévork Baghdjian, master defender of the Armenian cause, passed away in Montreal.

He leaves not just his own family members but also the entire Armenian community, to whom his death represents a monumental loss. The Armenian people has lost one of its most famous sons. Dr. Baghdjian devoted his entire life to defending the rights of the victims and survivors of the Armenian tragedy of 1915.

For many years, Dr. Baghjian headed the Fédération des groupes ethniques du Québec. That position made him a defender of the rights of all cultural communities making up the mosaic that is Quebec and Canada.

• (1405)

A proud Canadian, he took a public stand in favour of Canadian unity in the referendum debates on Quebec separation. Among his many distinctions, he became a member of the Order of Canada in 1978.

On behalf of all Canadians, I wish to express my condolences to his family and to thank this great Canadian for his untiring efforts on behalf of tolerance.

* * *

LIBERAL CANDIDATE IN HULL—AYLMER

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, the conduct of Marcel Proulx, the Liberal candidate in the riding of Hull—Aylmer, leaves something to be desired, to say the least.

Even the government's complacent ethics commissioner is obliged to admit that Mr. Proulx has stretched the rules of ethics a bit too far by not revealing his financial problems when he became Marcel Massé's chief of staff.

The allegation against Mr. Proulx is not of a criminal nature, of course, but his conduct says a lot about the lack of ethics he has shown in recent years.

Mr. Proulx certainly does not engender pride among the citizens of Hull—Aylmer, any more than he engenders pride among the members of the Liberal Party of Canada, even though Liberal supporters are trying to explain to the people of Hull—Aylmer that Mr. Proulx's behaviour is not so serious and that he can justify it.

The fact remains that Mr. Proulx has just entered politics with at least one strike against him already.

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PRESCOTT GALA OF EXCELLENCE

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, on Saturday evening, the Prescott business community held its gala of excellence with over 280 people in attendance at the Knights of Columbus hall in Alfred.

Daniel and Linda Lalonde, a brother and sister heading the Dan R. Equipment firm of Plantagenet, received the Prescott award of excellence, while a number of other people and businesses were given honourable mentions or similar awards.

I would therefore like to thank the organizers of the gala out for this opportunity to honour individuals and businesses in Prescott who went the extra mile in the past year.

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[English]

SUPREME COURT OF CANADA

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, the Leader of the Opposition has long called for a review process for potential candidates to the supreme court.

Today we see that the Premier of Ontario has joined Alberta in a call for provincial input into the appointments of supreme court judges. Academics and legal scholars as well as retired supreme court justice Gerald La Forest also agree.

Having the supreme court appointments made solely on the political preferences of the Prime Minister is a process that does not serve Canadians. The Institute for Research on Public Policy has revealed that 92% of Canadians do not support the Prime Minister having the sole authority to choose judges.

The charter of rights and freedoms requires Canadian judges to make rulings based on what is "reasonable". The Reform Party, political leaders and Canadians know it is also reasonable to have greater public scrutiny and input into who occupies the seats in the supreme court. This change must happen.

* * *

[Translation]

CANADIAN HEALTH RESEARCH INSTITUTES

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, on Friday, the Liberal government honoured a commitment it had made in the latest budget by announcing an investment of some \$65 million over two years in Canadian health research institutes.

The research institutes will be working to put in place the means to prevent the brain drain to the States, by, among other things, improving support to experienced and new researchers.

The creation of these organizations opens the way to a new era of research and innovation in the health field and to an improved quality of life for Canadians.

In the end, the people of Canada will reap the benefits of the work done by Canadian health research institutes.

* * *

SOCIAL UNION

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, on the eve of the meeting in Calgary to discuss the social union framework, Ottawa's unilateral decisions were providing fodder for sovereignists' claims that Canada was inflexible.

In order to avoid duplication, the NDP is proposing a model of open federalism based on shared decision-making.

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Shared decision-making would allow the federal government and the provinces to establish pan-Canadian standards jointly, while giving the provinces the authority to develop and administer shared cost social programs.

Because of the unique challenges it faces, however, Quebec must be free to decide whether or not it will participate in shared cost programs. To that end, Quebec must have the right to opt out with full compensation.

Instead of the confrontation of the Liberals, and the separation of the sovereignists, the New Democratic Party is proposing a constructive solution for a united Canada, a solution based on openmindedness.

* * *

LIBERAL GOVERNMENT

Mrs. Maud Debie (Laval East, BQ): Mr. Speaker, it seems pointless to ask the Liberal government questions. It is under investigation.

The Prime Minister is unable to answer for his actions during the APEC summit; there is an investigation under way.

The Minister of Canadian Heritage and the Minister of National Revenue are unable to answer questions about Telefilm Canada; an investigation is under way.

• (1410)

The Prime Minister and the Minister of Transport are unable to answer questions about the airline industry because the Canadian Transportation Agency and the European Union are conducting investigations.

One wonders whether the entire government is not under investigation. To every question of the least sensitive nature posed by the opposition, it seems that there is an investigation in the works that prevents the government from replying.

Yet the government's answers are one of the only forms of accountability it faces in our democracy. The government's refusal to answer is not serving democracy, on the contrary.

To what question will the government reply now? The bets are on.

* * *

[English]

LIBERAL PARTY OF CANADA

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, today is a very special day for parliament. October 25 marks the anniversary of a giant step forward for all Canadians. We have destroyed a \$42 billion deficit. Unemploy-

ment has gone down from 11.2% to 7.5%, the lowest rate in 10 years. We have seen 1.7 million jobs created since 1993.

On top of all this Canada has been ranked the best country in the world in spite of the Reform Party, and we have held that title for seven years now.

All Canadians can share in this pride and celebrate the Canadian way. Yes, today is the sixth anniversary of the Liberals taking office. We put Canada on the right track so let us clear the track for Canada.

* * *

EMPLOYMENT INSURANCE

Mr. Norman Doyle (St. John's East, PC): Mr. Speaker, recent Statistics Canada data on changes to the employment insurance program indicate that St. John's, Newfoundland, was one of the hardest hit among Canada's 28 large cities. The EI changes are costing the economy of St. John's about \$78 million annually, with only 40% of the unemployed in the St. John's region qualifying for benefits at all.

The Liberal government has made it more difficult for workers to qualify for benefits and those workers who do qualify receive fewer benefits for a shorter period of time. Many workers have been eliminated from the benefits system altogether. This is unconscionable, given the massive surplus in the EI fund.

What has happened to the employment insurance fund for the unemployed? It is high time that EI became UI again.

* * *

ALICE TAYLOR

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, the chapel was full last week as Ottawa paid tribute to Alice Taylor. Mrs. Taylor was the only Canadian ever to be called upon twice to represent Canada's Silver Cross mothers at the National War Memorial service on November 11.

Her husband, Richard, was a World War I veteran and their son, Richard, made the supreme sacrifice for his country at Caens on August 17, 1944.

To the day of her death just weeks before her 102nd birthday, Alice Taylor's zest for life was an inspiration to all who knew her.

When she gave up bowling a few years ago it was not because she was not physically able to continue but because her eyesight had become too bad to allow her to win as often as she liked.

To her son and his wife, her three grandchildren and her many friends, especially those at Regina Towers, we extend our sincere sympathies on the death of Alice Taylor.

CHILD PORNOGRAPHY

Mr. Richard M. Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, the Liberal member for Winnipeg South has demonstrated the arrogance and disdain toward decent law-abiding citizens that is the hallmark of the Liberal government.

The Canada Family Action Coalition, decent concerned Canadians, is pleading for the government to take parliamentary action against the possession of child pornography and the perverts who are part of this disgusting practice.

How did the member for Winnipeg South respond? He said “Protests from groups such as this coalition contribute to a lynch mob mentality that does not produce results”. What a shocking display of arrogance.

The Canada Family Action Coalition is comprised of decent Canadians who simply want to protect our society from child porn predators, obviously something the member for Winnipeg South cares little about.

ORAL QUESTION PERIOD

• (1415)

[English]

APEC INQUIRY

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the Prime Minister has repeatedly denied any personal responsibility in the security arrangements for the APEC conference. “I was not personally involved” was his story both inside the House and outside.

Now in documents obtained by the RCMP Public Complaints Commission, Superintendent Wayne May is quoted as saying, “Right now the Prime Minister of our country is directly involved”.

I would simply like to get a straight answer from the government. Whose story is true? The Prime Minister’s story or the one that is now coming out of the APEC inquiry?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the Prime Minister gave his position earlier today in the scrum just outside the House. I want to add that the commission is being carried out by a very distinguished former judge. It is up to him to run the inquiry, look at all the evidence in context and reach his conclusion.

The hon. member, if he is serious about the work of the commission, will let the commission do its work.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the Liberals have answered a thousand times before to let

Oral Questions

the commission do its work. The commission has done its work and it has produced a story which is a complete contradiction of what the Prime Minister has said and what he has said in this House.

If the Prime Minister is so determined to stick to his claims of innocence, will he repeat his story under oath in front of the APEC inquiry in Vancouver?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the premise of our hon. friend’s question is not valid. The commission has not ruled on these documents. They have simply been entered into the record before the commission. It is up to the commissioner to weigh them along with everything else before the commission.

Furthermore, and I will end on this point, it will be up to the commissioner, Mr. Justice Hughes, to decide how to manage the hearings of the commission. It is not up to the Leader of the Opposition.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the security arrangements at the APEC conference were prejudiced by the Prime Minister’s concern that Canadian students might embarrass some foreign dictator. He was prepared to suspend the democratic rights of those students rather than embarrass a foreign despot. His response when things turned ugly was a few pepper jokes and deny, deny, deny any responsibility.

I will ask again. How does the Prime Minister explain the discrepancy between his story and the story that is coming out of the APEC inquiry, if in fact he is telling the truth?

Some hon. members: Oh, Oh.

The Speaker: Order. Colleagues, we are coming very close now so please, let us back off just a bit.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I think members of this House and Canadians will reject the sleazy innuendo in the hon. member’s question. Furthermore, if the hon. member wants to be taken seriously, then his question should be based on truth rather than what he is trying to get across wrongly in this House.

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, it turns out that the Prime Minister is not the only one being hung out to dry now that we know some of the facts. His former operations director, Jean Carle, gave evidence that contradicts the facts that are now in the public domain. It is not just the fact that the Prime Minister squashed Canadians’ rights, it is the cover up.

When Jean Carle gave evidence repeating the Prime Minister’s claim of innocence, was Jean Carle not telling the truth or was he just covering up for the Prime Minister?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the Prime Minister has stated his position inside and outside the

Oral Questions

House. Mr. Carle has testified as a former member of the Prime Minister's staff, as have existing members. All this is before the commission. What the hon. member says are facts adverse to the position of the Prime Minister have not been found as such by the commissioner. Let the commissioner do his work.

• (1420)

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, the reality is that the Prime Minister cannot have it both ways. He has repeatedly stated that he was not involved in the APEC affair, that he was not involved with the RCMP, yet the transcripts of Superintendent Wayne May state the contrary. Is it the government's position that Wayne May is a liar?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, all I know about the transcripts is what I read in a newspaper. I invite the hon. member to look at the excerpts from the transcripts very carefully. I do not think they support the unwarranted innuendo and insinuation in his question.

* * *

[Translation]

GREENHOUSE GASES

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in Kyoto, in 1997, a number of countries, including Canada, made a commitment to reduce their greenhouse gas emissions by 6%.

We learn now that Canada, far from being a leader in this area, is adding to the problem and is at the bottom of the list of countries with a 13% increase in these emissions.

Beyond its fine speeches on the quality of life, is the government intending to take specific measures to achieve the 6% reduction objective and how does it intend to do so?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, yes, currently, members of the private sector and of various governments are looking together at ways Canada could act in order to achieve the level of 6% below that of 1990.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, we would like to congratulate the minister, but we have been hearing this speech for a long time. There has been no 6% reduction; there has been a 13% increase. So we are 19% behind the objective sought. This is a miserable performance.

What specific measures will he propose at the upcoming Bonn conference?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, growth in the Canadian economy has increased the level of CO₂. It is true we have had considerable economic growth, but at the same time, we are now working with the private sector to

define and establish the best ways to achieve the 6% reduction below the 1990 level.

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, the federal government's lax attitude toward greenhouse gases and its inability to make a commitment in the areas under its responsibility are yielding disastrous results.

Will the government admit that its negative performance in connection with greenhouse gases, the significant increase in CO₂ emissions into the atmosphere, is directly linked to the government's spinelessness, to its lack of planning of any concrete measures to reduce industrial emissions in Canada?

Hon. David Anderson (Minister of the Environment, Lib.): No, Mr. Speaker, the plan we established several years ago is in place. We will continue with what we have decided to do.

I should add that the period during which the Kyoto objectives would be in effect would be from 2008 to 2012. There are a number of years left until then.

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, does the government not understand that, because it caved in to Alberta quite simply to get some votes, Canada is in the process of gaining the worst reputation on the planet for the reduction of greenhouse gases.

[English]

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the problem to which the hon. member refers is that of a rapidly expanding Canadian economy. On this side of the House we take pride in the fact that our economy has performed very well. There has been a great increase in the number of jobs in all provinces, including Quebec.

On the other hand we do have to achieve those Kyoto targets. We fully intend to. That is why we are working together with the private sector and the provinces to make sure we do put ourselves on the path to achieve the Kyoto targets of minus 6% of 1990 levels in the years 2008 to 2012.

* * *

• (1425)

APEC INQUIRY

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, at the APEC inquiry today, Staff Sergeant Hugh Stewart takes the stand. The question is will Hughie also take the fall?

The Prime Minister has not agreed to testify, but let me put the question that he would be required to answer if he did. Did the Prime Minister ever discuss with any RCMP official the subject of the APEC protesters? If not, how is it that so many police officers seem to think he did?

Oral Questions

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the Prime Minister has already dealt with that question as recently as this morning outside the House. Also, Sergeant Stewart has not testified as yet, at least I have not received any reports of his testimony.

I do not know why the hon. member and other opposition members want to have a parallel system of inquiry in the House. Are they trying to undermine the APEC inquiry? Why do they want to do that?

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, Canadians know who the real Sergeant Pepper is. The reason that they know is that RCMP transcripts show the Prime Minister's hands all over the grinder.

Since the Prime Minister refuses to answer to this House, will the real Sergeant Pepper come forward and volunteer to testify at the APEC inquiry?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I repeat, there is an inquiry under way headed by a distinguished former judge. He is listening to evidence. He is studying documents. I do not know why the hon. member wants to try to undermine his work. Let the commissioner do his work. Why not support the commissioner?

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, recent inquiry evidence has left Canadians wondering who is telling the truth about security at APEC. Transcripts from Superintendent Wayne May clearly indicate that police removed student demonstrators on the Prime Minister's orders. May states that there were no security risks but political pressures were real. Conversely, the Prime Minister maintains that allegations of his involvement are based on no facts at all. The facts are real.

How can the Prime Minister continue his intransigent denials over the evidence of three senior RCMP officers who claim the interference came from the PMO?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I invite the hon. member to look at the article in the *National Post* which led to all this discussion. If he looked at the extracts quoted there from the transcripts in question, he might have a different conclusion than the one the hon. member alleges in an unwarranted way.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, if we wanted the Gray line, we would take the bus. The preprogrammed responses of the solicitor general and the Deputy Prime Minister are getting tired.

With the mounting evidence that points to direct political interference from the Prime Minister's Office and growing incon-

sistencies between him and the RCMP, will the Prime Minister himself request to testify at the APEC inquiry, or is he prepared to further undermine the confidence and credibility of our national police force to hide his own involvement?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, it is a matter for the commissioner to decide how the commission hearings are to be run. Let us let the commissioner make these decisions.

Speaking of a bus, it is obvious that the wheels have come off the Conservative bus. If that was not the case, they would not be asking these questions that have no relationship to the lives of Canadians. The Conservatives, like the other opposition parties, must feel we are doing a wonderful job when it comes to the economy, when it comes to interest rates, when it comes to lowering taxes. Otherwise they would ask questions about these matters.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, the Prime Minister claims he did not directly contact the RCMP. Yet his chief of staff and his chief of operations both visited on site to talk with the RCMP about security arrangements. In fact, the Prime Minister was scheduled to go along with them to discuss those security arrangements and only cancelled that meeting at the last moment.

Throughout his career the Prime Minister has told Canadians that the buck stops with him. Now that it has been proven that his senior staff were directly involved with security arrangements at APEC, would he have us believe that they were doing this all on their own, or is he just trying to pass that buck?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the senior members of the Prime Minister's staff in question have testified before the commission. They have answered questions fully and freely.

I suggest the hon. member refer to what they had to say. I think if he looks at those answers in a dispassionate and open-minded way he will be satisfied with the answers.

• (1430)

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, looking at the facts fairly, it looks very damning for the Prime Minister.

We have land that was leased by the federal government for what it calls security purposes. We have Jean Carle, the chief of operations, who toured the site. We have the chief of staff who toured the site at the request of the Prime Minister, and the Prime Minister was scheduled to go with him.

How can the Prime Minister say that he was not intricately involved in the security arrangements at the APEC site when all of those facts point directly to the Prime Minister's Office and directly to his involvement?

Oral Questions

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the staffers from the Prime Minister's Office in question have testified at length before the commission.

I suggest to my hon. friend that he review their evidence and I think he will have the answers he is seeking.

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[Translation]

AUDIOVISUAL PRODUCTIONS

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, last week the Minister of Canadian Heritage told us that MUC police would meet with the RCMP, officials from her department and officials from the Department of National Revenue in order to discuss the issue of television production and of subsidies given out to companies that used other people's names.

My question is for the Minister of Canadian Heritage. How does the minister explain the fact that the meeting scheduled for last Thursday with her officials and representatives of National Revenue did not take place as she had announced it would?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, for seven days now, the member has been making wide-ranging and unfounded allegations, but he does not have the courage to repeat these allegations outside the House.

That having been said, I again urge the member to contact the authorities directly, because he is well aware that an RCMP investigation is already under way.

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, it is amazing. There was an investigation in 1997 and the minister has done absolutely nothing about it since then.

Since there is a police investigation into federal production subsidies, should there not also be an investigation by the auditor general into the administrative procedures in use at Telefilm Canada in order to cover all aspects of this matter?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I would urge the member, who is still making allegations, to listen to his leader, Lucien Bouchard, who had the following to say in Los Angeles two days ago "I do not wish to comment on all that. Unless the facts show otherwise, I do not think that CINAR is being specifically targeted".

If he will not listen to me, please listen to Lucien Bouchard.

The Speaker: I remind members that they must always address their remarks through the Chair.

The hon. member for Skeena.

[English]

ABORIGINAL AFFAIRS

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, the taint of closure is already attached to the Nisga'a treaty because of the way the provincial NDP administration in Victoria rammed it through that legislature.

We were scheduled for two days of debate on the Nisga'a treaty in the House this week but we now find that we will only get one day, and that is tomorrow.

Is it the government's intention to invoke time allocation before we have even had one minute of debate in the House on the Nisga'a treaty?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the question of the time allocated for debates is negotiated among House leaders. There is a question put in the House on Thursday afternoon with respect to the agenda for the following week.

I would invite the member opposite to consult with his House leader. If they are not on good terms I will gladly act as an intermediary to ensure that they can speak to each other.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, that was a perfect non-answer, so I will try it with the Minister of Indian Affairs and Northern Development.

Today is the deadline. Today is the day that the Musqueam leaseholders are told to pay up their \$70,000 to \$80,000 leases or get evicted from their houses.

There is still time to reverse that decision. Does the minister intend to evict those people or will he revisit that decision, reconsider and tell those people that they will not lose their homes?

Hon. Robert D. Nault (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I do not know of any deadline today, so I do not know what the member is talking about.

* * *

[Translation]

GENETICALLY ALTERED FOODS

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, in a letter sent recently to the Minister of Health, 200 federal experts on food quality and safety argued that significant gaps existed in research on transgenic food.

My question is for the Minister of Agriculture. Is the fact that 200 experts are telling the Minister we lack the means to assess the quality of the food we eat every day not enough reason for the government to act as soon as possible to resolve the problem?

Oral Questions

• (1435)

[English]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I explained to the hon. member in this place last Friday how the food inspection system works in Canada. The ministry of health sets the standards and the guidelines, the Canadian food inspection system monitors and enforces them and the ministry of health audits and monitors the work of the Canadian food inspection system. There are checks and balances between the ministries to ensure that the food provided to Canadians is safe.

[Translation]

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, is the minister prepared to review his policy on assessing GMOs, genetically modified organisms, in response to the concerns of scientists and the public at large?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I would like to ensure the hon. member that all genetically altered foods are submitted to the Department of Health, and that a team of experts evaluates the situation with each product in order to determine if safety standards have been met.

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*[English]***ABORIGINAL AFFAIRS**

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, the Minister of Indian Affairs and Northern Development was asked whether the Marshall decision regarding the native right to fish also affected natural resource areas. This was his response: "In my mind I think it does".

He has magnified the fallout of the Marshall decision. Does the minister believe that the Marshall decision applies to Sable Island natural gas as well?

Hon. Robert D. Nault (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I am working very closely with my provincial colleagues to get to the negotiating table with the Mi'kmaq people to come up with an Atlantic specific solution to a very complex issue. We are working very closely with them and we would like to, if we could, have this negotiation with the players and not with the opposition in the House.

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I remind the minister that opposition parties are here to get to the bottom of it, and it is policy on the run over there.

The government has an obligation to bring clarity to the Marshall decision. The Indian affairs minister has refused to seek that clarity. The Marshall decision is bringing significant problems to

the management of all natural resource industries. Thousands of jobs are at stake and the government is turning a blind eye.

Why is the government allowing chaos and the courts to define its natural resource policies? Where is the leadership and the vision?

Hon. Robert D. Nault (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, the answer to the question posed by the member is very simple. We in this place have had a number of court rulings on aboriginal rights defined for us in a very limited way. It is now the role of governments to go to the table and negotiate with first nations what those rights would mean in a very modern context, and that is what we propose to do.

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*[Translation]***AIR TRANSPORTATION**

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, in the past the government has taken steps on several occasions to keep a second airline alive on life support, on the pretext that the country needed two carriers, in its opinion.

My question is for the Minister of Transport. Given the several occasions on which it has kept Canadian Airlines alive artificially, how can the government now be preparing, under the pretext of allowing market forces to operate freely, to change the rules in order to favour one group over another?

[English]

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, many things have changed in the last year or so. First, the position of Canadian Airlines has become very vulnerable. It was the chief executive officer of that airline who talked about the inevitability of having one national flag carrier but with strong regional carriers to provide competition.

This is one of the many complex issues we have to look at in the coming weeks and I know the hon. member would like to pursue that line of questioning tomorrow when I go before the committee.

* * *

• (1440)

INFORMATION HIGHWAY

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, my question is for the Minister of Industry. The minister has stated a number of times his goal of making Canada the most connected country in the world with respect to the information highway. Adults in small and rural communities who have missed out on training programs are feeling even more left out of the new information highway.

Oral Questions

How can the minister ensure that Durham as well as other rural areas across the country are being plugged into the information technology of the 21st century?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, raising the needs of rural communities across this country is a vitally important aspect of the connecting Canadian strategy. I think of organizations like the Bowmanville Centre for Individual Studies in the riding of Durham, as well as others across the country where we have already connected over 4,000 rural and remote communities through public access Internet sites in those communities.

On top of that, as of March 30 we had connected the last of Canada's schools. Every school in this country is now connected to the information highway. We are the first country in the world to have accomplished this. We will be putting 250,000—

The Speaker: The hon. member for Medicine Hat.

* * *

TAXATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the bond rating agencies who judge the nation's finances are giving the throne speech a big thumbs down. That is what they are telling the provinces. Likewise, they know that the government's phoney tax cuts are actually tax hikes. Now Alberta, Ontario and Quebec are so concerned about the government's high debt-high tax policy that they are seeking an extraordinary meeting with the finance minister next month.

Why does it take the provinces to bring this to the finance minister's attention, a problem that everyone recognizes except the finance minister and the government?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I know the finance minister is very much looking forward to a meeting with his counterparts from each of the provinces. He sent them an invitation over a month ago.

I and members on this side would put on the line our record in terms of proper fiscal management, having brought our nation's finances into order. At the same time as we have cut taxes in each and every budget, we have made strategic investments in the things that are going to make us strong in the 21st century.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the government's record is a criminal record. The people who are being robbed blind are the Canadian taxpayers.

Some hon. members: Oh, oh.

The Speaker: I know that the hon. member is coming to his question now.

Mr. Monte Solberg: Mr. Speaker, everybody wants to see lower taxes in Canada: the provinces, the bond rating companies and certainly the public.

When is the government going to quit playing let's pretend and actually start to lower taxes?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, in the first budget we cut taxes for Canadians with disabilities. We cut taxes for the voluntary sector. We cut taxes for families with children. In the last two budgets we cut \$16.5 billion in personal income taxes. This year Canadians are paying \$5.25 billion less in EI premiums.

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HOMELESSNESS

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I just attended an Ottawa luncheon where the minister responsible for homelessness helped to launch a new "just add water" food product for food banks. Food banks deserve all the help they can get, but we cannot build homes just by adding water.

The minister said at the luncheon that she dreams about a day when homelessness will not exist. Feeling sorry will not help. Nice words will not help. When is the government going to end homelessness by simply building good social housing?

Hon. Claudette Bradshaw (Minister of Labour, Lib.): Mr. Speaker, since my trip finished on August 10 my staff have not had a weekend or an evening off. We are considering every report that we receive. People have told us what needs to be done. My report will be presented to my caucus members. This caucus takes homelessness and children very seriously.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I think the homeless and people in need of housing are fed up with waiting. We have heard not one peep and not one unit of housing has been built since this tour.

• (1445)

What is the minister's solution? Why is Canada the only industrialized country without a national housing strategy? Is the solution to just add water and forget the housing?

The Speaker: I would ask hon. members not to use props in the House.

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the Government of Canada is investing \$1.9 billion in social housing on an annual basis.

We continue working with the provinces. We are investing \$300 million in the RRAP. Last year, in our public-private partnership program, we built 2,100 new units of affordable social housing. We are continuing to work with that program and this year another 3,000 units will be built.

Oral Questions

I am working with my colleague who is the co-ordinator for the homeless. Just last year in Toronto we spent over \$13 million on the homeless. Maybe the hon. member should look at that.

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[Translation]

HEALTH

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, my question is for the Minister of Health.

Instead of the GST being scrapped, what has been scrapped in Canada, in Quebec in particular, is the health system.

I would like the minister to confirm that the principle of accessibility to which all Canadians have a right is being respected, when tens of thousands of people are either on waiting lists or being forced to go out of the country for care.

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, yes, we firmly believe in the principles of the Canada Health Act. Some months ago, all provincial premiers reiterated their commitment to those principles.

It is our intention to ensure that everyone respects these principles. We recently increased transfer payments to the provinces in the health field in order to ensure they would be in a position to delivery quality services to everyone.

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, I would simply like to know whether the minister feels surgeons are wrong in saying that waiting lists are growing by the day and that they are being made martyrs of those lists.

This morning in Chicoutimi, 2,857 people were on surgical waiting lists. It is not all to transfer funds, national legislation must be enforced. The Canadian Health Act exists and must be enforced.

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, we must respect its principles and we must administer the system in such a way that services are available.

Yes, we are having problems within the health care system, but Mrs. Marois and the other ministers of health are working at this time on finding solutions to those problems.

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EAST TIMOR

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, for thousands of East Timorese displaced after the independence vote, the situation in East Timor is still serious. Humanitarian organizations are having trouble responding to the needs of the Timorese, who are homeless and suffering from malnutrition.

Will the minister tell the House what action is now being contemplated to respond to the humanitarian crisis in East Timor?

Hon. Maria Minna (Minister for International Cooperation, Lib.): Mr. Speaker, Canada's response to the humanitarian crisis in East Timor has been speedy and effective.

[English]

Today I am pleased to announce an additional \$1.5 million to the money that was announced some time ago with respect to assistance in East Timor. This brings Canada's contribution to \$2.9 million since the crisis in East Timor started.

Canada's contribution will, among other things, assist the victims of violence and provide them with the very much needed food and shelter.

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TAXATION

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, the government is doing a lousy job in reducing taxes, according to an internal poll of Canadians from the finance minister's own department. The poll came out after the government's alleged tax relief program came into effect.

Why is there no plan for real tax relief when Canadians are saying that the government has done a lousy job in reducing their taxes?

• (1450)

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I think we better look at what Reform is really asking for. Its budget plans have called for \$52 billion in tax cuts and debt relief in its third year.

Last session, we asked the Reform Party time and time again what it was going to cut to pay for it. I would like to suggest that maybe in this session of parliament it will come clean with Canadians and tell us what it is going to cut. Is it going to be health care? Is it going to be equalization payments? Is it going to be education? Is it going to be aid to western farmers?

* * *

[Translation]

PARENTAL LEAVE

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

The minister maintains that the parental leave announced by her government will actually meet women's needs.

Oral Questions

Does the minister not understand that the 700 hour minimum to qualify for EI benefits is much too high for most claimants and that it must be lowered to 300 hours if the minister truly wants to see more women benefit from parental leave?

[English]

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, through our monitoring and assessment report, we have learned to become concerned about some of the unintended effects of the 1996 reform. We are working on those. Our first announcement has been to double the parental benefits allowable under EI for maternity leave. We are also examining the question of hours at this time.

* * *

TOBACCO

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, a report released today shows that the 1994 Liberal rollback of cigarette taxes and the cave-in to the tobacco industry is killing our kids. More young people are smoking today than when the Liberals took office. What a legacy for the millennium.

I know the Minister of Health has had his own trouble standing up to the tobacco industry but it is not too late to start standing up for young people.

What level of taxation on cigarettes is he recommending to his cabinet colleagues? What measures is he taking to ensure that the government has a policy for linking pricing and prevention?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, ever since we brought in our national strategy against smuggling in 1994, we have been very strongly in favour of increasing the taxes on tobacco products. As a matter of fact, we have done this three times already.

We are currently in negotiations with our four partner provinces to bring these taxes even higher. We will raise those taxes just as high as the circumstances relating to smuggling will permit.

* * *

[Translation]

APEC INQUIRY

Mr. Mark Muike (West Nova, PC): Mr. Speaker, why does the Prime Minister not admit what we already know: his direct culpability in the way security was implemented at APEC?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I reject out of hand the premise on which the hon. member's question is based.

Let us allow the APEC inquiry to do its work. All these questions are up to the Hon. former Justice Hughes to decide. So let us allow the tribunal to do its work.

Why does the hon. member want to hinder the important work of this inquiry?

* * *

[English]

ELECTIONS CANADA

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, on November 19 Elections Canada will be hosting a vote in schools across Canada. This exercise will require all school-aged students to select the right, as defined in the UN Convention on the Rights of the Child, which they feel is very important.

Given the controversial nature of the convention, why is Elections Canada involved in this exercise, and why have Canadians not been informed of this?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Elections Canada and UNICEF together offer a simulated election program to young Canadians to help our future citizens in understanding and participating in the democratic franchise.

This exercise, of course, is binding on no one. It is merely a simulated election. It is part of the mandate in the Elections Act which we, as a parliament, have given to Elections Canada in terms of public education for our future citizens.

* * *

TAXATION

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, the government has made the ridiculous claim that it cares about people but its high tax policies hurt people.

● (1455)

The government chooses to take \$6 billion in income taxes from low income people earning less \$20,000 a year. Where is the proper fiscal management in that? Where is the wisdom for the economy? Where is the compassion for people? Where is that in a high tax policy?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, we are the government that has taken 600,000 low income Canadians off the tax rolls. We are the government that has extended the child tax benefit by \$2 billion, up to a total of \$7 billion.

The Reform Party's program calls for \$52 billion in cuts. How do Reformers get this figures? Is it because there are 52 weeks in a

Oral Questions

year? Is it because there are 52 cards in a deck or did they just pull it out of thin air? That is what is criminal about that party.

The Speaker: I wish we would stay away from the word criminal today and for the rest of the day.

* * *

[Translation]

TELEPHONE SERVICE

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, last week, the CRTC refused to create a national access fund for residents served by Québec Téléphone and Télébec. According to the CRTC in its decision, these subscribers will have to face increases in basic telephone service rates.

The Minister of Industry has shown his insensitivity to rural communities in the past in the matter of parabolic antennae and is showing it again today in the case of rural telephone service.

Does the Minister recall that the Telecommunications Act provides that rural populations like urban ones are entitled to basic affordable telephone service and that he has the power to act and correct the situation?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the government's real priority is to ensure that all Canadians have access to quality telephone service. It may be said that over 98% of Canadians currently have ready access to one of the best telecommunications systems in the world at prices that are truly affordable compared with all of the world's other countries.

We have received this decision by the CRTC. There may be an appeal, and I cannot comment.

* * *

[English]

NAV CANADA

Ms. Louise Hardy (Yukon, NDP): Mr. Speaker, my question is for the transport minister.

When Navigation Canada was privatized the Yukon was assured that there would be no reduction in service. The traffic controllers have been laid off. The new VOR navigational system that was installed does not work. Planes have been turned back. I was on one of those planes. It is not half an hour's drive to Vancouver from Whitehorse.

The suggestion was made that the problem was that Canadian Airlines' standards were just too darned high. It could land those planes without any visual assistance and without an air traffic controller.

Will the minister make sure that every plane can land safely in the Yukon?

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, not only can every plane land safely in the Yukon, but anywhere else in Canada because safety is the top priority for Transport Canada.

Nav Canada, as the hon. member knows, was commercialized some time ago. It now makes its own judgment on what staff to deploy in what circumstances following very technical requirements that are approved by Transport Canada.

On the specifics, I will certainly have a look at it to assure the hon. member that safety in the Yukon is really a priority.

* * *

[Translation]

APEC SUMMIT

Mr. Mark Muise (West Nova, PC): Mr. Speaker, the PMO must be pretty worried about Staff Sergeant Hugh Stewart's testimony before the APEC inquiry. It was expecting the RCMP to assume responsibility.

Is the Solicitor General of Canada going to allow an independent judiciary inquiry into the extent of political interference at the APEC summit?

[English]

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, my hon. colleague is well aware of the Public Complaints Commission. It is an independent body and it is entirely inappropriate that this member and other members want to conduct this hearing on the floor of the House of Commons.

* * *

[Translation]

AUDIOVISUAL PRODUCTIONS

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, last Friday in this House, the Parliamentary Secretary to the Minister of Canadian Heritage told us that the meeting she had announced between the RCMP and her departmental staff had not taken place. Today, when asked why it did not, she told us that we are making unfounded allegations.

Why is the Minister of Canadian Heritage taking such care to sidestep our questions on an issue of such fundamental importance? What exactly does she have to hide?

• (1500)

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, once again during Oral Question Period, the hon. member is trying to make unfounded allegations.

Privilege

Last week I asked him, not once, not twice, but three times, as did the parliamentary secretary, to deal directly with the RCMP if he has allegations to make. The RCMP will look into them and will then report to us.

* * *

[English]

ABORIGINAL AFFAIRS

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, earlier in question period I asked the Indian affairs minister about his eviction notice to the Musqueam leaseholders which expires today. He told them that they have to pay their leases today or they are out of their houses. He said that he was not aware of a deadline.

I have a copy in my hand of a letter signed by the department of Indian affairs confirming that deadline. Will the minister reverse that decision, or will he see these people evicted out of their homes and on to the streets?

Hon. Robert D. Nault (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I sent a demand letter asking the leaseholders from Musqueam to pay their rent. After the 25th we will look at our options.

There is no eviction notice, and quite frankly the member should get his facts straight.

The Speaker: I am looking at a few more statements on a question of privilege. I would ask the hon. member who brought forth the question of privilege or contempt to be very concise in what she will say.

The reason I say this is that I do not want to get into a back and forth debate. I realize, and I can say this, the hon. member was not here the other day through no fault of her own when the government House leader made his statement. That is why I am permitting the hon. member to intervene now, but I would ask her to be very precise in what she has to say.

* * *

PRIVILEGE

CANADIAN SECURITY INTELLIGENCE SERVICE

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, I thank you for the opportunity to respond to the comments of the government House leader of Thursday, October 21, 1999, concerning my question of privilege.

Most of the comments of the government House leader in arguing that this was not a question of privilege concerned the CSIS answer to Question No. 36 on Document No. 17.

• (1505)

I wish the government House leader had read further in my submission of documents. If he had he would have seen document

20 which shows that in responding to question 36, CSIS provided an inaccurate answer by not mentioning the 107 press releases, newspaper clippings, and radio and television transcripts as part of the material that CSIS forwarded to the plaintiff.

At document 21, in responding to question 36, CSIS claims that videotapes were passed to the plaintiff in response to a request from him. Yet in the plaintiff's own sworn testimony he stated "They were provided to me without my asking".

At document 22, in responding to question 36, CSIS claims that it provided only one CSIS policy document to the plaintiff. Yet in the very affidavit that CSIS was being cross-examined on it listed five separate policy documents.

In this one answer CSIS has provided three separate inaccurate responses, yet the government House leader would have us accept this very same answer as the authority that CSIS did nothing wrong.

On the topic of collection of information by investigative bodies, I would like to bring the following to the attention of the House. Beauchesne's 6th edition, citation 98, states in part:

Members have raised, as a matter of privilege, the question of police files being maintained on members.

The Speaker refused to recognize these as questions of privilege unless the charge was specific and unless the dossier referred to the individual as a member of parliament rather than as an ordinary citizen.

My circumstances are certainly specific. Not only are we aware—

[Translation]

Some hon. members: Oh, oh.

The Speaker: Order, please. I would like to hear what the hon. member has to say.

[English]

Ms. Val Meredith: Mr. Speaker, not only are we aware that CSIS collected my press releases but also newspaper clippings, radio and television transcripts of my comments. I have provided the House with a list of 107 such documents that CSIS collected. It is also clear that every one of those documents referred to me in my role as a member of parliament, not as an ordinary citizen.

In 1971 in the House the then solicitor general mentioned that the RCMP held files on some members of parliament. A question of privilege was raised by Ged Baldwin, the member for Peace River. Speaker Lamoureux ruled on April 20, 1971, as reported in *Hansard* at pages 5071-2, that:

—it would be imprudent of the Chair to project the question of police files beyond the circumstances or conditions raised by the . . . member and beyond the particular circumstances alluded to by the minister in his reply.

However, he went on to state that the matter was very serious and if any special circumstances were brought to the attention of the House and the Chair to the effect that members were in some way intimidated in their work or prevented from discharging their duties freely and without hindrance, there would be no hesitation in recognizing the matter as a breach of privilege.

I contend that the circumstances in my case are exactly the type of special circumstances to which Speaker Lamoureux referred. I remind the Chair that when that incident took place CSIS did not exist but was in fact the RCMP security service.

Thus I suggest that there is precedent that the mere collection of information by the police or similar agency is sufficient to find a breach of privilege. However in my case there is so much more.

In his comments the government House leader stated that the CSIS disclosure of information was not improper. He made no reference to section 19 of the CSIS act which is found at document 9 and specifically prohibits unauthorized disclosure.

He also failed to refer to section 3.7 of the chapter on conduct in the CSIS human resources policy manual, which is document 10 and states:

Employees must not support or oppose any person, organization or product by using information obtained through their employment by the Service, except when authorized by the Director.

• (1510)

The government House leader did not even attempt to defend the CSIS abandonment of the non-partisan role of the public service by taking an active role in the preparation of a lawsuit against a member of parliament, including having its legal counsel provide the plaintiff and the plaintiff lawyer with advice.

Nor did he attempt to defend CSIS for its efforts to frustrate my ability to resolve the lawsuit by misusing its extraordinary authority to protect national security and by being twice sanctioned by the federal court for misconduct and deliberately misleading the court.

Instead the government House leader says I should take my complaint to the Security Intelligence Review Committee just like any other Canadian. However in my role as a member of parliament I am not just like any other Canadian. Members of this House and the House of Commons in Great Britain have for centuries recognized the need for members of the House to protect their rights and privileges if they are to carry out their duties in an effective manner.

Speaker Sauvé confirmed the need for such protection in 1983 when she found that there was a prima facie question of privilege when a newspaper accused a member of a criminal offence. The parallel to this case is that there was another avenue open to that

Routine Proceedings

member, namely the courts, and in my case the government House leader is suggesting that I have SIRC available to me.

In her decision of March 22, 1983, as reported in *Hansard* at pages 24027-8, Speaker Sauvé found that the authorities and precedents agreed that even though a member can seek remedy in the courts "he cannot function effectively as a member while this slur upon his reputation remains". Since there is no way of knowing how long litigation would take, the member must be allowed to re-establish his reputation as speedily as possible by referring the matter to the Standing Committee on Privileges and Elections.

While I do indeed have the right to complain to SIRC, it is more important for myself, all my colleagues in the House and those who follow us that we make a clear statement in defence of our rights and privileges as members of parliament. If we are to follow the advice of the government House leader then we are abrogating our responsibilities and abilities to protect our rights and privileges. Thus there is absolutely no reason why we should feel compelled to defer the protection of our rights and privileges to an outside body.

I believe the defence of our rights and privileges can only be accomplished with your finding a prima facie case of privilege and/or contempt, Mr. Speaker, and I urge you to do so.

The Speaker: I thank the hon. member. Now I will deliberate on all the facts that have been put before me and I will come back to the House.

ROUTINE PROCEEDINGS

[English]

FOOD AND DRUGS ACT

Mr. Paul Szabo (Mississauga South, Lib.) moved for leave to introduce Bill C-260, an act to amend the Food and Drugs Act (warning labels regarding the consumption of alcohol).

He said: Mr. Speaker, this bill was first introduced to parliament and continues to be before parliament since June 20, 1995.

The bill seeks to establish a requirement to have health warning labels placed on the containers of alcoholic beverages to caution expectant mothers and others of the risks associated with alcohol consumption. Alcohol is the only consumer product in Canada which can hurt if misused and does not warn the consumer of that fact.

I am pleased to reintroduce the bill and I seek the support of all members for this important health initiative.

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

Points of Order

• (1515)

MEMBERS OF PARLIAMENT SUPERANNUATION ACT

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Ref.) moved for leave to introduce Bill C-261, an act to discontinue the retiring allowances payable to members of parliament under the Members of Parliament Retiring Allowances Act and to include members of parliament in the Public Service Superannuation Act and to discontinue members' tax free allowances for expenses and include the amount in members' sessional allowances.

He said: Mr. Speaker, although the timing is accidental, it is probably a good time to reintroduce my private member's bill dealing with pensions. The bill has two simple parts.

The first part is to implement the Blais commission recommendation to discontinue the tax free allowance, grossing it and taxing it as regular salary. Members of parliament will be taxed like all other Canadians and will feel the impact of any tax changes.

The second part is to eliminate the MP pension plan in its entirety and to enrol all MPs into the superannuation program so they too will be affected by whatever changes in legislation affect that. Members of parliament would have the same pension as all civil servants including their own staff. I believe that is a fair and equitable way to end the controversy on this once and for all.

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

* * *

CRIMINAL CODE

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC) moved for leave to introduce Bill C-262, an act to amend the Criminal Code (impaired driving causing death or injury).

He said: Mr. Speaker, this is a practical change that would affect the ability of police officers to gather samples of blood at an accident scene. It could be used in the prosecution of impaired driving cases before the courts. This is a very practical change. It would empower police officers to deal with the very serious and increasingly dangerous situation that exists on the roads and highways of this country.

I would encourage all members of parliament to consider supporting this private member's bill.

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

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if the House gives its consent, I move that the third report of the Standing Committee on Procedure and House Affairs presented to the House on Friday, October 22, 1999 be concurred in.

The Deputy Speaker: Is there unanimous consent to proceed with the motion at this time?

Some hon. members: Agreed.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

* * *

POINTS OF ORDER

BILL C-260

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, earlier I tabled a private member's bill which I indicated had been in the last parliament. That bill went through second reading and was passed. It went to committee and had hearings but died as a result of the prorogation of the House. Therefore, I seek the unanimous consent of the House to have the bill reinstated to the same position it was in at the time of prorogation of the first session of parliament.

• (1520)

Mr. Gar Knutson: Mr. Speaker, I would like the Chair's guidance on this. I thought this was allowed under the rules. If it is allowed under the latest version of the standing orders, why is the member asking for unanimous consent?

The Deputy Speaker: The Chair was seeking clarification as well and it has not been forthcoming. In order for the bill to qualify under the rules to go back to where it was, it has to be in the same state it was in at the time of prorogation. I have been unable to ascertain if that is the case. In the absence of ascertaining that, the Chair is unable to reinstate it to where it might otherwise have been.

The hon. member for Mississauga South may be able to assist the Chair in that regard. Alternatively there could be consultations and if it is brought to the attention of the Chair that this is the case, it may be possible for such reinstatement to occur.

Mr. Paul Szabo: Mr. Speaker, I am not sure of the answer to your question. At the time of submitting the bill to be reinstated or to be submitted to the House, another member had taken the bill as it had been as his own. As a result the private members' drafting office had to make some minor changes to make the bill somewhat different but effectively the same bill.

The original bill prescribed the actual language of a health warning label. In the bill that I could only table in the House I had to yield that it would be the minister who would designate the language in the bill. The essence or substance of the bill is that health warning labels be required on the containers of alcoholic beverages.

The Deputy Speaker: Is the hon. member suggesting that another bill in the same form as his old bill has been introduced in the House already this session?

Mr. Paul Szabo: No, Mr. Speaker. The member submitted it to the private members' office and never has tabled it at first reading. Therefore, because of the date and the timing, I was unable, or they refused to allow me, to have that bill because another member had put it in the morning before I did.

The Deputy Speaker: Perhaps I could make a suggestion to the hon. member and to the House that would solve the problem, if there would be agreement. If the hon. member would seek unanimous consent to withdraw the bill he has just introduced now, he can always reintroduce it at a later date.

Possibly with some consultations with the clerk, the bills could be compared and perhaps we could come up with an answer for him. Is it agreed, if the member is willing, that he withdraw the bill by consent, without prejudice of course to his right to reintroduce the bill another day?

Mr. Paul Szabo: Mr. Speaker, there is only one bill and it is the bill that I have tabled. The other bill exists but it has never been tabled in this place. If I withdraw it, then this bill does not exist on the order paper and I would be left in limbo.

I am asking the House to reinstate a bill that was passed at second reading during the last parliament, had full public hearings and never had an opportunity to come back to the House.

The Deputy Speaker: The only alternative is to put the question to the House. Is there unanimous consent to reinstate the bill?

Some hon. members: Agreed.

Some hon. members: No.

Routine Proceedings

PETITIONS

CANADIAN WHEAT BOARD

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I have a petition with 70 pages of signatures from residents of Saskatchewan in most cases.

• (1525)

The petition states that the minister responsible for the Canadian Wheat Board has failed to protect the true needs of the western Canadian farmers, and that the federal minister responsible for the Canadian Wheat Board has failed not only to meet with farmers but also with business people and concerned groups in his constituency.

Therefore the signatories would like the minister replaced with a minister who has a better understanding of the issues that are being dealt with right now by these people, western Canadian farmers and the Canadian Wheat Board.

STREET LETTER BOX

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, pursuant to Standing Order 36 I have the honour to present a petition signed by 25 concerned seniors.

The petitioners note that there is still no street letter box conveniently located to serve almost 80 seniors living in my riding in two senior buildings operated by Peel Living in Mississauga, Ontario. Therefore the petitioners pray and request that parliament encourage Canada Post to seriously consider installing a street letter box directly in front of the seniors' residences at 7340 and 7350 Goreway Drive in Mississauga.

CRUELTY TO ANIMALS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, as you know, for many months now I have been presenting petitions from the people of Peterborough who are concerned about cruelty to pets. This concern reached great heights this summer when a dog was dragged for one or two kilometres and was very badly hurt.

I have had letters in which people have been asking for a great increase in the penalty for such crimes. In particular, they point out that there is mounting evidence between animal abuse and domestic violence. They also point out that our statutes in this regard have not changed since 1892 and that they regard animals as property.

Therefore the petitioners call upon parliament to work toward swift and effective action that works to modernize Canada's law dealing with crimes against animals and that the penalties for such offences be made strict enough to act as a deterrent against such behaviour.

Supply

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I move that all questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—FARM INCOME

The House resumed consideration of the motion.

Mr. Monte Solberg: Mr. Speaker, I rise on a point of order. I think there was still a little time left for questions and comments after my speech but I am not certain.

The Deputy Speaker: I think the hon. member had about five minutes. The best information I have, and I was not here, is that the hon. member's time had expired. Therefore, we will resume debate with the hon. member for Durham.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I am happy to participate in the debate on the motion brought forward by the member for Selkirk—Interlake.

I spent many years farming. Although I cannot claim to be a full time farmer, I can certainly sympathize with a lot of our farm community, especially those in the west who are suffering significant economic hardship today. I can remember receiving a cheque for a grain shipment and wondering why it was that the total amount of the cheque did not equal my fertilizer bill. I can imagine that some farmers can take that one step further and wonder how they are going to feed and clothe their families based on such low income levels.

I am amazed a little about the shape and form of this debate in the House today. I have listened to the members opposite who talked about all the things we should do as a government to solve this problem.

Some of the pork producers in Durham suffered through the low commodity prices for pork just last year. They had severe economic hardship.

• (1530)

A number of things were totally beyond their control, mainly due to a high cycle of productivity and the collapse of international prices for pork. The government came forward and addressed the issue. It listened to the concerns of farmers all over the country and implemented an AIDA program.

I am certain that there are those who have concerns about the AIDA program. I heard some members opposite talk about the problems of making application for these funds and the administrative process. Quite frankly I am surprised by the opposition. It has not taken into account the necessity for accountability in our framework. By that I mean we chose a methodology of program delivery that required farmers to use their income tax returns in order to prove, to hypothecate and to understand the nature of their income support levels. I will be sharing my time with the member for Chatham—Kent—Essex.

This process became somewhat cumbersome. A lot of people have concerns about it. There is a time delay between cashflow problems and when the cheques arrive. We know of the reverse situation where governments got into program delivery where they simply wrote cheques and told them later about whether one could prove the necessity for or need for the program.

These programs are disastrous in and among themselves. The worst thing governments can get into is paying out moneys to people with income problems and turning around a year later and saying they overcontributed to the program and need the money back.

I am sure members understand that there are idiosyncrasies about the program. I am sure a lot of farmers are discouraged by the fact that they have to fill out these forms. I have to admit that I am an accountant but I have never had to fill them out. I understand their concern with my profession which makes money filling out these forms. I share and sympathize with the problem. It should not be that complicated. Indeed I do not think it is that complicated. Many of my constituents tell me that they complete these forms by themselves.

We listened today to the Reform Party telling us two or three different points. I cannot seem to reconcile the messages. It was telling us that part of the solution was to form a regime that would protect farmers from the disparities of international subsidies and subsidy programs. At the same time it was telling us that we should reduce taxes. It did not take long to understand that these two policy choices were in direct conflict with each other.

Many other businesses in the country are subjected to the disparities of international subsidies. I only have to think of our

aircraft industry, steel imports and many other industries with concerns about tariff and unfair subsidies in other countries. It is not within our economic or physical ability to protect every interest in the country from distorting trade practices in other countries. As a government and a people we could go to countries within the World Trade Organization and other forums to argue that we need fairer trade practices.

Surprisingly enough, today the leader of the Reform Party and the member for Lethbridge, if I recall, talked on and on about how terrible it was that the Prime Minister would go on trade missions and not be in the House. The way we deal with these trade distorting practices is to go and talk with people in other countries.

Not long ago I was able to go to Taiwan. At that time I was concerned about what I considered to be the unfair trade practices of the Taiwan government that favoured American imports of beef over those of Canada. We talked about how we could find some way to liberalize that regime and narrow it for the benefit of our farm community.

• (1535)

Many other speakers have intervened in this issue, but the reality is that our exports of agricultural products are at an all time high. Canadian farmers have been very successful at producing agricultural products efficiently and cheaply and at being able to export them into world markets.

I do not think it takes a lot of brains to understand the way the world is going if we look at the Asian community. Quite frankly the conclusion is that the world is going into an era where it will not be able to feed itself. Certainly communities in Asia and others will not be able to feed themselves. It is a good opportunity for our agricultural industries.

One issue today was about government concern in this regard. Strangely enough, suddenly the Reform Party is greatly concerned about agricultural issues. My research tells me that the Leader of the Opposition in the last session of parliament never asked one question about agriculture and in this session he has only asked one.

We heard members of the Reform Party today. They are very concerned about the agricultural plight of the west, specifically Saskatchewan, yet the questions were on APEC, about the hurt feelings of a few people involved in the APEC inquiry. Farmers, whether in Saskatchewan, Manitoba or Alberta, were the least thing on their mind when it came to question period.

We are here today talking about some of the programs available to farmers. The NISA program has been in place for many years. It is a tremendous program where taxpayers attempt to match contributions to the fund by farmers to allow them the ability to smooth out their income over peak years.

Supply

Because of the drastic downturn in commodity prices and some of the climatic conditions that have impacted on the production of agricultural products in the west this system is not adequate enough. When we are designing income support programs we should find out where to put the safety net and how much we can afford to support the safety net.

Situations occur, whether in agriculture or other industries, where there is oversupply and undersupply and a rationalization going on in the market. Agricultural producers in my riding are not looking for free handouts. They are not looking to the government to subsidize them, unlike what the Reform Party is seemingly suggesting today.

If I went around my riding and asked the farming community whether it would be happy with a program which protected them from all things in the world, which is what the Reform Party is proposing in the motion, my constituents would tell me no. They are big people. They are very confident they can effectively run their farming operations. Farmers want us to sit down at the trade tables to negotiate a reduction in international subsidies which gives Canadians the ability to compete in worldwide markets. I suggest that is what the government is doing.

We have a World Trade Organization meeting coming up in Seattle next month. The government is working very hard at the position it will put forward to reduce agricultural subsidies throughout the world. The best we can do for Canadians is not create another regime of subsidies and support like the Reform Party would have us do but reduce the unfair practices of today.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, to be quite honest, I am absolutely astounded by the hon. member's comments. He seemed to want to use his entire 10 minutes of presentation to slam the Reform Party. I agree with one point the member made. Farmers are not looking for a handout. He is quite correct. I think that is universal all across the land.

• (1540)

The reality is that farmers do not have a level playing field. It is fine for the hon. member to talk about taking a strong position in the WTO and negotiating it, but what do farmers do in the meantime. That is what the motion is all about.

Whether or not the hon. member wants to get out of Ontario and face reality, the reality is that farmers are going broke while the government talks and designs a program with so much built-in accountability that it does not deliver any help to farmers.

Why does the hon. member not wake up, smell the coffee and understand what is happening on farms in western Canada?

Mr. Alex Shepherd: Mr. Speaker, let me tell the hon. member a bit about reality. First, the people of Ontario have gone through tough times in the past. Second, we do not start equalizing tariffs by saying that we will increase ours. That is not a negotiating tool.

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It does not make any sense to say we want them to reduce their tariffs and the way we will get them to do it is to increase ours. Quite frankly that is why we have had a long and heavy international regime of high tariff laws. As we put up ours somebody else puts up theirs and by the time we are all through we are all worse off. That is the plan of the Reform Party. It is just a no-brainer. It has not worked in the past and it will not work in the future.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I too am astounded the Liberals cannot see there is a real contradiction in what they are saying.

The member opposite asks how we can subsidize everybody that deals in the international marketplace. I think the member has a big blind spot. Reduce the tax burden on all Canadians including farmers and the government will not have to subsidize farmers and other businesses. Our high taxes built right into all the input costs like fuel, fertilizer, chemicals and capital expenditures can be reduced.

My question is for the member. Would he not agree that a tax reduction would help increase the bottom line for all farmers?

Mr. Alex Shepherd: Mr. Speaker, I understand what the hon. member is saying about taxes on input costs within the farming operation. We all know that the biggest tax cost is income taxes.

Once again the Reform Party is telling me how irrelevant it really is. We are talking about people who are losing their farms, not making any money and obviously experiencing huge losses, and the Reform Party is arguing that we should have income tax reductions. It does not make any sense at all. It is ludicrous.

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I listened with great interest to what my colleague had to say. It is my understanding that we are going into the WTO negotiations in a very different way this time and that in fact the government and various commodity groups have got together at least for the initial position.

Would my colleague care to comment on how he thinks that will affect the outcome of this round of negotiations?

Mr. Alex Shepherd: Mr. Speaker, I thank the member very much for his intelligent question. Clearly trade agreements take some time to evolve. The way we do that is through compromise and conciliation.

The role that the government has now taken, as the member suggests, to enter into a pre-consultation process to try to get some agreement on how it can move forward is the only intelligent way

to deal with the distortion issues the Reform Party talks about. Creating a regime of new tariff laws within Canada is not the way to create that conciliatory process.

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I could not agree more that tariffs are not the answer. Certainly subsidies are not the answer.

My question is for the hon. member. In areas other than Ontario agriculture we recognize that approximately 45% of western Canadian farmers may well not be able to farm next year. Is the member suggesting that we simply negotiate the subsidies and the tariffs and not worry about those 45% of farmers who may not be able to make it into the next year. If he does not believe that, what are the alternatives?

• (1545)

What is his government's alternative, other than a very flawed AIDA program?

Mr. Alex Shepherd: Mr. Speaker, the hon. member talks about a very flawed AIDA program, but the fact of the matter is that the government has ponied up and has put \$900 million on the table. As I understand it, of the applications that have been made for assistance, over 50% are from the province of Saskatchewan which has been the most hard hit by this time factor.

Are we going to be all things to all people? Are we going to help every single farmer 100% of the time? I do not think so. In my own riding people who have applied for the AIDA program complain that it does not do everything they would like it to do. However, I think when they sit back and think about how far we expect governments to reach into their wallets, all they are really doing is reaching into the wallets of other taxpayers.

What is the level of support that we can afford in this country? The reality is that we cannot be all things to all people, but we can try to do the best we can with the resources we have and I think we have been very effective at doing that.

Mr. Jerry Pickard (Chatham—Kent Essex, Lib.): Mr. Speaker, I really appreciate having the opportunity to debate this very important issue on farm income.

The federal government is committed to a strong, healthy, viable agricultural sector. Looking at the sector as whole it is exactly that, a strong, healthy and viable sector. That may surprise some people because that is not what we have been hearing in the news lately. One of the things I hope to do today is to give my colleagues and those who are listening a better understanding of this whole farm issue. It is very complex. It is not a simple issue, as many people have tried to say.

I am not suggesting that the sector is without challenges. Some farmers in pockets throughout our country, in western Canada in

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particular, have had many problems to face this past year. Farming is affected by weather and the marketplace, and sometimes, as we have witnessed in the past year, both factors collide at one time.

In this case the farmers' bottom line has felt the impact of a whole range of circumstances coming together at one time. The crisis in the Asian and Russian economies and the downturn in Latin America caused some markets to shrink. Declining commodity prices and an overproduction of wheat in the world also had an impact. We experienced at the same time difficult flood conditions in one region and drought in another. Needless to say, the effect on income to farmers, particularly those in grains, oilseeds and hogs, was severe.

The Minister of Agriculture and Agri-Food has responded to that situation and is continuing to work to put the tools in place to assist the producers, especially those who are most in need.

There are a number of tools which were put in place by this government to help producers through difficult times, as the minister of agriculture has pointed out in his remarks. However, often the challenges farmers face throughout the country are as diverse as the commodities they produce. As the Minister of Finance said in his budget speech earlier this year, a government that pretends it can be everything to everybody is a government that in the end will do nothing for anybody.

What a government can do is create conditions for a productive and competitive agricultural sector as a whole. That is what this government has done and that is what this government will continue to do. While doomsayers would have us believe that there is a crisis in Canadian agriculture, overall and across this great nation the agricultural sector is strong.

Overall Canadian farmers are among the most productive and efficient in the world. Farm production has been going up and so has farm net worth. Overall farmers have adjusted to constantly changing international markets. Their success is obvious when we look at our export numbers. Agricultural exports have risen from \$13 billion to \$22 billion over the last five years and even with the economic challenges of this past year they will be up slightly from 1997, which was a record year. Horticultural crops, special crops and red meat all had increases last year.

Trade is most important to growth in this sector. About half of the average farm gate income to Canadian farmers is the result of trade. That is why the government is working on the international front to bring order and stability to world markets and to provide better access to world markets. Despite the commodity market challenges, the outlook for Canada's agriculture and agri-food sector is positive.

• (1550)

Our industry has also met the evolving demand for specialized processed products. Our exports of value added products are

surging. In fact, they grew by almost 9% last year. Processed goods means processing plants and jobs, jobs that add to the sustainability of our rural communities.

The industry itself has a lot of confidence in its own capabilities. Already Canada has about 3.3% of the world's agri-food trade. The Canadian Agri-Food Marketing Council, or CAMC, has set a goal to increase that to 4% by the year 2005.

CAMC, which is made up of agriculture and food representatives, has also set a target of increasing processed agricultural exports over and above bulk commodity exports. By current indicators, there is no reason to think the goal will not be met.

Our supply managed commodities are faring well. Farm cash receipts for chicken, for example, went up about \$250 million from 1995 to 1998 and were about \$1.3 billion last year. Egg receipts have increased slightly, while dairy receipts grew by \$299 million to close to \$4 billion for that same period.

Furthermore, for many commodities that have been affected by weak prices there are signs of gradual improvement, with indications that prices have hit a cyclical bottom. Red meat is doing extremely well and feedlot levels are at an all time high.

The worst situation a farmer can experience is foreclosure. It is the last thing anyone wants to see happen. Agriculture and Agri-Food Canada provides a financial review to producers through the farm consultation service and, for a stay of proceedings, financial counselling and mediation through the farm debt mediation service. These services have been extensively communicated to producers and creditors. While there is some increased activity at this time under these programs, applications are not at a high rate across Canada. Fortunately, we are not seeing thousands of producers experiencing financial difficulty, although there are reports which say that is happening.

The Government of Canada knows how important the agriculture and agri-food sector is to Canadians in general. The Canadian agriculture and food industry accounts for close to one-tenth of Canada's gross domestic product. It employs 1.8 million people either directly or indirectly. I would say that is a pretty solid business.

It is an industry that is varied and offers many interesting careers for young people. While we know the hard work of Canada's farmers helps to drive the entire economy, it is becoming more obvious that there is a wealth of other rewarding and worthwhile paths available to young people in this sector as well. Graduates from Canada's agricultural colleges and universities have jobs lined up before they graduate and there are even signing bonuses for some who are graduating. This is another sign of an industry that is strong and growing.

Canada has a worldwide reputation in agri-food products. It is unsurpassed anywhere in terms of high quality and safety. No matter where we go in the world, when people see a label with the

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red maple leaf, it is recognized for its quality, which is second to none. We continue to build on that reputation with team Canada missions and exhibitions at international food shows and by attracting buyers and investors to Canadian industry as we will be doing when we host the North American Salon International de l'alimentation.

The agriculture and agri-food industry has gone through a great deal of change over the last decade and has proven over and over again that it can meet the challenges and tackle the opportunities presented to it as it moves forward in the new millennium.

There are certain areas of the overall sector that are facing difficult times and the federal government is providing those producers with the tools to overcome these difficulties. Success is not a solo effort, nor is failure. By working together, the industry and all levels of government, this industry will continue on a path of growth and success.

• (1555)

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, listening to the hon. member speak, I thought to myself that if I was looking for a career what I would do is go into agriculture and start farming. It is the growth industry of Canada according to the hon. member. Egg production is going up and the price is going up. It is all the way down the line. Red meat is better than it has ever been. It is just a wonderful, rosy picture. How can the hon. member make statements like that when there is all kinds of evidence to the contrary?

We heard from the people who are representing the farmers of Saskatchewan, British Columbia and Alberta. All of them said that these people are in trouble, and this gentleman has the audacity to tell us that they do not have a problem, that there is just a bit of a problem here and there in isolated little pockets. We are not talking about isolated little pockets; we are talking about an industry that is in trouble in very many of its areas.

Exactly what is the hon. member trying to tell us about agriculture? Does he believe there is a problem, or does he believe there is not a problem?

Mr. Jerry Pickard: Mr. Speaker, as I pointed out early in my comments, oftentimes there are disastrous issues that happen in pocketed areas of Canada. I also mentioned the difficulties which western Canada is experiencing today. There is no question that we have a sliding of price in the commodity market and there is no question that they have had difficult weather to deal with over the last year. However, let us not say that a whole industry is in trouble because of one sector of that industry. What I am trying to say is that Canada's agricultural industry is steadily improving. There are opportunities for young people.

In my riding there is a tremendous number of dollars in agriculture and people are working very well. As a matter of fact, it

is difficult to find agricultural workers in my riding. We are looking for more and more workers all the time. There is a strong element of agriculture in the country. The unfortunate part is that colleagues across the way narrow their perspective to look at one very small issue.

I am not underplaying the fact that it is important to those people who are affected; I am underlining the fact that members opposite do not look at the entire picture. They only look at a very narrow section of Canada. They have not spoken of Ontario in the time they have been talking today.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, through the AIDA program I think we have seen some very significant payouts to other parts of the country, excluding Manitoba and Saskatchewan. I suppose that AIDA provides farmers in Ontario, Quebec and Atlantic Canada with some substantial subsidies, but we have a huge problem.

The hon. member for Chatham—Kent Essex may not know this, but in western Canada approximately 46% of our farmers are grain and oilseed farmers who may not be in business a year from now because of the policies of the Liberal government.

Could the hon. member share with us the secret with respect to the AIDA program that pays such great amounts of money to farmers everywhere except in Saskatchewan and Manitoba? Why is the AIDA program targeting and persecuting farmers in Saskatchewan and Manitoba while helping farmers in other parts of the country?

Mr. Jerry Pickard: Mr. Speaker, I think it should be stated here and now that those agreements which have been worked out with the federal government, the provincial governments and the producers are in place to help producers. There is absolutely no question that it is not just the federal government which is part of the AIDA program.

The reality is that the Minister of Agriculture and Agri-Food in this House announced \$900 million for the farm community. As I understand the facts, another \$600 million will come from the provinces. As a result, \$1.5 billion will go into agriculture this year.

The reality is, as one of my colleagues pointed out to me, that very close to half of that money will go to the western province of Saskatchewan. The reality is, there are large payments and there is support going to western Canada. There is no question, that is in place.

Sometimes people can say that what is being sent is not enough, and that is reality. However, it is a fair amount of money if one stops to think about \$1.5 billion.

• (1600)

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I have an entire presentation that could probably take all

afternoon if I really wanted to do justice to this issue. Unfortunately, I know you are not going to allow me that kind of time to address this issue that seems to be of such little importance to the members opposite.

Quite frankly, sitting here and listening to the presentation by the hon. member for Chatham—Kent Essex who just spoke, one would think that there is no problem. At the culmination of his presentation he had the audacity to say that there is just a little wee problem in one part of the country. That little wee problem happens to be the breadbasket of Canada. It happens to be the western prairies.

When he says it is not an entire industry that is affected by these low commodity prices, just little pockets here and there, a little wee problem that the opposition seems to be narrowly focusing on to quote the hon. member, I cannot believe it.

We are talking about an entire industry. Wake up over there. It is an entire industry called the grain industry. It is all the commodities in the grain industry that are affected by these low prices because the government has not done its job in defending farmers at the WTO in the trade negotiations.

I used to be a farmer, unlike the hon. member who is sitting across the way laughing about this problem. I am sure that is going to be comforting to farmers in western Canada. Farm families that are faced with losing their farms right now would be comforted to hear him laughing.

The reality is many members in the parties on this side of the House used to be farmers. I know there are a few on the other side as well and they should understand and empathize with this issue.

I had the pleasure this fall of actually spending a couple of days in therapy. I spent a couple of days running a combine and helping to harvest on my brother's farm in the Peace River country in British Columbia. It was therapy from this unreal world that is Ottawa to get back to the farm and actually sit in a combine and do something productive for a few days, unlike what the government is always trying to do which is totally unproductive from the viewpoint of the farmers.

I had the opportunity to run a truck for a day or two and haul grain for the elevators. Farmers are usually very upbeat during harvest time. They are very optimistic people. Despite all that mother nature can throw at them, despite everything that is beyond their control, usually they are very upbeat especially at harvest time. Harvest time is usually paycheque time after an entire year of energy, effort, blood, sweat and tears that goes into farming. That is usually when farmers get some return for the fruits of their yearly labour, which is really a labour of love, a love of the land, but that return was not there this year.

What does the government hold out? It holds out speeches like the one we just heard from the member for Chatham—Kent Essex that downgrade this whole issue and say that it is not a problem at

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all, that it is addressing the issue in the small pockets where it is a problem.

That is going to be very small comfort to the farm families of western Canada who face losing their farms right now. They are looking for some small ray of hope from their government in Ottawa, some ray of hope going into the new millennium.

In addressing this issue today, I want to interrupt my remarks to quote verbatim a couple of letters I have received from two farmers in the Peace River country. One is from north Peace and one is from the south in my riding of Prince George—Peace River. The farming and agricultural area of the riding is split by the Peace River.

The first letter states:

Now that harvest is done I wanted to drop you a line and let you know how things are. This was our 11th harvest, we had decent wheat and canola and the barley yield was down a bit. The problem, as you know, is the prices. When we sat down this spring and made up our seeding plans, canola was at almost \$9.00, now it is below \$6; barley was up to \$2.25 but it has dropped back to \$1.65.

This kind of volatility makes it very difficult to make our cashflow work properly. We end up living on our line of credit almost year round. I know people say you should contract for the prices when they are high, but we had no harvest in 96 and 97 and the thought of having to make up the shortfall in contracts that a person could not deliver on as well as the blow of no harvest, keeps us from being too anxious to contract grain we have not grown yet. We do enough gambling just to get the crop in and out again!

We, of course, are enrolled in all the safety net programs that are going and in the short term, Crop Insurance and WFIP have been helpful. Crop Insurance has never quite been enough to pay the basic input costs on a complete loss. The 60% ceiling is not making it, I think 75 or 80% would be closer to the mark. As for WFIP, it worked well for us for the first year, but it is not designed to make up for price disasters, more for physical disasters. Also it does not work if the disaster goes on for more than 2 years as the reference margins then get so low that you don't generate a claim. We don't have enough cash to put more than our allowed minimum in NISA so it is taking a long time to build up enough of a cushion to have any kind of saving effect on a farm our size (1,600 acres).

All in all, it is quite discouraging that we can be doing our job to the best of our ability and coming up with a good product, that we then have no control over the price that we get for that product. All other businesses that I can think of have a profit margin built into their product that reflects the cost of producing that product and allows for some profit to build your business and to live a decent life on. Why is this not the case in Farming? We are hoping that since you've been in the business, you'll understand our concerns and be able to put them forward to the people who might be able to get things changed.

• (1605)

It is signed by Rodney Strasky from Farmington, British Columbia.

The other letter reads:

As a Peace River grain farmer I continue to be a survivor of Canada's cheap food policies. Other farmers have not been so fortunate. I feel that my energies are subsidizing my urban cousins as statistics show that Canadian consumers pay only 10% of their income on foodstuffs. This is the lowest in the world. Citizens of other countries

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pay 15% up to 100% of their income to eat. This means that Canadian farmers have given Canada the highest standard of living in the world. How can I continue to compete with the American and European treasuries who are causing our unrealistically low grain prices?

For example, in June 1988 I sold barley for \$3.00/bushel, while today the price is a paltry \$1.71/bu. We farmers have invested in new technologies and methods to be more efficient and to grow a quality safe food product for consumers. For the past 10 years, my yearly reward has either been a negative or minimal return. There have been increased machinery costs—new combines now cost 1/4 million dollars. Other inputs have also increased. Fertilizer and herbicides continue to increase. Diesel fuel alone has increased 11 cents/litre since Jan/99.

Directed proactive strategies are needed immediately to allow our vital food producers to survive. If we can't receive higher prices then give us lower input costs.

I am requesting that your party urge the Government to:

- 1) Reduce or eliminate all indirect and direct taxes from all farm inputs, i.e., fuel, fertilizer, machinery, etc.
- 2) Provide tax incentives for farmers to invest in new technologies.
- 3) Get tough at the WTO table. Canadian farmers are losers in these power struggles.
- 4) Provide more R&D monies for agriculture.
- 5) Eliminate or reduce the 19 year competition shelter that Pesticide companies use to artificially price pesticide products. A sheltered period of 3 years would give the companies sufficient time to recapture their costs and develop profits.
- 6) Take international initiatives to ensure that international companies such as Monsanto are unable to obtain genetic patents in perpetuity on plant and animal life systems. Remember that we are members of the Animal Kingdom.
- 7) Provide a business taxation system that targets and supports primary food producers.

Thank you for pursuing these and other issues that I have brought to your attention.

The letter is signed by Arthur A. Hadland from Baldonnel, British Columbia.

Mr. Speaker, I see I have only one minute left for my remarks.

In summary what does this disastrous drop in commodity prices really mean? We heard Liberal member after Liberal member quote statistics about how things are actually quite rosy, but they were not really interested in talking about statistics.

• (1610)

We want to talk about all those in the farm communities who rely on farmers, the fuel suppliers, the pesticide and fertilizer outlets, the equipment dealers, the grain companies and railroads and all their employees. We want to talk about the parents who cannot afford to pay the fees to have their sons in minor hockey or their daughters in figure skating this winter. We want to talk about farm families that are losing their homes and livelihoods. They are

sometimes second and third generation. We want to talk about what that means in real human terms.

We can stand here and quote statistics all we want. The reality is that real people are suffering because of the inadequacies of the government's policy.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, I too resent the suggestion that it is only farmers in little pockets of the country that are in financial trouble.

Farmers who grow wheat in Ontario are allowed to export a portion of their product outside the Ontario wheat marketing board. Would it not be beneficial for western Canadian farmers to export their wheat outside of the Canadian wheat marketing board in addition to voluntarily marketing through the wheat board if they so wish?

Mr. Jay Hill: Mr. Speaker, that is a good question. Farmers are looking for some options or alternatives in addition to some short term help to get them through the present situation which has seen their incomes drop so drastically through no fault of their own. That is certainly one area.

Ironically enough, there are government policies in place in Canada that pit one area against another, and the way the Canadian Wheat Board operates in western Canada is one of them. I have had personal experience with that.

My brother and I operated a 3,000 acre grain farm in the Peace River country. For a few years we tried to market our own grain on the other side of the Rocky Mountains. We used to truck the grain over there ourselves. After doing some research, we found out there were small areas of British Columbia on the other side of the Rocky Mountains that were outside of the Canadian Wheat Board area which got to sell their wheat directly to milling companies. They had the advantage of the domestic price which was considerably higher than what the Canadian Wheat Board would pay. Yet if we tried to do that with our wheat and trucked it down at our own expense, it would be illegal and we could be fined and charged.

That is one area in which the government can look at making some changes. We have certainly advocated that for some time. Yet we see the government is unwilling to give farmers the tools they need to help themselves. That is why it is ironic that the member for Chatham—Kent Essex was adamant in talking about giving the industry and producers the tools to do the job. In so many ways the government has proven to be reluctant to do that.

Mr. Leon E. Benoit (Lakeland, Ref.): Mr. Speaker, I am happy to speak to this very important issue. I am very disappointed in what I have heard so far from the members opposite. I hope they

will pay more attention to the debate and offer some useful input as we go along.

This situation is very serious. It is not something that affects a few people in the hinterland of western Canada. This affects most of the farmers and certainly all of the grain farmers in western Canada. Hog farmers have gone through extremely difficult times. I know it also affects farmers in the rest of Canada. I cannot understand the attitude of the government when it comes to not treating this issue as a serious issue.

I rent my farm out on a crop share basis. I understand very well what the markets are like. I have my income to offset losses from my farm but a lot of other farmers do not have enough off farm income to offset their losses. These losses have been ongoing. In some cases farmers have been feeling them for years, especially in cases where there has been flooding year after year, as the member from the Peace River country referred to, or in cases of drought as there has been in the area I am from. Farmers are not asking for handouts. They are not looking for money from the government just because things are difficult. They are looking for fair treatment. They want the government to take serious action to deal with the trade issues that are so dramatically depressing prices.

• (1615)

The government, the minister and others have paid lip service to this issue, but what have they really done about it? They say one thing and do quite another. They really should be ashamed at the way they are looking at the issue.

I would be happy to stand here today and say that the Liberals are doing a good job but it simply is not true. I also cannot see that they really care a lot about it.

I want to talk a little about the situation right now so that the Liberals understand it. We understand it well. It is such serious situation that in Saskatchewan alone farmers will experience losses of \$50 million this year. That means there will be no profit. They will not even have enough money to cover their year to year expenses, let alone make payments on the land. This will be the situation in many cases.

The situation is particularly serious in western Canada. It is less so in Ontario and in the rest of the country but I believe it is still serious. The reason it is more serious in western Canada is that Ontario has the GRIP which is still in place and is much richer than it ever was in western Canada. It was given special treatment from the start. I do not say this by way of attacking Ontario farmers. They have done their work and this is what they wanted. They fought for it and were successful. However, the government seemed for some reason to give this to the farmers from Ontario where it would not give the same thing to farmers in western

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Canada. It clearly viewed farmers from western Canada with less seriousness.

Supply management, which is more prevalent in central Canada, fixes prices based on cost and for that reason farmers will not suffer as much in Ontario. It is a serious situation that I recognize in Ontario and the rest of the country as well.

When looking at the current situation, it is important to look at how the situation affects people. It affects farm families. It affects small town business people who depend on what farmers earn to make a living themselves. It affects people right across western Canada and stretches right into the major centres of western Canada: Edmonton, Calgary, Saskatoon, Regina and Winnipeg. The impact is felt even in those larger centres. We are not talking about a few people. We are talking about a very serious situation.

I think back to when I was a farm economist and worked for Alberta agriculture with farmers. Through the 1980s, I worked with dozens and dozens of farmers who were going out of business, many going broke. I sat down at dozens of kitchen tables with farm wives and husbands who were in tears and desperate. Their children saw the tears in their eyes. I thought that once we got through this situation it would never happen again. Sadly, it is happening again as I speak and it is because there has not been the action that was required on the part of government.

What has the government done? Looking at the short term, it put in place the AIDA program which farmers say is not going to work and the government has to know that.

The government has raised taxes. I heard a previous member say "Why are you talking about income tax? If you do not make any money you do not pay income tax". Where is his head? There are taxes on everything these people buy. It drives prices up. Taxes account for half or more of fuel costs. I cannot believe a member would say something like that when talking about the tax load. They just do not understand.

New user fees have more than doubled since the government has been in place. The government dumped the freight subsidy, with little compensation. Nothing was put in place to help deal with the situation. It has actually limited marketing options and has done nothing to reduce the red tape. It has in fact increased it. It is a shameful record.

• (1620)

What does Reform propose? The House will know it is a top priority issue with Reform by the number of debates we have called for, the emergency debates we have called for, the supply days we have used to discuss the subject for a committee and all the other work that the Reform MPs have done. I guess one would expect that from a party that has more than 20 members of parliament who either right now have direct connections with a farm or have owned farms and farmed in the past. It is a serious issue with us but we do

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not see the same level of commitment to the issue from the member's office.

What Reform is proposing is much more substantial than just talk. Starting in 1990, I was a member of the first Reform agriculture task force, along with the current leader of the the new United Alternative in Saskatchewan. We were among seven people who were committed to making things better for agriculture. We called for the elimination of the Crow subsidy, but we called for part of the capitalized value of the Crow. We were looking at maybe \$3.5 to \$4 billion, maybe half the capitalized value of the Crow, to be put into what we called a trade distortion adjustment program which would compensate farmers for damage done due to unfair trade in other countries around the world. This is not talking about handouts, just fair treatment.

We have called for a trade distortion adjustment program since coming here literally hundreds of times in the House and in committee. We have explained what it is. We have encouraged the government to put this in place but it is not going to happen. I have given up trying to pretend the government is ever going to fix the problem.

Had that program been put in place, farmers would not be in the situation they are currently in right now. Liberals usually are good at stealing the concept and talking about good ideas. Unfortunately their flaw is that they do not implement the good ideas completely. This was a good idea. I wish to God that these people had taken that idea and implemented it. I am sad today that they did not.

As well as that program, which would have gone a long way to solving the problem, when Reform forms government, and I believe we will in the next election because the country needs us and more people are recognizing that, we will lower taxes and that will help farmers in a very real way. We will lower or eliminate unfair user fees. We are not against user fees as a whole but they should be fair and reasonable in the context of the services being provided. We will open up options for western Canadian farmers and for farmers right across the country. We will open up marketing options and make the wheat board a voluntary board. We will open up options in transportation. We will make things better for farmers because I know the government is not going to.

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, I listened to the hon. member's speech across the way. I have actually been listening to his rhetoric for the last six years and not much has changed.

The Reform stated in its 1998 *Blue Sheet-Principles & Policies of The Reform Party of Canada* that it was going to a phased reduction and elimination of all subsidies and support programs.

The taxpayers' budget of 1995 called for \$640 million to be saved by downsizing the Departments of Agriculture and Agri-Food, Industry, Fisheries and Oceans, and Natural Resources. It also called for a further reduction of \$690 million to be saved by cutting other regional and sector specific funding through the Departments of Agriculture and Agri-Food, Environment and Industry. It even asked for an additional \$1 billion in savings by cutting 15% from the overhead cost of all departments in the government.

• (1625)

I really have to ask where the member is coming from. I think he is talking through his hat. We at least, on this side of the House, have taken a serious approach. He is talking about renting his land out. I am an active farmer. I happen to be in supply management, which is one of the things the hon. member says he wants to do away with.

Mr. Leon E. Benoit: Mr. Speaker, I do not expect I will ever get through to the member. I have been trying for six years, as he says. Quite frankly, he is not listening. When we talk about reducing subsidies, we are talking about reducing the cost of the bureaucracy in Ottawa. Everyone, including him, knows that the bureaucracy should be cut back.

We are talking about tax reduction, so there is a trade off. When some of the subsidies are lowered there is tax reduction. That has not happened. We are talking about opening up marketing options so there will be more money for commodities. Instead, it continues to limit.

In the end, the only way we will solve the problem is to eliminate the Liberals. That sounds like an awful partisan statement, and maybe it is, but I am fed up with Liberals who either do not understand because they do not want to or deliberately make it look like they do not understand what we are proposing, as the member has just done.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I heard an hon. member across the way say that this should be good. We have of course all become accustomed to any time a Reformer stands up in the House, it is indeed quite good.

I was present in the Chamber this morning when the Minister for Agriculture and Agri-Food made his brief presentation and that certainly was not good. It did not hold any hope for farmers in western Canada. They were looking to their minister of agriculture going into what promises be one of the toughest winters on record and certainly the bleakest look ahead to Christmas for farm families in western Canada.

Can the hon. member comment on some of the facts the minister of agriculture laid before the House during his short presentation. He talked about the \$1.5 billion the government has put together. Of course even that is not totally accurate because the federal

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government has only put in \$900 million, the rest is from the provinces. He said that \$220 million has been paid out so far, averaging a little less than \$15,000 per farmer.

With the wealth of information the hon. member has, both as a farmer himself and as a farm economist in his past life before getting into politics, can the member tell us what that amount of money will do for farms such as it is?

Mr. Leon E. Benoit: Mr. Speaker, the agriculture minister talks about his \$1.5 billion. That figure really means nothing to farmers. The reality is that after more than a year since the minister promised quick action on the issue—and I remember him calling for quick action—only \$72 million has been paid out in Saskatchewan, the province that was supposed to receive a bulk of the money.

The minister implies that it must be because farmers are not bright enough to apply for it or something. He implies that if farmers applied for it they would get it. He should give a little more credit to the farmers in western Canada. If he would understand farmers at all in western Canada he would know that they are well-educated people. They are very intelligent, hard working and they understand business. The minister gives no indication that he understands any of that.

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, I will sharing my time with another member.

It is a pleasure to take part in the debate. While my colleagues are, quite rightly, addressing what the government is doing for farmers, I will speak about our commitment to the rural communities that are so much a part of our great agri-food sector and many other sectors.

• (1630)

Rural Canada is the backbone of the country. Rural Canada is home to about one in three Canadians. It is the small towns, villages, outports and aboriginal communities that together form the backbone of the country. Rural communities may depend on fishing, tourism, manufacturing or resource based industries for employment, but in many parts of Canada agriculture is the cornerstone of the rural economy of an area.

As the farm goes so go the implement dealer, the seed and fertilizer merchant, the co-op, indeed the whole town, and often right back to the steel mills. Income earned on the farm ends up paying for the health, education, recreation and cultural services that healthy communities need. When the farm sector is in financial difficulty the whole community suffers.

Right now in a number of regions in Canada farm families are having financial problems. Some of them are brought on by local droughts, floods and other climatic problems. Other farm families

are suffering because of the depressed prices caused by international trade issues. Individual farmers have no control over these problems.

As others in the House have mentioned, the Minister of Agriculture and Agri-Food has been working within Canada to shore up our domestic farm safety net programs. He has been working on the international stage as well to get rid of the production distorting subsidies that are driving prices down. In addition, the federal government is providing support to the agricultural sector through its \$60 million a year CARD fund, the Canadian adaptation and rural development fund. In so doing we are also supporting rural communities that depend on the sector.

Some of the support is helping farmers directly in acquiring new production and marketing techniques. Other support is helping develop management skills that can be transferred to off farm activities and contribute to the capacity of a community to engage in other economic activities beyond primary agriculture.

Farm safety programming and leadership skills developed for farming are examples of initiatives that provide significant benefits to world communities. The adaptation programming provided by CARD not only strengthens farms and food enterprises but enhances the role individuals in the agri-food sector play in their communities.

Beyond strictly agricultural related programs the federal framework for action in rural Canada has been developed, laying out an approach for the government to follow in its support of rural communities and the sectors that sustain them. This framework draws on the programs and services available through other federal departments and agencies. The government is looking at how we can bring together a range of activities to help the farm sector at this time of need.

In three consecutive throne speeches our government has stated its commitment to a rural Canada made up of vibrant communities and a sustainable resource base. With rural Canadians themselves in the lead we are building a rural Canada where residents have access to the tools, information and skills they need to make informed decisions and to take full advantage of the opportunities for personal community development, a rural Canada where citizens have access to science and technology, infrastructure and services to be full partners in Canada's knowledge based community and society.

Two weeks ago the governor general put some more flesh on commitments that will help bring rural Canada into the 21st century. First, the government will harness the energy and the knowledge of our youth, both rural and urban, to help connect rural and urban communities to the information highway. This is part of an overall commitment to a knowledge based economy where distance is less of a taboo. Distance will not be a barrier in the future. In the words of the governor general, technology enables

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urban and rural Canadians from the Atlantic to the west to the north to compete globally. In five years we will be the most connected nation in the world.

It is not just the high technology that will empower the economy of the new century. We will also need the physical infrastructure to move people and goods. The federal government will also work with the provinces and the private sector to develop and implement a five year plan to improve our infrastructure in small, remote and rural communities as well as in all cities. I am sure that very popular upcoming program will have the support of all members of the House.

These are very tangible commitments for Canadians living in rural remote communities. They fit into a pattern that the government has been following since it took office. We have steadily focused on making sure that rural Canadians share in the benefits of being part of this great country. After all, they helped make it great.

In August the Prime Minister appointed a Secretary of State for World Development. Again I thank the Prime Minister for the great vision he shared with us. This appointment serves as a strong signal of the importance the government attaches to rural Canada.

• (1635)

The government has also developed the rural lens to make sure the impact of policies and programs for rural Canadians has been given full consideration at all levels of the decision making process.

One size does not fit all when it comes to developing policy in Canada. The Secretary of State for Rural Development will have an opportunity with his cabinet colleagues to ensure the rural lens is being applied when policy discussions take place and the challenges and priorities of rural Canadians are understood and taken into account both in our current initiatives and in our long term planning.

Another important element of the government's work in rural Canada is to ensure rural Canadians see tangible results. We have already started to do some very specific work at the community level by introducing a number of pilot projects across the country. So far the Government of Canada has invested \$3.8 million through Canadian rural partnership to initiate 68 pilot projects all over Canada. The CRP funds allowed project proponents to lever another \$10 million from other federal departments and various other sources.

One project in Saskatchewan, for example, is aimed at developing and implementing an alternative to the current grain handling system to generate more returns for producers. The government is now assessing proposals for a second round of pilot projects. I am certain it will find other gems to enable rural Canadians to continue to make a valuable contribution to Canada's future successes.

Beyond the CRP pilot projects the Government of Canada has also made great strides in rural communities with the community access program, SchoolNet, Community Futures Development Centres and Health Canada's office of rural health where Dr. John Wooten is the chief executive director.

The government believes that the choice to live in rural Canada should not be a choice that results in reduced citizenship rights. Simply because people live in rural Canada does not mean they should have to put up with an inferior level of health care, an inferior level of social safety nets or inferior access to government services.

Rural Canada is the backbone of a large part of our economic wealth. It is a great place and full of great energy and ingenuity. The resources of the producers of fine food are shared with all Canadians. Healthy rural communities are essential to a healthy agricultural food sector. The government is working to build a strong foundation that will ensure the future of both the sector and rural Canada as a whole.

I call on all members of parliament to work with us to make the future as bright as it can possibly be. The Standing Committee on Agriculture and Agri-food has played a very important role. Members of the committee from all five parties have worked very hard and very well together. We have much left to do. I ask for all people to co-operate and work together.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, my question for the Liberal government member refers back to supply management. Who was it that negotiated up to 1993 article 11 and supply management, changing it from a quota system of imports to a tariff system designed to be reduced incrementally, eventually eliminating supply management?

Was that the Conservatives and Liberals, or was it the Reform Party that did that?

Mr. Larry McCormick: Mr. Speaker, I appreciate any questions about supply management because I will personally defend it the very best I can. It is working. We all agree that we have the best quality of food and the safest supply of food in the world. It is less expensive today to buy milk or to buy butter in Canada than it is in the United States.

The government will fight to protect our producers. Yes, a previous government worked at it but Reform was not there showing support for farmers since supply management. I would ask its members to talk to their western colleagues in the supply management business.

Supply management is the only part of the agriculture sector that has been healthy each year in the past, and I ask the member to support it.

Mr. Mark Muise (West Nova, PC): Mr. Speaker, I am bothered by one point. We hear the government say that it will provide \$900

million for farmers. That sounds great, but we read documentation that says the problem with AIDA as it is currently designed is that it denies those benefits to many of the producers it was originally supposed to help.

• (1640)

As currently designed the AIDA program will not distribute the \$900 million the federal government committed to farmers over the next two years. It is a fallacy to say that \$900 million will be provided. It could be said that \$60 billion will be provided, but if the program is designed so that no one receives it what good is it?

Mr. Larry McCormick: Mr. Speaker, the government's \$900 million will be invested in rural Canada and I hope we can work toward investing more.

I notify the member and all members of the House that the Standing Committee on Agriculture and Agri-Food, which is well represented by members of the Reform Party and of the Conservative Party, invited the top officials of AIDA to appear before it, I believe, tomorrow morning. I am sure it will be a vigorous session. I look forward to asking some questions.

On Thursday of this week we have invited the ministers of agriculture for Saskatchewan and Manitoba to appear before us for a limited amount of time. We want to work with people. Commodity prices is a very serious situation, but the situation is worldwide. We are committed to the best we can do for rural Canada.

Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.): Mr. Speaker, I want to make a comment on the member's glowing infomercial on the throne speech.

He talked about the government's commitment to rural communities. Everyone is to have Internet access, technology and all that wonderful stuff. I am wondering how rural families can make use of this technology and all the wonderful things the government is to deliver to them when all these towns end up being ghost towns.

Mr. Larry McCormick: Mr. Speaker, I do not think this would be the time to share one of my passions, which is spending my personal time chasing around the ghost towns of Canada for the last 30 years. I do not want to see any more ghost towns come about.

In Manitoba and Saskatchewan today there are communities that are very much at risk. That is why we invested money into community access sites so people could go to the libraries and the schools to get the information they need.

We want to do the very best we can for our people. I have spoken to many people in Manitoba, Saskatchewan and Alberta this year. There is a crisis there that we need to work on. The government caucus has worked on it for several months. We look for the support of the House when we bring forward any new ideas.

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Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, it is a pleasure to speak to the debate this afternoon, although I am somewhat reluctant to get involved in it. From what I heard in the House today it has unfortunately turned into a partisan debate. Members on all sides seem to be saying that those on the other side do not understand the debate or do not care, that somehow it is just a western problem, or that the government is only looking at the problems of farmers in central Canada.

I come from an agricultural area, one of the richest and most diverse agricultural areas in Canada. It is in southwestern Ontario and I represent about 90% of tobacco farmers in the country. A number of my farm families and communities have been hurt because of the downturn in a certain commodity so I know somewhat from where I speak.

I say that also knowing there is a major problem in terms of this issue. Farm families across the west, also somewhat in central Canada and the east, are really feeling the pinch of some of the international problems in agriculture. I am not sure that I buy the argument totally that it is somehow all the government's fault or somehow the government is not standing up internationally at the trade table to protect Canadian farmers.

I recognize that some of the actions of countries around the world, in particular the Europe and United States to the south, with the use of exports subsidies have had a major impact on the prices of commodities. As a result they have had a major impact on what farm families are receiving for their products. That is only one of the problems.

• (1645)

There is also a problem of overproduction. It has always seemed funny to me that there can be overproduction in a world where people are starving, but it is said that there is overproduction of the products that people are willing to buy. There has been a problem over the last couple of years. It may seem funny to say this is a problem, but there has not been a major drought throughout the world and as a result there is overproduction. There is too much product on the market which has had an influence on the price.

We all know the impact the Asian financial crisis has had on different commodities. It certainly has also had a major impact on the price. The bottom line is that farmers across the country are not getting the amount of income from their products that they received in the past.

The government has responded in a number of ways. As was said earlier we have responded by sitting down with the provinces and the farm organizations and working out a package of aid for farmers. That was a year ago and I think there is some debate as to why more money has not actually gotten into the hands of farmers. That is a legitimate debate. Certainly people on all sides should sit

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down to figure out why it is that those farmers who have needed that money have not gotten the full amount of money they need.

It is not only a problem of getting the funds to the family farms at this time. There is an overall problem that the government, I agree, needs to resolve. We need to do it by sitting down with the affected parties and the provinces. It is not just a federal government problem. The federal government sat down with the provinces concerned and worked out AIDA. I would argue that maybe some of the provinces should have put in more money. That is a legitimate argument. I do not think it is totally the federal government's responsibility to do that. That is something which is being worked on. It is hoped that when the premiers come from western Canada in the next week to sit down and talk to the government, they will come up with more money and try to figure out a better way to get it into the hands of farmers immediately.

On the trade side, over the last couple of years we have sat down with the provinces, with the industry, with groups in western Canada and all throughout Canada to work out a trade position. We hope it will help address some of these concerns of export subsidies, particularly with the Europeans and the Americans.

We have a strong position which we will be taking to Seattle. We will sit down with other countries from around the world and try to get them to stop subsidizing their products so that Canadians can get better prices for their products. That is the right approach. We have pulled the agricultural commodity groups and the provinces together to put forward a strong and united front. I think that will work.

However, that will not solve a problem in the short term. Within the next few weeks the provinces and the federal government need to figure out how to get more money into the hands of farmers immediately.

What was said earlier mostly by my colleagues in the New Democratic Party, is that we should not have these trade organizations, that we should not have the WTO. I would argue frankly that this is a good example of why we need it.

Canada is a relatively small country in terms of our international trade. We face groups like the Japanese, the Europeans and the Americans who have large economies. It is difficult for us in these circumstances to sit down on a one to one basis and try to get them to stop their subsidies.

• (1650)

We can do that at international meetings, for example at the WTO around the table when we have like-minded countries that will stand up with Canada and tell the other countries that what they are doing is hurting our economies. We have had success in

the past. We hope that over the next two or three years at the next round of negotiations we will get these countries to stop their direct subsidies which are hurting not only our grains and oilseeds farmers but farmers in other commodities as well.

I say sincerely to all Canadians who are listening that this is a problem for farm families. This is not a cyclical problem although as members have said, it always seems to come and go. It is more than that. All Canadians, particularly those who shop every day at the supermarket, need to know that Canadian farmers are not getting their fair share of the food dollar. Canadian farmers over the past number of years as a result of some international practices and other issues have been getting less and less for what they actually produce.

It is incumbent upon consumers in this country to get involved in this debate. If they want a Canadian agricultural system, if they want food that is safe and which is grown in Canada, they will have to get involved and know what the issues are. They should also be part of the solution.

Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.): Mr. Speaker, if you will pardon the pun, the member was saying that Canada is small potatoes when it comes to international trade. He talked glowingly about needing to convince the Europeans and the Americans and to use incentives to convince them to give a darn about the situation of Canadian farmers.

Could he give us a brief outline of what those incentives would be if we are such a small player?

Mr. Bob Speller: Mr. Speaker, the hon. member would have to agree that the Americans have an economy that is ten times the size of ours and the Japanese and the Europeans, all of them put together, are large players. The only way we can move some of these large players is to form with other groups. An example is the Cairns group.

In international meetings we sit down with a group like that and state our interests. It is in our interest to stop these international battles. When we go to certain meetings, whether it is the OECD, the Cairns group meetings or APEC, all the countries get together and say "Look, you have to stop this".

That is one of the ways we can change international policy. There are not a lot of things. We cannot shoot missiles at each other, as some of the American friends have been saying. We have to sit down at those international meetings and get a coalition of countries to force the larger players to listen to what we are saying. That is one of the main things we can do.

We can also make sure that when we are giving these arguments we are not breaking international rules ourselves. That is one thing we also try to do.

Some may say that we are being Boy Scouts, that the other guys are cheating and that we should be cheating too. But we are trying to stop those people from cheating. Sometimes what is said to be cheating really is not. What a lot of Europeans and Americans are doing is well within the confines of what they have been able to do.

Unfortunately for us we are small and the Americans are fairly large. Many times they will take over at these meetings and set the agenda. One way to change that is to get out front first. That is what we have tried to do. That is why having a united front, having all the agriculture groups in Canada and the provinces all onside with a united position is the best way to make a difference internationally.

• (1655)

Mr. Garry Breitreuz (Yorkton—Melville, Ref.): Mr. Speaker, I was very pleased at some of the concluding remarks made by the member opposite. I was pleased to hear him acknowledge that there is a problem.

I would like to ask a question of the member opposite. It is a question people in my riding have been asking me. Why do the people in our cities not recognize the problem that exists in rural Canada? Let me explain and the member can have some time to formulate his answer.

Many of the people in Saskatchewan feel that little attention is paid to the farm crisis because they are only a small minority of Canadians and unless we can demonstrate somehow that this crisis on the farms impacts on the people in the cities, the government will do very little.

The question they want me to ask the government is: How can farmers get the message to all Canadians that our farmers are important to the country, that the problems they have are very severe and that something needs to be done?

Every time someone sits down to have a meal they thank God, but they should also thank a farmer. It affects everyone in their daily lives. How can we get the message to people in the cities to recognize this problem and assist us in the solution?

Mr. Bob Speller: Mr. Speaker, one way we can do that is by what we are doing now. We debate the issue and make it more public in a non-partisan way to show Canadians that it is important.

One of our former colleagues, the hon. Ralph Ferguson, put out a study called "Compare the Share". He took it upon himself as a member to try and put across to the consumers that farmers were not getting a fair share of the food dollar. Things like that help. Not only Agriculture and Agri-Food Canada, but other government departments, including the rural secretariat and our department, are trying to make this more public. They are trying to make consum-

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ers aware that it is important to them that we have a solid agricultural industry in Canada. We will continue to do that.

[*Translation*]

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Sackville—Mosquodoboit Valley—Eastern Shore, Native peoples; the hon. member for Vancouver East, Homelessness.

[*English*]

Mr. Garry Breitreuz (Yorkton—Melville, Ref.): Mr. Speaker, in western Canada in my constituency of Yorkton—Melville life on the farm has become very tough. Many farm families are struggling to get by.

We know that the incomes in Manitoba and Saskatchewan will drop by 98% this year. Projected net farm income in Saskatchewan for 1999 will be minus \$48 million.

The Liberal government's lack of compassion and hard-hearted attitude is probably in part because it does not see the real people behind these statistics. It sees the numbers but it does not see the faces. We hear these numbers day after day, but we do not hear how these numbers are impacting the family farm.

I would like to take this opportunity in a somewhat different way than my colleagues, to pass along some of the comments that have been received in my office from families that are struggling to get through the worst crisis since the Great Depression. I only hope that the government will listen to these people and listen to their stories as I try to represent them here in the House.

The government talks about what it is doing for farmers but these comments will be clear evidence that it is not. Here is a producer in the northern part of my constituency explaining how discouraged farmers are these days:

I am having great difficulty meeting financial obligations. I am a young farmer who took over a small family farm. I have cattle and my wife works in town as well but it is very difficult and stressful trying to make ends meet with two young children. Maybe welfare is the answer?

Farmers are hardworking individuals who are proud of what they do. When farmers start talking about welfare, we know that life is getting very bad on the farm.

Here is a producer from Hudson Bay who is reeling from the effects of the farm income crisis:

Stress, financial uncertainty, family unrest. How can one plan for the future of their family when there doesn't appear to be any future.

• (1700)

There is another quote from a farmer in Kamsack, who said:

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Myself and three brothers farm 6,000 acres. We keep 120 cows and feed 120 calves all winter. We work over 300 days a year, half of them are 16 hour days. I am having a hard time supporting a wife and two kids. I have no family life.

These are all real people with faces. This is not a faceless problem. The family is the one that ends up feeling the effects of the current farm income crisis. This government in its Speech from the Throne talked about how it is helping the children of this country. Saskatchewan farm families are not benefiting from the government's agenda.

I received a letter from the wife of a farmer in the Kamsack area the other day and it touched me deeply. I would like to share it with the House. It reads:

My husband has had to go out and get a job to put food on the table and support the family. He would get up at 4:00 a.m. and work on the field till 2:00 p.m. then go to work so he could provide for his family. He couldn't afford to take time off so some days he would work around the clock with only one or two hours of sleep. This has deteriorated his health with him losing a great deal of weight and he has become so withdrawn trying all possible ways to see the light at the end of the tunnel. I love him dearly for this but I want my husband back, not a walking time bomb.

I have had to take a job also and now have to leave my children without a mother figure. This is very hard and I cry every day that I leave, wondering if they are okay and if they need me. My baby cries as I leave and I feel terrible to be going, he needs me.

My daughter has been having trouble at school and she has a hard time adjusting to things around her. She hears the calls from collectors and wonders if we will be okay or not. She has complained of being sick so she can spend time with her parents who she misses.

My son has had to go see a therapist because he knows times are tough and he worries about all of us. He also complains of being sick so he can be near us. Many nights he would be sleeping at the foot of our bed. When asked why, he said I just wanted to see my dad.

We had an education fund for our children when the times were good but had to remove the money to pay the bills. Now will my children go to college? I don't know the answer.

We are all suffering. Is there anyone listening?

These kinds of stories really tug at our heartstrings and they put real faces to this crisis.

This letter could have come from a number of families that are trying to make a living on the farm. This is really impacting on children as well.

The focus should be to create the right environment where the family farm can prosper. Why is it so important to maintain the family farm? If the nation's food production is in the hands of a few corporate farmers, those corporate farmers will have control over the food supply and will have a great deal of power.

This is what a farmer from Carragana had to say:

Protect the family farms first. If you lose us you will have big organized corporations run by chemical and fertilizer companies who will be able to unionize globally. Then you can kiss your cheap food good-bye.

Maybe this is an answer to a question I posed earlier. How is this going to impact on people in the cities? Maybe if they realized that this is going to have a severe impact they would begin to take notice.

Another constituent said that the Liberals just cannot seem to see past their noses and that our children in the future are going to suffer because government is not handling our present crisis properly.

The agriculture minister talks about how the government has put \$900 million into a farm aid package called AIDA. Very few qualify for support under this package. Why has it been so ineffective? I think it is because the program is designed for a drastic drop in income in 1998 when compared with farmers' previous three year average. The problem is that most farmers have not had a drastic drop in income.

A farmer from Canora put it best when he said:

● (1705)

I crunched some numbers in various scenarios and nobody in my neighbourhood qualified except for one 10,000 acre corporate farm. The only small family farms that qualify are the southern durum producers who have just come off three consecutive years of all time record high prices and should have some cash resource. The small to average farms in the black soil zone who have been hanging on by their fingernails the last three years will be left to slip into the hole even further.

It shows the basic unfairness of the way the government structured the program.

The government has to rework this AIDA package and make it so that farmers can get some support from the program. However, that is not the entire answer. Over the last 30 years government has mismanaged the entire agriculture sector, which is why a long term strategy has to be looked at. Otherwise we are just going to go from one crisis to the next. I would like to emphasize that a long term strategy is really needed.

A farmer from Foam Lake talked about the need for a long term solution. He said:

I think that in place of an emergency aid package the government should look at the longer term solutions like lowering freight rates which is the biggest expense. Check into prices of farm inputs. Why are the costs rising? Fuel expenses are a direct government responsibility and could be instantly lowered.

I have a lot more that I could read.

This has to be done immediately. I emphasize that. The long term solutions such as taxes on inputs can be dealt with immediately. The government has to look at user fees charged to farmers, foreign subsidies and the high cost of transportation.

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This farm crisis has thousands of faces. Real people are being severely impacted by the drastic drop in income caused in part by the huge tax burden that is built right into a farmer's input costs. My comments today are to impress on the government that it is destroying people's livelihoods. Behind the statistics are many faces; faces of real people. The government deals with this issue as if it is faceless and just another problem. It is not.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I want to commend my colleague for a very excellent speech. He told some stories which I think are duplicated in all of our ridings. I have had heard of similar situations.

I had a phone call from a young married woman who, with her husband, is trying to make the family farm work, having taken it over from his father. It was really tough to pay the bills so she got a part time job to try to pay the farm bills. Lo and behold, unexpectedly this young lady found herself with child. She kept on working at her part time job, helping her husband as much as she could on the farm.

When the time came that she could no longer work because of her impending childbirth, she applied for employment insurance, to which every person in this country is entitled. This young lady was told that because she was part of a farm family and their income last year was x number of dollars she did not qualify. She was told that she would not get employment insurance. While everyone else is not asked how much money their husband made or how much their partner made when on maternity leave, here is a farm family trying to make ends meet, which needs employment insurance, and it is disqualified by the rules of the Liberal government. Those stories abound.

I really want to commend my colleague for bringing that dimension to this issue. It is exactly the kind of story we are hearing.

I wonder whether the member would like to enlarge somewhat on the kinds of programs that the Liberal government puts out that claim to be supportive of families, supportive of children, which in fact run exactly the opposite.

Mr. Garry Breitkreuz: Mr. Speaker, when I was giving my speech I did not intend it to be some partisan rant against the government. I feel that the government and many people across the country have to recognize this problem. I was trying to portray this as a crisis that is impacting on real people and has to be dealt with immediately.

• (1710)

My colleague makes a good point. Farmers are not treated the same as other people within society. They do not qualify for a lot of the farm programs that are available, nor do they qualify for a lot of

the provincial programs that are available because of the nature of their business. Farmers would be the first to say "We do not want that. We want to be treated fairly, the same as everyone else".

A lot of farmers do not pay a lot of income tax. One of my colleagues opposite said that if they were paying a lot of tax they would be making a lot of money. They are paying a lot of tax, but not income tax. They have property taxes. They have taxes built into all of their inputs. For example, when the government has a program by which it raises Canada pension plan premiums, or uses the employment insurance plan to raise money for whatever programs it wants to implement, farmers pay an inordinate amount of the rise in that tax. I am going to call them taxes because they are put into general revenues. They do not feel it is fair that they should have to pay that.

They pay in ways that the public does not realize. For example, they may have a capital cost on a machine they buy. Every company that employs someone pays Canada pension plan premiums. However, they really do not pay them. They pass that cost on in the price of the machine or whatever product they produce. Farmers have to purchase that. They have no choice as to whether they pay those Canada pension plan premiums that the company has to pay. Built into that particular price is a cost that farmers have no control over.

If the government makes a decision to raise Canada pension plan premiums or employment insurance premiums, farmers end up paying that because they cannot pass that cost on to anybody else. They are caught in the international marketplace. The prices they get for their product are dictated elsewhere. Other companies which subsidize their farmers dump their excess on the world market, depressing prices, and farmers cannot make a living.

Many Canadians do not realize the high amount of tax that farmers pay. The government collects fuel tax. Farmers pay a lot of tax on fuel, as well as fertilizer. Probably 50% of the cost of natural gas is tax. Certain fertilizers are made from natural gas. Therefore farmers pay that 50% tax which is built into the fertilizer they buy.

I was going to talk about child care and how farmers cannot access a lot of these programs. There are many government programs that farmers end up paying for and many Canadians do not realize that this is an unfair way of dealing with the situation.

Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.): Mr. Speaker, it is certainly with mixed emotions that I rise today to speak on behalf of my constituents of Battlefords—Lloydminster, Saskatchewan regarding the crisis in agriculture which is raging across this country, most critically in the west. In Saskatchewan and Manitoba we have seen incomes at an all time low. I say mixed emotions because my constituents are increasingly frustrated by all

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levels of government. Everybody takes a little blame for the seeming lack of understanding of the magnitude of this crisis.

They are angry with governments over the ineptitude they have displayed with their pat answers. It is always someone else's fault. If they wait a little longer the program will work. It has almost been a year and we are not seeing any results.

The federal agriculture minister has told farmers to quit or to walk away from farms that have been in a family for generations, or to walk away from years of blood, sweat and tears building and maintaining a dream that has been in a family forever. What advice to give to farmers who like to roll up their sleeves, get in there and solve problems. What an absolute insult. I have had farmers calling me, saying that this fellow just does not understand what is going on.

The harsh reality is that it is not just the farm families any more that are in trouble. It has gone past the farm gate. It is now encroaching into Main Street, Saskatchewan, into Manitoba and other parts of the country as well. It is affecting all of the agriculture related businesses, whether we are talking about inputs, farm fuel, fertilizer, chemicals or the seed companies. Everybody is starting to feel the pinch as their receivables escalate and skyrocket into numbers they have never seen before, with no end in sight.

• (1715)

I have received hundreds of calls over this past year at my constituency office and not just from farmers. It is escalating into the businesses supplying the farmers and their input costs. It is escalating into veterinarians supplying services and so on to cattle and pork producers. It has gone on to affect just about everybody out there in rural Canada.

Why is this? Why are we facing this crisis now? It has been building for a number of years. The main culprit was and continues to be an agriculture minister and his government that just will not move very far on this issue. He promised us a bankable program by last Christmas. That is almost 10 months ago and to date there are too few farmers qualifying for too few dollars to make any difference. We have heard numbers like \$220 million out of a \$15 billion program that has actually reached the farmers out there. It is just a little too late and not nearly enough dollars. Just in the nick of too late is what a lot of people are saying out there.

Farmers that I have talked to are averaging five to six months for a response from the complicated forms they have sent in. Their accountants are frustrated by filling out the forms to the best of their ability and coming up with a number that seems acceptable to everyone, only to have it rejected by the AIDA committee working with the NISA committee and the Revenue Canada committee. By the time the circle is done and they have jumped the hoops and

hurdles that are tossed in front of them it is a bureaucratic nightmare. It goes on and on.

A good percentage of farmers that applied in April and May last year are still waiting to receive some money. They have received nothing. It has certainly been a problem.

Bankers in western Canada, to their credit, have been great. They have turned out loans and taken interest only payments on those loans to try to help farmers stay put. It is a bit of a different story when it comes to farm credit, that old boondoggle that was created federally years ago. They have been a little more hardhearted when it comes to tossing farmers off their ground.

This mess is compounded in Saskatchewan because our input costs have gone up with the demise of the Crow rate and with a provincial government that kind of let things slide a bit further than they should have done. We are seeing a tremendous disparity between what the net incomes of Saskatchewan farmers have bottomed out and our neighbouring province in Alberta. It is creating quite a controversy out there.

We have this crisis in agriculture. What it comes down to is that no one has a magic wand. What will we do about it? How can we address these issues? Everybody blames a different villain. We had the Asian flu a year ago and markets collapsed. We have European and American subsidies. We cut but they did not. They have actually increased their funding to farmers. We have to go to the WTO and the GATT negotiations with a little bigger stick.

We have a low dollar. All of our inputs are based on American currency. The fertilizer, fuel, chemicals, farm machinery, repairs, everything that comes out of the States and up here with 67 cent dollars buying it. Not totally. A lot of inputs are based on American money whether or not they are manufactured because there is a lot of that trade back and forth.

We have had both flood and drought in Saskatchewan, opposite ends of the scale, which has led to a lot of farmers getting little or no coverage by crop insurance because of that multiple year problem. Their premiums have gone sky high and the coverage they are able to get has gone way down. There is no way to add or make use of a NISA with negative margins. New farmers that do not have a three year average and so on do not qualify for any type of AIDA program.

A combination of low selling prices for agricultural commodities and escalating input costs have put people into jeopardy. There are six billion people in the world now. We had a big celebration a short time ago when the six billionth baby was born. There is a tremendous amount of hungry people out there. We grow great product here. It is safe. It is ready to go to market, ready to be used, but we cannot seem to find buyers for it even with a 67 cent dollar.

The Prime Minister said that a low dollar was great for trade. We do not see that stimulant adding to Canadian exporters. It just failed to deliver anything out there.

Another thing that has added to the situation is an agricultural system that has been in transition. Farmers followed the buzzwords of the government. They diversified, changed the way they did things, upgraded, worked the land a little differently and so on. They are extremely vulnerable at this time. A lot of people made those changes and were kind of caught in a catch 22 situation with payments to make on the new way of farming and no commodity prices to support it.

• (1720)

What can we do? What can governments do? In the short term I guess we have to prop up Canadian agriculture with a subsidy, cash in hand. It is the only way to get everybody back to the starting line. Canadian farmers are starting out a relay race 10 yards behind everybody else, so we have to give them some cash in their hands to get them back to the starting line.

We are also looking at tens of thousands of jobs that can be affected because agriculture is definitely a primary industry. It affects everybody on the input and on the purchasing sides. We need an aid program that delivers cash, not platitudes.

The program should be simplified. I know that goes against the grain of a lot of government bureaucracies that like to control everything to the end, but we have to simplify it. We have to get the money out there in a timely fashion. No more studies. No more excuses. Let us just get it done. We have Christmas coming up again and I would hate the agriculture minister to be the grinch two years in a row.

In the mid-term let us rethink government involvement in agriculture. Taxes on input costs are exorbitant, as the last member talked about. The major input cost of a lot of fertilizers is natural gas and 50% of that is taxes. Last year the fertilizer institute talked about 20% of its costs being government taxes on its product. All that comes off the bottom line of farmers.

We know what taxes on fuel amount to. Some \$5 billion or \$6 billion a year. A lot of that is coming right out of the pockets of farmers. These are not profit generated taxes, much like property tax. In Saskatchewan we have seen property taxes go up by 52% in the last little while and the bulk of that is paid by 57,000 farmers paying two-thirds of the property tax. We have to look at the way that is done. Interprovincial barriers to trade should be removed. Another \$5 billion disappears from people in the west every year because of trade barriers that we have developed between the provinces.

In the longer term I guess we have to take a bigger stick to the next WTO and GATT negotiations. We cannot and should not

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tolerate unfair subsidy practices. They are killing us here at home. We have to go with more people, with a bigger group, to get our ideas across.

Let us get serious about implementing value added processing in the prairies. We have seen freedom of choice on marketing and delivery of our products being non-available to people. The Crow rate is gone but we did not see deregulation. This government and the provincial governments must look at all existing programs and propose changes and updates to and based on what is in the best interest of producers.

Farm families are hardy. They are good pioneer stock. They are adaptable folk. They have a proud heritage of standing up to the challenges, rolling up their sleeves and finding a solution. Let those of us in government at all levels be part of the solutions rather than a major part of the problems.

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, I believe the province of Alberta recently put some more money into the program for its producers. It was very welcome.

I want to question the previous speaker and other members of the Reform Party, many of whom are from Manitoba and Saskatchewan, two great provinces, on whether they have asked their provincial governments to put more money into the program. As I said before, the top AIDA officials will be coming in front of our committee tomorrow and the ministers of agriculture for both Manitoba and Saskatchewan will be appearing before the House of Commons agriculture committee on Thursday.

I ask the member to continue to look for all possible support in his own provincial government areas so we can work with him.

Mr. Gerry Ritz: Mr. Speaker, I thank the member for his question. I certainly agree with him that part of the problem has been provincial. As I said in my speech, Saskatchewan is seeing huge disparities where Saskatchewan farmers have bottomed out compared to those of Alberta next door and even those of Manitoba, which is somewhere in the middle.

The Alberta government created a program called FIDP which not everyone loves. That is the nature of the beast with government programs. It certainly has held its farmers at a better level than those of Saskatchewan. We have been in a free-fall. Our crown corporations have been building kingdoms elsewhere in the world without staying at home and looking after the little guy. Our farmers have taken a hit at all levels and will continue to do so.

The premiers are coming here. That is great. They can talk and be part of the solution rather than part of the problem. I look forward to the interventions at committee stage.

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The GRIP program disappeared out of Saskatchewan. The provincial government disappeared with about \$140 million. The federal government saved about \$230 million. All they have to do is put that money back and we would have about five times what the AIDA program will do for us.

• (1725)

Let us go back to the future. We do not have to reinvent anything. We saw just a short time ago what rural voters in Saskatchewan thought of the agriculture policies of the NDP government. They turfed the NDP government out of rural Saskatchewan, and rightly so. It was not listening. It has to get out there and start to help with the situation, not add to it. Rates for SaskTel, SaskPower and Sask Gas and Energy will go through the roof. It is compounding the problem and not helping us.

We have infrastructure that we can hardly afford to drive on. We have a seatbelts rule in the province just so we do not get bounced off the seat. It has nothing to do with safety. The situation we are facing in rural Saskatchewan is absolutely ridiculous. It just gets worse and worse.

All levels of government, municipal, provincial and federal, must get in there and work together. Let us forget the partisan crap. Let us all get in there and make it happen.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, I can help out a bit. The former provincial government of Manitoba, the provincial PCs, gave out \$50 an acre for the flooded natural disaster acreage. It was doing something. The NDP Government of Saskatchewan has done nothing in the way of extra money. We are waiting to see it come forward with money.

I have a quick question for the member. The banks have been fairly lenient with farmers in trying to help them out a little. Farm credit has been tough. I have also had calls that the Canadian Wheat Board is pressuring farmers over the cash advances they received in previous years. I see no leniency there.

Should the Canadian Wheat Board be more lenient on the cash advances than what it appears to be doing?

Mr. Gerry Ritz: Mr. Speaker, I thank the member for Selkirk—Interlake for his intervention. I agree. Large corporations can follow the example of the banks and give farmers a break. There is no way that they can buy back land that is coming up this year with the low commodity prices. No one has had a chance to put any kind of cash reserves aside to make the down payment required to buy back the land.

Farmers do not want to lose any of their land. It is part of the viability of their operation. Whether one loses a quarter, five quarters or all five sections really does not matter. It is a chink in

the armour. It is a chip away at the bottom of the dike and everything else will break loose from there.

We need to revisit that situation. We need to look long and hard at avenues that will allow farmers some breathing space to put a few nickels back in their jeans and make that down payment to stay viable.

Mr. Dennis J. Mills (Broadview—Greenwood, Lib.): Mr. Speaker, I appreciate the opportunity to participate in the debate. I remind members that I represent a riding in downtown Toronto. There is not a single farm in my riding.

Having said that, I have always believed that national politicians should be sensitive to issues not just in our own riding or our own community but in every region of the country. Today is an example where this debate affects the people of my riding, not only in an indirect way but in a direct way.

I listened attentively to the member for Yorkton—Melville earlier. He described in very dramatic detail what was happening in his community. There were families with children facing the stress of watching their mothers and fathers working 80, 90 to 100 hour weeks and not making ends meet. He said that this was not a faceless problem, that these were real people.

He also asked one question I want to try to answer. What can we do to make the people who live in cities understand what is happening on the family farm? That was the question he asked.

As a downtown Toronto member of parliament I will attempt to answer that question. The basis of my answer comes from an experience that I had in the House 10 years ago when I sat in opposition. We had an agriculture critic from Lambton—Middlesex, the hon. Ralph Ferguson, who is a farmer to this day. He developed, at his own expense, a program entitled, "Compare the Share". When I go into a store and buy a bag of cookies for \$5, the program shows what the retailer gets, what the wholesaler gets and what the manufacturer gets. The family farm gets two pennies on that \$5. On what we pay for a quart of milk the farmer's share is 11 cents. On a loaf of bread the family farmer gets six cents. When we buy 10 pounds of potatoes for \$1.50 the farmer gets 12 to 15 cents.

• (1730)

Mr. Speaker, I will be splitting my time with the member for Egmont.

As someone who has spent most of my life as a city person, I had never seen that package before. One day we decided to put up a display at my constituency office, which is on a very high profile street in downtown Toronto called the Danforth, showing the various shares on a quart of milk, a bag of cookies, a package of pasta and a loaf of bread. We then showed how much a farmer pays for his land, machinery and equipment.

I can tell the member for Yorkton—Melville that the city people were shocked. They had no idea the number of hours that farm families put in to get the two cents out of that \$5 bag of cookies.

We kept the “Compare the Share” display for about a month to six weeks and then obviously we had to change it. That was one little section of a downtown area in Toronto, one of 22 sections.

The member asked what we could do to make city folk understand. We have to revive “Compare the Share”. Even for our own rural members in the House, there are probably a lot who would not be up to date on the current share that exists on a whole line of products.

We also have to go as far as re-examining the packaging that goes on products. Maybe we should not just be doing “Compare the Share” in our offices. Maybe we should use our power in the House of Commons to explore the notion of putting the approximate share that a farmer gets on all of the packaged goods. What is wrong with that?

The reality is that if we, in three, four or five years from now, lose the contribution of the family farm in the country, or if we discover four, five or six years from now that we no longer have any young people who want to work on the family farm because they are tired of working for \$2 or \$3 an hour, what will we do as a nation? Without the family farm, the quality of food, which today is second to none, and even in terms of consumer price is as competitive or more competitive than most places in the world, we will find ourselves stuck.

This is a good debate today but we must not treat it as a partisan debate. I know most members have not. Let us get together and do something constructive. I really believe the way to get the city people mobilized is to educate them about exactly what the farm family gets for every little contribution they make to the quality of life we have in our cities and in the whole country which is ranked number one in the world.

• (1735)

Mr. Leon E. Benoit (Lakeland, Ref.): Mr. Speaker, I was very pleased to see that the member from Toronto recognized the important contribution made by farmers to the food supply, which is safe and certainly among the best in the world. I was also pleased to hear his idea on how to get city people to recognize the input of farmers. I really appreciate that and think it is a good idea, but it still does not deal with these severe, critical problems that we have.

It does not deal with pushing European countries and putting pressure on Asian countries to remove or reduce their import restrictions. It does nothing to pressure the United States to reduce its unfair subsidies which make it very difficult for our farmers to compete because they are not competing on a level playing field.

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They are competing against just too many odds. Our farmers have become so efficient that they can compete against an awful lot of odds that one would think they just would not be able to deal with, but they can.

The Liberals have not dealt with the tax problem other than making it worse. They have not dealt with the restrictions on farmers to develop more options for markets except by making it worse. They have made things worse rather than improving them.

Mr. Dennis J. Mills: Mr. Speaker, I will continue to be constructive in the debate. I will not get diverted from where I am coming from. I feel passionate as a member of parliament that we should do something to help the family farm in the country, especially those that are in deep economic and psychological pain right now.

What I am saying is that if we educate a majority of people in the country on just how the family farm is getting screwed—I will put it in direct terms of getting screwed—my sense is they will understand that through education in a way that is sort of understandable. City folk are not going to understand. I heard everybody stand up here today to talk about AIDA. How many people in the city understand what AIDA is? I am trying to help here. Using that language is not the way to help.

The way to get city people mobilized to help the family farm in the country is to educate them on how they are getting screwed. Once that becomes a reality in their minds, then I think we can deal with all those other things very quickly.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, there were two members opposite who seemed to have an understanding of what farming is all about and what is really needed to be done.

I wonder if the hon. member who just spoke would be able to have the same kind of impact on the other members opposite and let them understand exactly how significant the family farm is.

I appreciate the effort that he is trying to make to help. However, we need to recognize that although we might recognize how important the family farm is, there is also the income structure that exists with the people who live in the city who buy that food. If the tax burden is such that over 50% of it goes to taxes of one kind and another, it does not matter how well they understand the farm situation. They recognize it but say “Well, look, I have to buy this stuff”. If we are going to get this into some kind of a decent balanced situation there has to be the wherewithal to do this.

The farmers are taxed too heavily. The consumer is taxed too heavily. No matter which way we put this thing together, it seems that the education that takes place has to be a little bit broader than just the farm situation. We have to get into the whole business of taxation and how we get together.

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Mr. Dennis J. Mills: Mr. Speaker, the member knows full well that he has never had any debate with me on the notion of comprehensive tax reform. I have spent 12 years on the issue and I pray and hope that one day the executive of the government will become seized with that issue.

• (1740)

We all have issues that we feel passionately about. I agree with the member that comprehensive tax reform is something we need. However, I am not separating tax reform from any part of any issue in the House of Commons. It is critical and it needs dealing with.

The question the member for Yorkton—Melville asked me today was what can we do to make city folk realize the family farm is in this deep pain, and that is where I was coming from.

Mr. Joe McGuire (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I congratulate the member for Broadview—Greenwood for his contribution this evening to this very important debate.

I welcome the opportunity to discuss the concerns surrounding the level of farm income this year. I share with farmers and members of the House their concern over the difficult realities a number of farmers are facing.

I want my colleagues across the floor to understand, as I believe they do but I want to remind them, how closely the minister of agriculture and the government have worked with producers and with other levels of government to put in place an effective system of safety nets to protect farmers and their income. That is something that does not come across in what hon. members are reading in the papers and seeing on television. Too many people want to make this a federal government problem when in fact it is everyone's problem. The government has been working with all the players to balance all the interests and develop solutions that are acceptable to all the partners.

Partnership has been the hallmark of farm safety net policy over the last half decade. In December 1994, after a year of consultations with farm groups, the minister of agriculture and agri-food of the day achieved a national consensus for a new Canadian farm safety net system, one that is income based and established on the whole farm principle, a system predicated on balancing the needs of all regions and all sectors.

Partnerships yield results and our safety net system is proof of that. Working together, producers and governments developed one of the most predictable, effective and reliable systems of farm income protection in the world, and this system is still evolving. Contributions to both design and funding come from farmers themselves, from the federal government and from all the provincial governments.

Improvements are being sought on an ongoing basis. Unfortunately, today's market conditions are one of the driving forces behind the effort to improve safety net programming. However, Canadian farmers have a solid foundation on which to build and the federal government is continuing to work with them through the national safety net advisory committee to develop these improvements.

Currently farmers in the country have a safety net system made up of crop insurance, the net income stabilization account or NISA and specific provincial initiatives. As things stand now, the Government of Canada invests \$60 million each and every year to these programs with the provinces spending an additional \$400 million.

The NISA account and federal-provincial crop insurance are designed to help farmers deal with normal market risks and weather. NISA is a voluntary program designed to help producers achieve stable incomes over the long term. It provides producers with the opportunity to deposit money annually into their income stabilization account and receive matching government contributions so their account grows. In lower income years producers are expected to bring their incomes up by making withdrawals from the funds they set aside in previous high income years.

Currently there are 105,000 Canadian producers with a total of \$1.2 billion available in their NISA accounts. They can withdraw that money at any time. Up until October 14, 24,000 Canadian producers had withdrawn \$261 million. These funds are helping many farm families weather the current market downturns.

The existing safety net system was designed to deal with the normal cyclical risks that markets and mother nature present but the minister of agriculture has recognized that what has been happening over the past year and a half has been exceptional. All the cycles essentially bottomed out at the same time and a number of other factors came together to make the situation even worse. Many farmers' revenues plummeted as prices fell from the highs of the mid-nineties to dramatic lows.

• (1745)

That is why the Government of Canada responded with the AIDA program. It was developed in consultation with industry and the provinces. It is providing \$1.5 billion with 60% coming from the federal government and 40% coming from the provincial governments. This money has been paid out over two years to help farmers through an income crisis.

In announcing AIDA in December 1998 the Minister of Agriculture and Agri-Food said:

The objective is to target the farmers in Canada who, I am confident, will succeed in the long term but need help now, due to circumstances beyond their control.

The AIDA program builds on NISA, crop insurance and other existing risk management mechanisms. It was designed to meet the green criteria of the WTO agreement on agriculture.

Because of our international commitments and obligations, I do not believe answers can be found by stepping back 10 years into the past with a repeat of ineffective, inequitable and unaffordable subsidies. Such measures cannot be financially sustained nor are they suited to an agri-food sector that is very dependent on the world marketplace.

Instead the government will continue to defend the interests of Canadian farmers in the international trade arena. We will use the upcoming world trade negotiations to work toward removing trade distorting subsidies so our farmers can compete on a level playing field in the global trading system.

Agriculture and Agri-Food Canada has a long history of working with farmers and the agri-food industry to achieve those things which make our industry thrive. Despite recent challenges, our sector as a whole is remarkably strong. Our existing safety nets and now AIDA will help ensure it stays that way.

That said, the Government of Canada understands that the current programs can be improved upon. We are currently in the process of considering additional modifications to the AIDA program for the 1999 tax year. We are setting out the parameters for the long term safety net options for the future. All changes to AIDA and/or the development of any long term safety net options will be done in consultation and in partnership with the provinces, with the minister's national safety nets advisory committee and also with farm organizations.

Canadian producers have faced adversity before and have come through it, thanks to their own strength and innovation and thanks also to the efforts of all governments working together.

The ability of the agriculture and food industry to overcome the current challenge rests on the strength and stability of its foundation at home. Over the past year we have been working hard to provide that stable foundation by improving the existing safety net system and by developing new tools like AIDA. That work continues.

Mr. Leon E. Benoit (Lakeland, Ref.): Mr. Speaker, the member's comments, coming from the parliamentary secretary, really concern me.

I heard no reference whatsoever to some of the key issues that are affecting farmers, such as tax reduction which would help immensely in improving the bottom line, and such as dealing with the unfair trade practices of other countries which would do more than anything else the government can do. These programs are not going to cut it. We have to fix up the problems in trade.

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I heard no reference to reducing user fees which have been built up by the government at an unbelievable pace over the past six years, or reducing regulation and red tape so farmers do not spend half their winters working through the maze the government has set out for them.

None of these things were talked about. No solutions were offered by the parliamentary secretary. That certainly does not respond to the concerns that farmers have.

Mr. Joe McGuire: Mr. Speaker, maybe the hon. member for Lakeland was listening to the speech. I made specific reference to the efforts Canada is making through the World Trade Organization to reduce subsidies.

In the world at large, Canada is not a great big player. We are not a powerful player in the international agricultural field. We have to design and push with all our might to have a rules based system of trade so Canada can compete equally with other more powerful nations like the United States and the European common market. We cannot afford to match them dollar for dollar in the subsidy game. We are not in that game. I believe the Reform Party agrees that we cannot do that.

• (1750)

I know the Reform Party's situation in regard to agriculture and agricultural assistance is evolving, the same as our AIDA program is evolving. If we work together we will come up with a very good solid basis for a safety net program in Canada.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, in the parliamentary secretary's remarks earlier he said, "We will continue to defend the interests of farmers in international trade negotiations". That is what he said.

Four years ago when the WTO said that countries should start looking at a 20% reduction of subsidies in their agricultural sector, the Liberal government, as the parliamentary secretary said, defended the interests of farmers by not taking 20%, 30% or 40% off the subsidies in Canada. It took 100% of the subsidies with respect to grain and oilseeds production in western Canada.

Does he sincerely believe what he just said, that he will continue to defend the interests of our farmers in the future? They are reeling from the Liberal policies of the elimination of the Crow benefit and other subsidies. How can he possibly hurt the farmers any more? We would like to know because the farmers should be getting ready for the onslaught and the butchering of their agricultural life by the government. Can the parliamentary secretary answer how he is going to continue to defend those types of attacks and persecution of our farmers?

Mr. Joe McGuire: Mr. Speaker, those comments come from a member of the fourth party who is from Saskatchewan and whose NDP government has been very tight in supporting its farmers within its own provincial boundaries. For him to sit back and

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criticize the efforts we are putting in through the federal treasury to support his farmers in Saskatchewan leaves much to be desired.

We are putting in \$600 million every year in safety nets and \$900 million in the AIDA program. We are looking at adjustments to that program so we can free up more money for the farmers. I would say that we are coming through for the farmers of Canada.

That type of comment coming from a member from Saskatchewan leaves a great deal to be desired.

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, a farmer in my riding sold 161 tonnes of malt barley and received \$20,330. That is pathetic to start with. However, he paid \$699 for terminal cleaning. He paid \$4,546 for freight. He paid \$2,026 for handling. He paid \$64 for a malt barley levy. He paid \$146 for administration. Thirty-seven per cent of his cheque was gone before he got it.

What is the government going to do about reducing input costs and reducing these types of bills that farmers are paying?

Mr. Joe McGuire: Mr. Speaker, everybody recognizes that the reason we are in this jam right now and probably into the next year or so, is the low commodity prices experienced especially by the western grain farmer and people who export agricultural products. That is something we have to face as a country. It is not something that is faced just by the federal government or by the producers, but it is also faced by the provincial governments.

By working together we are addressing the situation. Through our combined efforts we will be there for the farmer in his hour of need.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, I am very pleased to rise in the House of Commons today to discuss the farm crisis in western Canada and other parts of the country. This country has a farm income crisis that is unprecedented and has not been seen since the depression of the 1930s.

I represent an urban rural constituency. There are 37 rural communities and a number of farm families who live in and between those communities. They are having a very traumatic time with respect to their industry, their livelihoods and their futures.

• (1755)

I want to say a number of things today about what has transpired and what may transpire in the future. I want to focus on the priority of helping farm families and keeping our agricultural way of life. I want to talk about that and the four reasons that we are in this situation today. Everyone knows why we are in this situation. I want to elaborate on a few of the reasons. There are four major reasons.

One is that the commodity prices are in the dumpsters. They are way, way below prices that we have ever seen before. Today farmers are getting for grain what farmers got in the 1930s, the same dollar, not the same dollar value. That is a very serious situation.

Two, we have seen a huge reduction in subsidies and supports for farmers while other countries have maintained their supports.

Three, we have seen large increases in huge input costs over the last two or three years. They have gone unfettered in terms of taking away farmers' potential earnings and so on.

Of course, the fourth reason is natural disasters. There have been a lot of natural disasters. We will get to all of them, but I want to talk first about the crisis.

It is my view and the view of the farmers in western Canada that the Liberal government has abandoned western prairie farmers. There used to be the Crow benefit, a transportation subsidy. It was provided to our western farmers in perpetuity by law because of the \$14 billion to \$20 billion in assets that we gave the railway companies to provide that Crow benefit.

What have we seen over the years? Successive Liberal and Conservative governments have allowed the railways to spin off all those assets, the mining companies, land companies and all the other assets that were given to them to subsidize some of that grain transportation. Governments have encouraged them to spin these companies off. They have left the railway companies all by themselves trying to make a profit on the farmers' backs. On top of that governments have deregulated the railway industry to a degree where they have allowed the railways to do whatever they want concerning branch lines. They have abandoned branch lines all over the place.

The government is abandoning its obligation to support western agriculture after successive governments have allowed billions and billions of dollars to be sucked out of the western agricultural industry.

Four years and four months ago I was at the Council of Europe in Strasbourg, France. I went there as a delegate of this parliament. For members who do not know, all the European countries meet four times a year. Their members of parliament go there to talk about issues which are common to their countries and common to the world, actually.

I went to the agriculture committee. I asked the members of that committee in Strasbourg, France what they would be doing with their subsidies for agriculture. At the time the Liberals said that WTO makes it mandatory and we have to eliminate our subsidies for farmers. That is what farmers were told. The Liberals eliminated the transportation subsidy. Those farmers from Europe told me "We will not reduce our subsidies for farmers. We have five years to address the subsidy issue for our farmers. If you think for

one moment we would sacrifice our farmers for the U.S.A., you are gravely mistaken". That is what they told me. It is in their *Hansard*.

Here we are four years and four months later, the only government out of the 38 members of the Council of Europe, the U.S.A. and Canada that has abandoned its farmers. The only country is Canada, the best place in the world in which to live, for everybody except farmers.

Here we have one of the major reasons for the crisis out west. There has been nothing in terms of supporting that.

The second reason is the drop in commodity prices. Commodity prices are dropping because every other country has received subsidies. My colleague from Palliser spoke this morning about the subsidies. The Americans have committed \$23 billion to their farmers plus another \$13 billion, for a total of \$36 billion to the American farmers. That is supporting their farmers.

Are our Liberal ministers going to the states saying "This is GATTable. This is against the WTO. This is terrible". Not a peep, and on top of that not a dollar for western grain farmers. The Liberals talk about the AIDA program and the \$900 million they are giving. Everybody got it, except Manitoba and Saskatchewan farmers and some Alberta farmers as well.

• (1800)

When I was in Strasbourg, France, four years ago talking to the farm oriented members of parliament for Europe, they told me that their subsidies were in the vicinity of 55 cents to 60 cents on the dollar. Ours with the Crow benefit was 19 cents, and the Americans at that time were at about 42 cents.

Now we are getting six cents on the dollar for every dollar farmers earn and the Europeans are getting 56 cents, almost 10 times more than Canadians, and the Americans are getting six times more at 38 cents on the dollar. Is this how our government has negotiated?

My colleague from Kamloops, Thompson and Highland Valleys made a speech in the House not long ago when he showed Canadians the negotiating position of the Liberals. He was on his knees for most of the speech because he was talking about the Liberal negotiating position.

We have seen a betrayal in terms of the loss of subsidies to our farmers. It is totally unacceptable.

One farmer told me that in this current world of the Liberal agricultural policy he feels like a kamikaze pilot with a two ship quota. That is what all western farmers are feeling right now because of the ineptitude, the betrayal and the purposeful abandonment.

Supply

For the first time since the 1930s we have seen the Liberals encourage farmers to demonstrate and to protest how they have been treated by the federal government. They are demonstrating across western Canada.

My fear, and farmers tell me this, is that if continued betrayal happens we will not have demonstrations, I fear there might be violence. I do not want to see that. I tell my farmers not to do that. I do not know what they will do until they get some support from the government.

What do farmers get for their commodities? When we go to the grocery store and buy a \$4.50 box of shredded wheat, farmers get less than four cents out of the \$4.50. Where does the money go? It does not go to farmers. That is part of their problem.

The third reason we are in this pickle is because of increasing input costs. There is a fuel tax on diesel fuel for farmers. The federal government takes about 12 cents a litre on that tax and it does not spend a dime on roads or transportation in western Canada.

My advice to the government is that when it is looking at how it deals with western farmers maybe it should put some of the fuel tax into an agricultural support program.

We have seen transportation costs skyrocket. I talked the other day to a farmer near Craik in my constituency. He sent three carloads of barley to the marketplace. One carload of the three was for his transportation costs. Now we have serfs in our country working for the railway and grain companies. All the farmers want to do is make a living for their families. They are prepared to pay their fair share, but they want some respect and dignity from the government opposite.

We have seen fertilizer, chemical and pesticide costs increase. Taxes on those should be reduced or eliminated for our farmers.

The most incredible increase in costs has been the downloading of equalization payments and moneys to the provinces in health care and education. They have been downloaded directly to the farmers. They have to pay higher costs for education and health care from their properties, businesses and family farms because the government was, in the words of the minister, continuing to defend the interests of farmers. With friends like that we do not need any enemies in western Canada.

The farm crisis is totally invisible to Ottawa. The throne speech did not have one reference to the farm crisis. We are hoping that there are some people opposite who are prepared to support our rural farmers.

The fourth reason we are in this pickle is because of natural disasters. We have seen floods, frost, drought, hail and pestilence, but the greatest natural disaster has been the Liberal government opposite. It does not seem to understand how to put an agricultural emergency program together.

Supply

Some 13 months ago I raised the question of assistance for farmers in the House of Commons. We called for an emergency debate. The government opposite turned it down. About 18 months ago my colleague from Palliser, our agricultural spokesperson, raised questions in the House about the impending crisis. It fell on deaf ears because the Liberals were too busy doing other things. We see a Liberal government opposite which does not have an understanding of what agriculture is all about.

• (1805)

I was at the airport the other day when a cabinet minister came up to me and said "What is it you have in your hand?" I said "What do you think it is?" He said "Is it rice?" I said "No, it is grain. It is wheat". He did not understand what wheat was. I found that quite incredible.

We need an agricultural program like AIDA which has to start covering negative margins. It has to start covering a longer term, not just three years but over five years. The government would be well advised to take the advice of the farmers out west who say if we are going to have an emergency agriculture disaster assistance program, then maybe it should help agriculture producers directly.

We have seen in Saskatchewan and Manitoba that less than half of the farmers are qualifying for AIDA. I had a call from a farmer just last week who was in tears because he has had a negative income for the past two years. He received a call from AIDA in Winnipeg saying "We can't give you any money because you don't qualify". He told me that he will be finished by next spring. Unless he receives emergency aid his farm will be gone.

That is one of hundreds of farmers with whom I spoke over this last summer. These farmers are desperate. Their eyes are gaunt. They look like they have been abandoned by the federal government. All they want is an opportunity to play on a level playing field in order to produce a product which is necessary in this world, food. That is all they ask. They do not want to be subsidized all the time. They want to have a fair, level playing field.

We have a government that does not seem to get it. Instead it sends Mr. Kroeger around, who says that what we should do is take the cap off the transportation of grain. We have already seen transportation costs triple since the Crow benefit was eliminated. The government, in the words of the parliamentary secretary to the minister of agriculture, continues to defend the interests of farmers in international trade negotiations.

The government is really doing a great job. Railroads are expanding in the United States and we are helping them. We have two railroads in this country, one that we paid for but never owned and one that we used to own but never paid for. Now we have two railroads that we have paid for in both ways and someone else owns them and they are expanding everywhere. When I asked the

railroads if they would give the farmers a break on their transportation costs because they are making all of this money, they said "Maybe, but maybe not". Now the government is asking for the freight rate cap to be taken off.

The NDP is the only party in the House of Commons, and in this country, which supports the retention of the cap on freight rates. There should actually be a rollback to make farming more affordable for these people.

We have three kinds of farmers in Saskatchewan. One-third of them are making it year by year. If they have a bad year they might make it to the second year with certain supports. For the middle third, if they have a couple of bad years in a row they can still make a go of it. The other third does not have any land or equipment debt. That is the structure of the agricultural community in Saskatchewan.

What is tearing at my heartstrings and what I am pleading with the government to listen to is that I am talking to more and more farmers in that top third who have no land debt and no capital debt who are telling me they may farm one more year and then they will be gone because they now have to borrow on about one-third of their property assets to put in the grain next spring. They have to buy fertilizers and other inputs. They are going backwards.

If the top third are in jeopardy, or contemplating leaving, what is happening with the other two-thirds?

I am told by many sources that up to half of our farmers in Saskatchewan alone, in Manitoba and probably Alberta as well, may be out of business in the next 12 months if something is not forthcoming that is fair to them in this competitive world.

I talked to members of the co-op boards. This does not only concern farmers. We know that the Liberals wanted to restructure agriculture. When the member for Wascana, the Liberal natural resources minister, was parliamentary secretary to Otto Lang from 1974 to 1979, he and Otto Lang tried to get rid of the Crow benefit. The member for Wascana, who was re-elected, came back and did it himself single-handedly, thanks to the good training of Otto Lang. The only party that opposed that move was the NDP in the House of Commons.

• (1810)

Here, unfortunately, four years and five months later we are saying that it has been a disaster, as we said it would be. We are asking the government to reconsider that approach and to help our farmers as soon as possible.

I spoke to a farmer near Govan, Saskatchewan. He has 10 quarters of land that he has been farming for 30 years. There is no debt on the land. His equipment is paid for. His children have moved away from the farm. He told me that he may have one more

year left to farm and then he is out of it. That is a very serious situation.

If the Liberals are not listening to these points, I have one more they should pay attention to. A former federal Liberal candidate in the 1984 election who farms in my district said to me that last July or August he sent in his Liberal Party membership card. He was a colleague of government members. He ran with them shoulder to shoulder in an election campaign in the past. He is a farmer and he is saying that he is sick and tired of the Liberals. They have abandoned, betrayed and butchered farmers and he is done. He is no longer a Liberal card carrier. He sent his Liberal membership back to a cabinet minister.

There are some very serious situations. I do not know if the dramatic situations that farmers are talking about will materialize. However, in local newspapers, such as the *Davidson Leader*, which is a newspaper in my constituency and in that of one of my colleagues in the Reform Party, the headlines say that the minister of agriculture should resign. The *Davidson Leader* is a very important newspaper in the rural community that I represent.

Mr. Dick Proctor: It is almost as big as the *Moosomin World-Spectator*.

Mr. John Solomon: It is almost as big as the *Moosomin World-Spectator*. It is probably bigger than that.

There are some very serious implications. I said earlier that it is not just the farmers who are hurting. Let us look at the spinoffs. Just imagine if half of the farmers are out of business in the next 12 months in western Canada. What will happen to the co-operatives, the credit union boards and those businesses? What will happen to the hairdressing salons, the cafes, the gas stations and all of these other businesses and small businesses in the communities? The A & W in Davidson, for example. I guess that is going to be gone. There are all kinds of important implications to this.

When that happens, the tax base is lost and, voilà, we end up with no transportation system at all, or one that is crumbling faster than it is now. We end up with an education system that is at risk and potentially will not withstand the upcoming disaster. We will see our health care system totally collapse in rural districts. It was a way of life that many people preferred to choose.

I have letters from all kinds of people. A few are from children who are in school. They are students in grades 7 and 8. A student from Creelman, Saskatchewan wrote to the Minister of Finance, saying:

Farmers need financial assistance soon or many will go bankrupt. Without farming many other people in agriculture related jobs will also be without work. Rural Saskatchewan as we know it will not exist. Please help our farmers. In doing so you will be saving our province.

Supply

I have letter from another student. He talks about being a fourth generation farmer.

The possibility of me farming is very slim. Both my parents work off the farm and have rented their land out.

The purpose of my letter is to discuss the farming situation in western Canada. I live in southeast Saskatchewan. In the past four years, our family has had poor crops, poor prices, and escalating costs of machinery, fertilizer, chemicals, and fuel. Every cent they had went into the farm.

Here we have a young generation that will not be farming because of these agricultural policies initiated by the government opposite.

Companies such as Flexi-Coil, which used to employ 1,800, is now employing 350 or thereabouts.

What do we need? Farmers need immediate cash. In Saskatchewan alone the number is at least \$1 billion.

Second, we need stronger representation at the WTO to have other countries reduce their subsidies in the longer term.

Third, we need tax cuts on fuel, fertilizer and chemicals. We need to address those sorts of taxes.

Fourth, we need to cap the freight rate on our transportation system for grain.

Finally, we need a fully financed AIDA program which will be there as a whole farm income plan in the event of future disasters.

• (1815)

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I thank the hon. member for his comments on the issue. I know he is from Saskatchewan and cares deeply for the farming community there. However, I am somewhat surprised by his comments. I would hope he might pass his comments on to those in his party who developed the campaign promises. As he knows in the last election, out of the \$17.6 billion in new campaign promises only \$11 million went to agriculture. I might suggest that he pass that on.

I have a question for him regarding international trade. He said that one of the problems that is creating this crisis is the fact that somehow we have not stood up to the Americans or the Europeans in terms of subsidies. Is it not his party's position that we should pull out of the WTO? Is it not also his party's position that we should not be negotiating at all when it comes to Seattle?

I wonder how he expects us to put forward a strong position on these issues if we are not part of the World Trade Organization or if we were not in a position, with meetings like Seattle, where we can pull together different countries from around the world that have a similar position to ours. I would think it would be in Canada's interest, given the size of the country, to be able to draw together

Supply

certain groups of countries to put forward a strong position on these very issues. I wonder if the hon. member agrees with this.

Mr. John Solomon: Mr. Speaker, the parliamentary secretary dealt with two issues, the first being that the New Democratic Party has had a very strong agricultural program in every election since, as I can recall, 1952. We have program cards. I was looking at one the other day that was from the 1953 or 1954 federal election. In every campaign since 1953 or 1954, we have supported the Canadian Wheat Board and have said that we would fight to retain the Crow benefit. That has been in every one of our policies including our policy of the last election. However, the Crow benefit is gone.

In response to his second question, yes, we do believe the WTO is an important organization for our country and all countries, but the problem we have had is not with the hon. member opposite but with his colleagues before him who were trade ministers and gave away the farm. They had no strength with which to negotiate. They said that 20% was a good idea but that they were going to do 100% because they were good. And they were good, really good. They were so good that they have sacrificed half of our farm population in western Canada, and that is bad.

What we are looking at here is an organization that does have opportunities for us. We have to go to Seattle and try to get the subsidies on agriculture readjusted so they are more fair. In the interim until that happens, because it will not happen overnight and will probably take years, I would suggest to the parliamentary secretary that he stand with us and with the farmers. The member represents a rural constituency and he knows the importance of these sorts of programs. He should stand with us and help our farmers out west to get what they need to survive at least another year. It is certainly what they deserve.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I listened with great interest to the member's comments. The NDP member would have a lot more credibility if his government in Saskatchewan took agriculture a lot more seriously and supported the farmers. That is one of the real problems we have when we come to Ottawa. Many people here ask us what the provincial government is doing and we have to say "very, very little". That is one of the key problems.

I do not want this to be too partisan, but I want to make some points here. When the member pointed out some of the problems in Saskatchewan he failed to mention that the provincial government there has taxed farmers to death. We complain about federal taxes but the taxes in the province are just as bad. For example, the member talked a lot about the high cost of fuel. It gets a lot of headlines back in the province. However, he failed to mention that the provincial fuel tax is the highest in the country. Why not reduce that? There is no reason he cannot put some pressure on his friends in the provincial government in Saskatchewan to do that.

• (1820)

The Province of Saskatchewan also makes huge profits off farmers through its crown corporations. The natural gas is all handled by a crown corporation and farmers have to pay the taxes on that natural gas. The electrical power is supplied by a crown corporation. It is making huge profits. The telephone company is a crown corporation making huge profits, in fact, expanding around the world. The member complains about what is happening. This has to be rectified and the member should begin to address the problem.

We can talk about property taxes and the downloading of all the education costs on farmers through those property taxes. I could talk about transportation costs: \$50 million every year because the Government of Saskatchewan failed to put pressure on the restructuring of the railroads. It did virtually nothing on that.

Those are four areas where nothing was done and farmers are now paying the costs because of the mismanagement back in the province of the NDP. I think the member should answer some of those questions.

Mr. John Solomon: Mr. Speaker, I am always happy to answer questions about the provincial government in Saskatchewan, although this is not the correct forum.

The member raises a number of issues. He talks about credibility. I have some little quotes by him and other colleagues of his in the House of Commons from various policy books about how the Reform Party wants to eliminate the agriculture subsidies faster, harder and quicker so that there is not even the six cents on every dollar the farmers are receiving now. Reform wants them to have nothing, not just six cents.

What Reformers are looking for in this forum are tax cuts because it is the honourable thing to do. They talked about their priorities. They are so busy cashing CNR and CPR dividend cheques that they do not have the interests of the farmers at heart.

There are some tax situations in Saskatchewan that are higher than most. I remind the Reform member that it was his coalition of Reformers, Liberals and Tories who bankrupted Saskatchewan in the first place. They were elected in 1982. They took a province that did not have one dime of debt and \$2 billion in heritage funds, and in nine years put the Saskatchewan government \$16 billion in debt for one million people. Now they are saying there are high taxes. They should be embarrassed and ashamed of themselves. They are the ones who put the people of Saskatchewan in this pickle, along with their colleagues across the way.

Let us talk about credibility. The member for Yorkton—Melville says that Saskatchewan has the highest fuel tax in the country. He is not only incorrect, he is wrong. Saskatchewan actually has the fifth lowest tax regime on fuel which should be directed more into the

agriculture situation. Out of the 15 cents a litre that is collected in Saskatchewan on gasoline, about 80% goes back into the transportation programs such as highways and roads. Maybe it should use the whole 100%, as I have advocated here that the federal gas tax should be used 100% on rural transportation in rural Canada, not just in western Canada.

I want to point out for the record that it was their government that gave away the Potash Corporation of Saskatchewan in 1980 which provided \$100 million a year in revenues to the Province of Saskatchewan. That was for potash that was sold outside the province. There was new American and foreign money coming in with high wages, high production and great revenues, plus another \$150 million a year profit that it was making. They gave that all away. Guess what? Jobs were lost and the debt increased. They left the debt with the taxpayers and gave away all the assets.

We now have Chuck Childers, the now retired president of the Potash Corporation of Saskatchewan, going around the country saying what a great success this privatized corporation is. There are no more revenues going to the province. His salary is paid in U.S. dollars. He will not take Canadian dollars. He hired American vice-presidents to work with him and they are getting paid in U.S. dollars. I am not saying that is good or bad, I am just outlining this as fact. That is the way it is now under a Reform kind of crown corporation system.

I think the people of Saskatchewan would look at that in a very negative way. They did not support this in 1991 or 1995. I do not think they support it now.

• (1825)

Mr. Garry Breitkreuz: Mr. Speaker, I rise on a point of order.

I would like the hon. member to table the document he was referring to with regard to the tax on fuel in Saskatchewan being lower than in other provinces.

Mr. John Solomon: Mr. Speaker, I would be happy to provide the member with that information. Reading might give him a new dimension in terms of the facts. The Canadian Petroleum Products Institute provides this information which shows all the provinces across the country. Saskatchewan is about the fifth lowest when one considers all those that have gasoline taxes. I think it is very important for a member like him to start reading some of this.

The Deputy Speaker: The time for questions and comments has expired. Resuming debate.

Mr. Garry Breitkreuz: Mr. Speaker, I requested the tabling of a document.

The Deputy Speaker: The difficulty is the hon. member cannot table the document unless he gets unanimous consent in the House

because he is not a cabinet minister. He has offered to give the hon. member a copy and I think that is probably the best he can do under the circumstances. That is why I did not pursue the matter.

Mr. Gar Knutson: Mr. Speaker, I rise on a point of order. Since this is a non-votable motion, there is no question to be put. Therefore, I ask that we see the clock as 6:30 p.m.

The Deputy Speaker: Is it agreed that we call it 6:30 o'clock?

Some hon. members: Agreed.

The Deputy Speaker: It being 6.30 o'clock, it is my duty to inform the House that the proceedings on the motion have expired.

ADJOURNMENT PROCEEDINGS

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

NATIVE PEOPLES

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, again I rise in the House in the late show to discuss the crisis that is happening in the Atlantic fishery.

The other day the government appointed Mr. Mackenzie as a federal mediator to go down to Nova Scotia to discuss the situation between non-native and native fishermen after the Marshall decision of September 17.

Unfortunately the representative down there now has absolutely no trust in the people he is talking with. He even admits that he knows absolutely nothing about the fishery. Why would the federal government send someone down to Nova Scotia to discuss the fisheries crisis when the individual in question knows nothing about the fishery?

Another thing we found out today is that since the Marshall decision has come out, besides the chaos and uncertainty this has created in everyone's lives in the maritime region, on March 8 of this year the Mi'kmaq nation came to Ottawa to discuss the proposed Marshall decision with the Department of Fisheries and Oceans and the minister at that time.

They came here to give the government advance warning that if the supreme court was going to rule in favour of the aboriginal people, they would like to give the government enough time to come up with a short term plan to initiate the transfer of getting the aboriginal people into the fishery. They came here and the government basically told them to go away.

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The government did not want to talk to them because it was going to wait for the Marshall decision. That means the government did not want to plan ahead. It did not want to discuss the future or the possible crisis that may happen as a result of the Marshall decision. The government told the Mi'kmaq people who came here in good faith to go away.

This is typical of the government and past Conservative governments. They have consistently told aboriginal people who have had legitimate concerns across the country to go away, to pound sand, to take their case to court.

Three straight court decisions from the supreme court have ruled in favour of the aboriginal people. Every single time, the past governments and this current government have stood there like a deer caught in the headlights of an oncoming truck. The government really does not know what to do.

Meanwhile the livelihoods of thousands and thousands of people and their communities, their children are at stake. The resource itself is at stake. This government just stands around and says, "Go away, we do not want to talk to you". Now it is scrambling around. This party has offered the government sound advice. Other parties have given the government advice as well which it has completely ignored.

• (1830)

It is ironic to notice that the previous minister who is now the environment minister must have known the decision was coming down. If the DFO was the stock exchange we could almost accuse him of insider trading because he left the portfolio fairly quickly and went into another one.

Now we have a brand new minister who readily admits that he does not know much about the Mi'kmaq people. He does not know much about fisheries as the head of one of the most volatile departments. I call it one of the most out of control departments in Ottawa. It has cost us billions of dollars in TAGS adjustments. The stock itself is in chaos. The auditor general said last April that the DFO and the government were managing the shellfish industry in the same manner that they managed the groundfish industry: right into the ground.

My question for the hon. parliamentary secretary is quite simple. Why did the government shut the door on the Mi'kmaq people on March 8 and in the ensuing weeks when they tried to initiate their conversations? What will it do to resolve the situation immediately?

Mr. Gar Knutson (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I am pleased to reply to the hon. member for Sackville—Musquodoboit Valley—Eastern Shore on behalf of the Minister of Indian Affairs and Northern Development concerning the federal response to the Marshall decision on fishing and treaty rights.

The Minister of Fisheries and Oceans has already spent two days in the maritimes meeting with aboriginal leaders, with commercial fishers and with his provincial counterparts. Both ministers met on October 18 with the executive of the Atlantic Policy Congress which represents all the Atlantic chiefs to discuss issues arising from the Marshall decision.

All parties at that meeting agreed that a made in Atlantic solution is required and that the fishing issue should be given first priority. They also began to consider a process for dealing with the broader impact of the Marshall decision.

On October 27 the Minister of Indian Affairs and Northern Development will meet with the Atlantic chiefs in Cape Breton to continue the discussion launched last week. In addition, the Minister of Indian Affairs and Northern Development consulted with the ministers responsible for aboriginal affairs in the maritime provinces on October 21. DIAND staff is actively involved in reviewing the Marshall decision, its implication for first nations and its implication for all people in the maritimes.

Two additional steps have also been taken. First, the Minister of Fisheries and Oceans has been designed as the lead federal minister on the immediate issue relating to fisheries while the Minister of Indian Affairs and Northern Development will lead on the broader resource issue relating to the 1760 treaty and other historic maritime treaties.

Second, the government has appointed a respected Nova Scotia lawyer, Mr. James Mackenzie, to serve as the federal representative in discussions arising from the Marshall decision both on fisheries issues and on the longer term implications of the court ruling on aboriginal access to resources. Mr. Mackenzie began meeting with east coast chiefs and with non-aboriginal fishers last week.

The Minister of Indian Affairs and Northern Development and the Minister of Fisheries and Oceans are both actively working with aboriginal leaders, with the provinces and with other stakeholders. We intend to continue working co-operatively with all parties to reach a constructive solution.

HOMELESSNESS

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, if Canadians were asked if they believe that housing is a basic human right they would answer with a resounding yes. Most everyone understands that without the basic provision of safe, secure, affordable housing it is pretty hard to make anything else in one's life work.

Most everyone gets that fundamental point but apparently not the Liberal government. Despite the Golden report, the report of the Federation of Canadian Municipalities, the Canadian Housing and Renewal Association, my own report from my travels across Canada this winter, the report of the Toronto Disaster Relief

Committee, CMHC itself, and so on, we are still living with the terrible record of being the only industrialized country without a national housing strategy.

I asked myself how could this be when in 1990 the Minister of Finance, then in opposition, decried the fact that poverty and homelessness existed in Canada. "It is reprehensible in a country as rich as Canada", he said. How can it be that we still have a housing disaster in Canada today when a minister of homelessness was appointed in March of this year? How can a country as wealthy as Canada be condemned by the UN for its appalling record on homelessness, particularly for aboriginal people?

These shameful conditions exist not because of the fault of individual people who are without housing or are homeless but because of deliberate, conscious public policy by design that has created a housing crisis.

• (1835)

Let us make no mistake. What we see today on our streets, in the waiting lists for co-op housing and in every community where housing is threatened is a direct result of a terrible decision made by the government in 1993 to dump housing and end construction of social and co-op housing. We are living the consequences today of the decision made in 1993 to abandon social housing. I implore the federal government to look at what is going on today.

The minister responsible for homelessness and I were at an Ottawa luncheon that launched an instant food hot pack and a corporate sponsorship drive for the Ottawa Food Bank. The Ottawa Food Bank needs all the help it can get, but the people forced to rely on charity in this wealthy country need real solutions, not band aids or hot packs.

My caucus has strongly supported the 1% solution for housing advocated by the Toronto Disaster Relief Committee and now supported by organizations across the country. We in the NDP have made very clear and will continue to demand that the federal government take responsibility for housing.

Housing Canadians is important. We want to see a national housing strategy. We want to see the 1% solution. I have a motion coming before the House that is soon to be debated and speaks to this matter precisely. I urge the government to do the right thing, to show responsibility, to work with the provinces and to implement a national housing strategy so that no man, no woman, no child or family is lacking this basic human need. Will the government do that?

Mrs. Judi Longfield (Parliamentary Secretary to Minister of Labour, Lib.): Mr. Speaker, the Government of Canada is concerned about the growing number of homeless people in communi-

Adjournment Debate

ties across the country, the increasing number of children, youth and families struggling to survive day to day.

Municipalities across Canada have produced countless reports that identify problems, that articulate the root causes and seek solutions. Municipalities are concerned. In addition, community groups from across the country are coming together to discuss their approaches and share successes.

Earlier this year the Prime Minister asked the Minister of Labour to co-ordinate the activities of the Government of Canada related to homelessness, to bring together the information from these reports and to tabulate the documentation received from community groups.

Communities, municipalities and provinces have an important contribution to make and must understand that they need to be prepared to share in the responsibility for addressing the issue. We all need to be part of the solution.

The Minister of Labour spent the summer travelling to over 20 communities from Vancouver to Halifax and spoke directly to Canadians who are homeless, to Canadians who work and volunteer their time to help the homeless, to businesses that are concerned, and to mayors and councils that are committed to eliminating homelessness in their communities. The minister is compiling what she heard from the communities and from the many reports that have been prepared by the municipalities. She will be the voice for those recommendations in Ottawa.

Over the past few months we have made progress. The Minister of Public Works and Government Services was able to augment the \$300 million over five year RRAP program by \$50 million, some of which was targeted directly to homeless shelters.

The Minister of Human Resources Development has identified funds under her department to address the needs of the homeless and to work toward eradicating the root causes and leading to prevention.

The network of federal facilities in cities across Canada will initiate and co-ordinate a partnership process with provincial and municipal governments as well as with the voluntary and private sectors.

We recognize that the bottom line comes to partnership. Homelessness must be a priority for all levels of government working in partnership with the private and non-profit sectors.

[*Translation*]

The Deputy Speaker: The motion to adjourn the House is now deemed to have been passed. Accordingly, this House stands adjourned until tomorrow at 10:00 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.39 p.m.)

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