CANADA

House of Commons Debates

VOLUME 140 • NUMBER 006 • 1st SESSION • 38th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, October 12, 2004
(Part A)

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, October 12, 2004

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

● (1355)

[*English*]

LOUISE PARGETER

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, it is with great sadness and regret that I rise in the House to express condolences to the family, friends and co-workers of Ms. Louise Pargeter, a parole officer who lost her life on October 6 in tragic circumstances.

Our parole officers and other Correctional Service of Canada employees work every day to safeguard our citizens and communities.

[*Translation*]

This tragedy underscores the risks faced every day by correctional services and law enforcement officers in fulfilling their commitment to protect Canadians.

[*English*]

I invite my colleagues to join me in extending our heartfelt sympathies on behalf of all Canadians.

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ORANGEVILLE ROTARY CLUBS

Mr. David Tilson (Dufferin—Caledon, CPC): Mr. Speaker, this Friday, October 15, the 10th Annual Rotary Clubs of Orangeville fundraiser, a Taste of Autumn, takes place at the Hockley Valley Resort and features a terrific seven course dinner prepared by the chefs from the Mono Cliffs Inn, Greystones, One 99, the Woodside, Alex's Kitchen, Hockley Valley Resort and Whitfield Farm.

A silent auction throughout the evening and a live auction around 9 p.m. have helped raise over $1 million to support both local community projects and international programs. Headwaters Health Care Centre, the Shelburne Library, the Dufferin County Fire Department, Operation Eyesight, Sleeping Children Around the World, and Polio Plus are just some of the organizations that have benefited from a Taste of Autumn.

For a sensational evening in Dufferin—Caledon on October 15, it is a Taste of Autumn.

* * *

● (1400)

[*Translation*]

RIDING OF LAVAL—LES ÎLES

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, as this 38th Parliament begins, I would like to thank the people of the riding of Laval—Les Îles for re-electing me for the third time as their representative in the House of Commons.

Laval—Les Îles is a riding in which francophones and anglophones co-exist in peace and mutual respect with people who have immigrated to Canada. I am proud to represent them in a government, which, in last week's Speech from the Throne, made good on the promises in its election platform.

This throne speech proposes concrete actions for seniors, immigrants and young people, among others, as we promised during our election campaign. This government has translated a clear commitment shared by all provinces and territories, my own province of Quebec among them, to produce tangible results.

My thanks to my constituents in Laval—Les Îles.

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ATHENS GAMES

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, I would like to draw attention to the fine performances by the many Quebec and Canadian athletes who attended the XXVIII Olympiad in Athens this past August and September. I would like to focus particularly on the Paralympics, held in recent weeks.

Congratulations to Diane Roy, a resident of Hatley, for bringing home two bronze medals. Diane finished third in the 400 and 1,500 metre events, in addition to a fine showing in the 800 and 5,000 metres and the marathon.

Jacques Martin of Saint-Denis-de-Brompton and André Beaudoin of Cowansville were among the representatives of the Eastern Townships who also gave it their all at these games.

Once again, congratulations to all these athletes and everyone involved on their extraordinary efforts. Their courage and resolve should serve as an example to us all.

S. O. 31

RENOVATION MONTH

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, it is my pleasure to inform the House that October is Renovation Month across Canada. For 15 years, the Canadian Home Builder's Association has been celebrating the renovation season by providing consumers with information on home renovation.

As Canada's national housing agency, Canada Mortgage and Housing Corporation supports this event and works together with home builders. We help Canadians make decisions about purchasing, renovating and maintaining their homes.

Through these activities, CMHC works with builders to provide Canadians with access to a broad range of quality housing at an affordable price.

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[*English*]

RIDING OF LEEDS—GRENVILLE

Mr. Gord Brown (Leeds—Grenville, CPC): Mr. Speaker, it is with a profound sense of honour and responsibility that I rise today to make my first remarks in the House.

First and foremost, I would like to thank the people of Leeds and Grenville for their confidence in me. Standing in this chamber, I am struck by the historical significance of the process of democracy and the very real expectations of the people I now represent. The people of my riding of Leeds—Grenville expect me to vigorously present their issues and priorities to this place, where the laws that affect them are made. It will be my honour to do just that.

At the same time, my constituents expect that this is the place where those laws will be made by Parliament and by parliamentarians. Whether it is overcoming the BSE crisis, ensuring government accountability, strengthening the Canadian economy, providing for the defence of our country or outlawing child pornography, it will be my honour to represent the citizens of Leeds and Grenville individually and in this Parliament collectively to get the job done.

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CYSTIC FIBROSIS

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, I rise as the very proud new member of Parliament for the riding of Brant.

I wish to acknowledge the 18th birthday yesterday of a young man who was born with cystic fibrosis. When this young man was born, it was anticipated that his life expectancy would be six years. With advancements in research and due to his own courage and determination, as well as the loving care afforded to him by his mother, a single parent, he can now, like others afflicted with cystic fibrosis, expect to live into his late thirties and hopefully well beyond that.

I wish to commend his bravery and determination, as well as that of many, many others who live with this disease on a daily basis. They are an inspiration to the rest of us.

● (1405)

[*Translation*]

MAUDE LAUZON-VILLIARD

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, I am very proud to recognize the talent of a young girl from Drummondville who has landed a role in the film by Luc Dionne called *Aurore, l'enfant martyre*.

Maude Lauzon-Villiard was one of 9,300 young girls from across Quebec who took part in the initial auditions. She went to three auditions in a month and was one of the finalists. Like 13 other aspiring actresses who did not get the lead role, Maude Lauzon-Villiard has a supporting role, which was offered to her by the selection committee.

I sincerely hope this experience will give Maude the opportunity to achieve her dream.

This feature film is set to begin shooting and should arrive in Quebec cinemas in summer 2005.

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[*English*]

PAN AMERICAN HEALTH ORGANIZATION

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, on September 27 and 28 I had the opportunity to attend a Pan American Health Organization directing council meeting in Washington, D.C. Created in 1902, PAHO acts as the regional office of the World Health Organization and works with member countries to strengthen national health systems.

During the course of these meetings Canada was elected to serve on the executive committee of PAHO for a three year term. This achievement recognizes Canada's contribution to promoting security in the region, and improving the health and social status of the people of the Americas.

I would like to congratulate the members of the Canadian delegation for all of their hard work.

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THE ENVIRONMENT

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, I would like to thank the people of my riding for electing me as the first Conservative MP for Oshawa in 36 years. I was elected to make Oshawa's concerns Ottawa's concerns.

For the past decade Oshawa, along with the rest of Ontario, has been ignored by this apathetic Liberal government. Oshawa is the only city on Lake Ontario without access to its port. Our harbour is federally controlled and an environmental nightmare. We have a toxic dump situated smack in the middle of our waterfront. Our marina has been closed for two years and its users have fought an uphill battle to get their boats back in the water.

I am here to put the government on notice. I will hold the government accountable for its election promise to provide funds for an environmental cleanup and I look forward to a funding announcement during this mandate. I am here to say that there is hope and I am glad to be part of the new team in town.

* * *

THE ENVIRONMENT

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, I am proud to welcome here today Mr. Alex Winch, a constituent of Beaches—East York. Mr. Winch is the owner of the Beach Solar Laundromat and is this year's recipient of the prestigious international Bremen Partnership Award. This award recognizes profound environmental innovation achieved in partnership with a non-government organization and is under the patronage of the United Nations.

The Wash and Fold Partnership involves the Neighbourhood Link/Senior Link and New Comer program which is funded by the federal government as well as the Beach Solar Laundromat. It is also a terrific example of small business, community groups and the federal government working together to support sustainable development.

I was honoured to host a send-off reception for Mr. Winch a week before the award ceremony in Germany. It was terrific to see him return to Canada a winner. I ask the House to join me in congratulating Mr. Winch for this fantastic achievement.

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ALICE COPPARD

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I rise for the first time in the House to honour a woman whose recent passing has been brought to my attention.

I wish to recognize the life of one of Canada's pioneer environmental and peace activists, Alice Coppard, who passed away peacefully in Vancouver last Thursday at the age of 98.

Alice came to Canada in 1959 and worked throughout the 1960s in Vancouver with the Voice of Women and the Women's International League for Peace and Freedom, and helped organize Canada's first ban the bomb marches. She was keenly aware of the link between peace and environmental protection, and became an early member of SPEC, the Society Promoting Environmental Conservation.

One of Alice's most lasting legacies came about in 1971. At the age of 64 she and SPEC co-founder Gwen Mallard hitchhiked across Canada. A 64,000 name petition was the result calling for a moratorium on oil and gas exploration off the coast of British Columbia.

These two brave women then presented the petition to then energy minister Jack Davis before going on to Washington, D.C. The result of the trip was the establishment of the moratorium which I am proud to say is still in effect today. Alice remained active in the environmental and peace movements until the end as honorary president of SPEC, and one of the members of the infamous Raging Grannies.

As noted by Gerry Thorne, the current president of SPEC, her life was—

● (1410)

The Speaker: The hon. member for West Vancouver—Sunshine Coast—Sea to Sky Country.

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REFUGEES

Mr. John Reynolds (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Mr. Speaker, I want to congratulate the young people of St. Francis In-The-Wood Anglican Church, and schools all over North and West Vancouver.

Last month they organized a youth for Darfur fundraiser and raised over $21,000. The money will help the refugees of Darfur who left their country to avoid what some call a massacre and others call a genocide. The government and individual Liberal members of Parliament ignored their summer-long letter writing campaign, but they persevered and succeeded. I am very proud of them.

When 50,000 people were slaughtered and 200,000 had to flee their country, it was not this government that stood up to be counted, it was the young people of West and North Vancouver. Their efforts speak volumes of the idealism, energy and concern they have for other citizens of this planet. We should be proud of them and confident of our nation's future when they begin to manage our affairs.

Canada will continue to be a better place because of young people such as those I met at the Darfur fundraiser. They deserve our applause and encouragement.

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FOREIGN AFFAIRS

Mr. Andrew Scheer (Regina—Qu'Appelle, CPC): Mr. Speaker, the Prime Minister is off in Russia lecturing Vladimir Putin on, of all things, protecting democracy.

What could Mr. Putin possibly learn about protecting democracy from the Prime Minister? We in Canada have seen our own democratic institutions erode under this government's watch. The country is mostly run out of the Prime Minister's Office with more and more power gravitating to the Prime Minister's cronies.

Elected members in the House have had their role usurped by the judiciary. Liberal cronies land appointments to important diplomatic, regulatory and administrative positions solely because of who they know in the PMO.

The Prime Minister gave a lot of lip service to reforming and protecting democracy in Canada. He then quickly reneged on all his promises, such as Senate reform, allowing Parliament to scrutinize appointments and eliminating patronage.

Russia truly is facing challenges in upholding its relatively young democratic institutions. However, sending the Prime Minister on a junket around the world to talk about protecting democracy is a bit like hiring a fox to do a speaking tour on guarding henhouses.

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[*Translation*]

AGRICULTURE

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the WTO discussions on supply management are worrying many Quebec farmers a lot. There is considerable pressure on countries like Canada to reduce their tariffs and increase access to their markets. Supply management makes it possible for 9,172 dairy, poultry and egg producers to generate over 40% of Quebec's farm income.

The market gives producers—without any government subsidies—a stable and equitable income and processors a guaranteed supply. Moreover, consumers benefit from quality products meeting their needs at very affordable prices.

A decision by the WTO, which would not take into account the three elements essential to supply management, that is, production planning to meet domestic needs, control of imports and establishment of a farm-gate price based on production costs, would have negative economic and social consequences everywhere in Quebec and Canada.

The Bloc Quebecois wishes to show its support for retention of our equitable agricultural model during the present WTO negotiations. There is no mention of this in the Speech from the Throne.

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[*English*]

MIDDLE EAST

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, I rise today to speak out about a threat to the integrity of the United Nations General Assembly. Its legitimacy is eroding because of its hijacked agenda toward the Arab-Israeli conflict.

Twenty-three resolutions last session, a special investigative committee, and multiple reports show that the assembly has crossed the threshold of partisanship and has become a mouthpiece for the Palestinian side in the dispute.

Israel's violations, real and alleged, are ceaselessly highlighted, yet not a single resolution focuses on Palestinian terrorism and Israeli suffering. Not a single document condemns Palestinian incitement, and not a single report examines corruption and brutality of the Palestinian Authority.

The bias cannot be clearer. As a country committed to international peace and security, it is incumbent on Canada to lead the effort to rescue the UN from politicization. We acknowledge the bias in the assembly's agenda, but we still take part in the hijacked process through our support—

● (1415)

The Speaker: The hon. member for Nanaimo—Cowichan.

CO-OP WEEK

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, next week, October 17 to 23, is Co-op Week in Canada.

Co-operatives are founded on the idea that people know what is best for them and can work together to achieve their goals. They have been the cornerstone of local economies.

From co-ops in Antigonish, Nova Scotia, to credit unions in Duncan, British Columbia, the co-operative movement has helped communities drive their own economic growth. I myself am a member of three co-ops and enjoy the economic benefits they bring to my community of Nanaimo—Cowichan and to British Columbia.

The theme of this year's Co-op Week is "Youth: the Future of Co-operation".

Mountain Equipment Co-op is the most famous example of a group of youth working together co-operatively to supply their community with quality outdoor equipment. MEC has tapped into issues that resonate with today's young people. These include concern for community, democratic member control and ownership, autonomy and independence, and co-operation. These are the very foundation of Canada's co-op movement.

I encourage all Canadians to help celebrate the future of co-operatives.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, now that the *Chicoutimi* is back in port it is time for some serious questions and some real answers.

We have known for some time that these subs had problems. This past weekend the British defence secretary apparently said that these subs were purchased on a buyer beware basis.

Was the government aware of the buyer beware status of these subs when it signed the contract?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the hon. member is probably aware that the Minister of National Defence had the opportunity to meet with his British counterpart. I think those were useful and informative discussions for both sides.

I also want to reassure everyone in the House that a military board of inquiry has been instituted. It has commenced its work. A number of important questions will be addressed and answers provided during the course of that inquiry.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, that inquiry can look into the events on the north Atlantic last week but this government is supposed to be able to answer for its own responsibilities in this Parliament.

The former navy sub commander said that the government just wanted to get the subs and that acquiring parts and personnel training it would get around to later.

We know the Prime Minister shortchanged the sub retrofit program by $54 million. This was a deliberate budgetary decision he took. Is it not true that the Prime Minister's decision left the navy without adequate resources to properly train and equip the sailors?

Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, the fact is that the sub was certified by the professionals in our navy.

I should probably make a comment and quote Captain Luc Pelletier, the commander of the *Chicoutimi*, who said "Of these submarines this was the only one that was able to start sea trials when it did start and go through".

This sub had been in sea trials since August. The submarine was certified ready to go. We had all the confidence that the sub was capable of carrying out its duties at that time.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, I have two questions about the government's own policies and its own actions. It is time these guys stopped hiding behind the men and women they are putting in jeopardy.

[*Translation*]

During its maiden voyage last year the *Victoria* had an escort at sea in case of any problems. Why did the *Chicoutimi* not receive the same attention during its first—

● (1420)

The Speaker: The Parliamentary Secretary to the Minister of National Defence.

[*English*]

Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, the Leader of the Opposition should know that the *Chicoutimi* and all three other subs crossed over the Atlantic without an escort.

The opposition must let the professionals do their job. The professionals in this matter are the members of the navy who have been tasked to get to the bottom of this and the bottom of this will be the answers that come out of the inquiry.

We will let the professionals do their job and the opposition should do the same.

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Mr. Speaker, there are reports that pressure on funds and artificial delivery deadlines forced the department to cut corners with respect to submarine training. A former submarine commander referred to the training program as the great dolphin giveaway. He said that there was a shortage of candidates and that sailors were awarded qualifications without completing their training.

Will the Minister of National Defence confirm that the required number of personnel were trained for the submarine service and that all were provided with all the approved training?

Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, as the critic from the opposition knows full well as a former military officer, there is no way the military would put a sub out to sea before it was sea ready. In fact Commander Pelletier made it very clear, as did Commander MacLean, the head of our navy, who is also a submariner, that the sub was ready to go and that he had every confidence that the sub met all certified requirements, as did the people on that sub.

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Mr. Speaker, I interpret that the minister is telling us that all the appropriate training was provided.

However we have the statement of a senior officer involved in the submarine service and the DND chief of review services report that says that program delays adversely impacted training.

Will the Minister of National Defence acknowledge that shortcuts in training were taken to meet the expediency of the government?

Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, I will not reiterate the comments that were made by the head of the navy as well as Commander Pelletier but I will assure the House that an inquiry is taking place, an inquiry that will be—

Some hon. members: Oh, oh!

The Speaker: Order, please. We will have a little order. The hon. Parliamentary Secretary to the Minister of National Defence is attempting to answer the question that was asked and he is entitled to be heard. We will have a little order, please.

Hon. Keith Martin: Mr. Speaker, the responsible thing to do is to allow the professionals to do their jobs. The professionals are those on the inquiry who will get to the bottom of this and who will get the answers that all of us in the House want, particularly the widow of Lieutenant Saunders and the men on the *Chicoutimi*. We owe them the answers and the answers they will get.

* * *

[*Translation*]

TAXATION

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, on September 16, the Prime Minister announced that the October 26 meeting would deal with equalization and the "other financial pressures" facing the provinces. However, according to federal public servants, Ottawa only wants to discuss equalization. As regards other transfers, negotiations are out of the question.

Does the government intend to negotiate in good faith, not only to improve the equalization program, but also to address all the other financial pressures that Quebec and the provinces are facing, something which everyone except the federal government calls the fiscal imbalance?

[*English*]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, the principal purpose of the meeting on October 26 is to look at equalization. No doubt other issues will be discussed.

I would point out that the Government of Canada has already committed in terms of relieving financial pressures on the provinces an incremental $41 billion to help with health care and an incremental $33 billion to help with equalization.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, Quebec, the provinces, the territories and all the opposition parties in Ottawa agree that the fiscal imbalance must be eliminated.

Therefore, will the federal government commit not to discuss, but to negotiate, on October 26, a comprehensive accord on the fiscal imbalance, an issue which only the Liberals stubbornly keep referring to as "financial pressures"?

[*English*]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, there is no doubt that the provinces have significant financial pressures to deal with in their jurisdiction.

The Government of Canada has significant financial pressures to deal with within its jurisdiction. We have a number of agreements back and forth to assist each other: health care is one; equalization is another; early childhood development is another; housing is another; infrastructure is another.

The Government of Canada contributes enormously to the well-being of all Canadians in all provinces.

● (1425)

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, as has been the case every year since 1997, the Minister of Finance's surplus forecast, which stands at $1.9 billion for 2003-04, is, based on preliminary indications, well below the reality. The actual figure is more likely to be somewhere between $5 billion and $8 billion.

Will the Minister of Finance admit that his little underestimation scenario is just a strategy allowing him to deny the existence of the fiscal imbalance faced by the provinces and to show up at the first ministers meeting without providing the true figures that should serve as a basis for discussions?

[*English*]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, I apologize to the hon. gentleman because I did not quite get the gist of his question.

However I can assure him that the Government of Canada always looks carefully at all requests from those who have ideas and suggestions to make about the programming of the Government of Canada, most especially the provinces.

I have indicated very clearly that we transfer literally tens of billions of dollars per year to the provinces to assist them within their jurisdictions.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the minister asked the chief economist of the Bank of Montreal to advise him on how to make budget forecasts. We have a suggestion for the minister, if he is open to it.

Will the Minister of Finance admit that we would be much better served by an independent body accountable to the Standing Committee on Finance to get informed advice, rather than relying on just one individual who will be accountable only to the Minister of Finance and whose advice will only be made public by the minister to the extent that it suits him?

[*English*]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, the hon. gentleman is mistaken. The Government of Canada does not use just one in-house advisor. We do not just pick our favourite economist to tell us what we want to hear. In fact, we consult with 19 economists from every region of the country, from a broad spectrum of economic and political points of view to make sure we get the very best advice from all of those who have something useful to contribute.

* * *

HEALTH

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, a veritable hurricane of health privatization is sweeping across our country and the latest touchdown was in Montreal where a major private clinic has just opened. We see the extension of for profit medicine once again and the Liberals have done absolutely nothing about it. This perhaps would not be a surprise, except that when they were seeking votes they promised to stop privatization.

When will the health minister, who while campaigning spoke out against privatization, actually take some action to stop it?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, we already did. We will be passing on $41 billion to the provinces over the next 10 years so that public health care will be strengthened in this country. I support public health care. The government supports public health care. We support public delivery. We want to make sure the Canada Health Act is enforced across the country. If there is anything we can do under the Canada Health Act it will be done.

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, it is clear why the minister was out in the hallway while the health accord was being discussed, that is for sure.

The fact is there is absolutely no plan to stop privatization of health care in this country. All we are hearing is rhetoric and we know what rhetoric means.

We see a similar case more tragically unfolding in the case of hepatitis C. The past president of the Hemophilia Society has said that hundreds of people have died because there has been no plan to ensure that the funds that were set aside are reaching those in need.

Could the Minister of Health tell us why there is no plan to ensure that patients get the money they need?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, as I said the other day in the House, the government has invested $1.6 billion on hep C victims and $300 million out of those funds has gone to the provinces to care for the needs of the patients before 1986 and after 1990. It is important that the provinces become accountable to their own citizens and to the victims in this case.

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NATIONAL DEFENCE

Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, CPC): Mr. Speaker, on the weekend I received an unconfirmed report of a fire that took place a short time ago on the HMCS *Corner Brook*. It sounds similar to the fire on the *Chicoutimi* in that it involved the cables that run through the captain's cabin.

Could the minister confirm that a fire occurred on the *Corner Brook*? What action did he take to make sure this would not happen on any of our other submarines including the *Chicoutimi*?

● (1430)

Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, I do not have any information on the issue the member has spoken about but I will certainly look into the matter.

What I can say with respect to the other submarines is that they are in port right now and an important announcement will take place later this afternoon concerning where they will go from there.

Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, CPC): Mr. Speaker, last Friday I asked the Minister of National Defence about an urgent safety report produced by DND involving the ammunition and cartridges on our submarines. The minister tried to slough it off and said that it was up to the naval officers to answer.

The fact is we asked the minister in the House on March 9 and I met with the minister in his office on April 1. If the minister knows of a dangerous situation he has the responsibility to act.

Will the minister tell us what action he took when he became aware of this dangerous situation?

Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, I will ask the minister about the question that the other member posed a while ago.

Let me reiterate something. The government is committed to ensuring that members of the Canadian Forces have the equipment and the tools they need to do their job.

The opposition should remember that nobody in our armed forces will put our men and women of the armed forces in harm's way. Nobody will do that. I hope the member understands that they will not be put into situations where their lives are at risk.

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PORT SECURITY

Hon. Rob Nicholson (Niagara Falls, CPC): Mr. Speaker, three years after 9/11 our port security is still not adequate. The Minister of Transport said "It is clear that Canadian ports cannot remain sieves". He was disturbed by a book that stated that the Hell's Angels had taken control of Canada's ports.

If the minister is scared that the Hell's Angels have taken control of Canada's ports, why has his government not done more to ensure the safety of Canadians?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, I first want to congratulate the hon. member on his coming to the House of Commons.

I want to tell the member that I am very worried. Last week, a checker at the port of Montreal pleaded guilty to conspiracy for importing $2.1 billion of drugs: 31 tonnes of hashish and 265 kilos of cocaine. We have every reason to worry about that. That is why we are talking about security checks and new measures, for $115 million. We will increase security in those ports because Canada cannot—

The Speaker: The hon. member for Niagara Falls.

Hon. Rob Nicholson (Niagara Falls, CPC): Mr. Speaker, that is the problem. He says that they are talking about these things. They have been planning these things for a long time, and that is the problem with the Liberals. They are always planning but nothing ever happens.

They said that they would meet International Court security standards by July 1, yet the minister said that the ports were still sieves. Will the minister apologize to Canadians for compromising our security, and stop reading books about the problems and start fixing it?

[*Translation*]

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, I want to tell the member that we are indeed doing something. My predecessor announced a $115 million program to increase port security. We want to make sure that background investigations are carried out to ensure that situations like the one at the port of Montreal never happen again. We will take action. We will make a difference. Canadian ports will be secure in the future.

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NATIONAL DEFENCE

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, the Minister of National Defence indicated that the Canadian navy will be conducting its own investigation into the tragedy aboard the *Chicoutimi* to determine the circumstances of this whole painful affair.

Does the Minister of National Defence not consider that those involved in the purchase and retrofit of the old British submarines could not be asked to investigate themselves? In order to shed light on this tragedy, the minister has to admit that nothing less than an independent inquiry is required.

[*English*]

Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, when a tragedy occurs such as that which we saw last week, an inquiry takes place within the Canadian Forces by the experts who have that capability. I can assure the member that what will happen is the inquiry will take place, answers will happen, recommendations will come forward, and subject to issues of privacy and national and international security, those recommendations and findings will be made public.

● (1435)

[*Translation*]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, the tragedy aboard the *Chicoutimi* makes us fear for the crews of the other submarines.

As a safety precaution, should the minister not order all submarines to be docked until an independent investigation into the causes of the *Chicoutimi* tragedy has been completed?

[*English*]

Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, our navy has full confidence in the security and capabilities of our subs. Having said that, as I said earlier in my responses, there will be an important announcement taking place later this afternoon with respect to what the subs will do in the near future.

* * *

[*Translation*]

PUBLIC SERVICE

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, public servants have been negotiating the renewal of their collective agreement for some months now. Progress has been so slow that over 100, 000 of them decided to resort to strike action effective 12:01 this morning.

Can the President of the Treasury Board indicate to this House what steps he plans to take in order to settle this Public Service Alliance strike quickly?

[*English*]

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, there were a great many people who gave up their Thanksgiving weekend and worked late into the night to try to bring these agreements to a close. They are very close; the tables are back right now, and I am confident that we will soon have an agreement that could be in the best interests of everyone.

[*Translation*]

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, as we know, Parks Canada employees have reached an agreement in principle with the federal government. Since there is one conciliation board report for each negotiating table, does the government intend to use the reports from the various tables as the basis for settling this strike by the Public Service Alliance?

[*English*]

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I am considering a great deal of information, the conciliation reports, other studies that we have done in establishing our positions at the table. I am confident the negotiators will reach a conclusion shortly.

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CANADIAN HERITAGE

Ms. Bev Oda (Durham, CPC): Mr. Speaker, last week the Minister of Canadian Heritage claimed that her predecessor gave a speech at the Banff festival about the festival. There was not one word about the festival. The speech starts with, "Why Canada's election is so important" and ends with, "That is what this election campaign is all about. Thank you and voters willing, I look forward to seeing you next year". If that is not a campaign speech what is?

Could the minister tell us why taxpayers paid for this election campaign trip?

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, I think—

Some hon. members: Oh, oh!

The Speaker: Order, please. We have to be able to hear the minister's answer. She sits immediately to my right and I cannot hear a word. The hon. members who are taking such merriment from the question will have to constrain themselves at least for the next 35 seconds. The minister has the floor.

Hon. Liza Frulla: Mr. Speaker, as my official critic said, I think that she omitted a big part of the speech. The minister thought it was important to defend the role of the CRTC.

I am sure that my opponent, who was a member of the CRTC, will accept that she was right to defend the role of the CRTC and to defend the role of the industry also, which is a $26 billion industry and 740,000 jobs.

I am sure that everyone agrees that it was her role—

The Speaker: The hon. member for Durham.

Ms. Bev Oda (Durham, CPC): Mr. Speaker, yes, I was on the CRTC, but I was also on the board of the Banff festival, and the Banff trip and the Banff festival is not an election campaign stop.

That is why this speech is only on the Liberal Party's official website. This speech was so partisan that the department did not dare put it on its website.

Will this $50,000 of campaign expense be claimed as such with Elections Canada and be paid back to taxpayers?

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, the speech is also on the government website. That was a very important event. The minister went officially because we are ministers even in an electoral campaign.

Between us, what is more important for someone in an electoral campaign is to be in her riding. The minister went there because she had to go, as I said last week, and because it was mandatory for her to go.

● (1440)

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, the minister says that there must have been a lot in between the opening and closing references to the election. There were. In fact there were a whole 811 words in this speech, in which there were 19 references made directly or indirectly to the Conservative Party and its policy and not a single one to the television policy of the government or the Banff festival itself. Virtually every one of these 800 words was partisan.

Why did the principal secretary to the Prime Minister spend $50,000 tax dollars on a campaign speech? Why does the party not repay the taxpayers?

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, the minister thought it was crucial to defend the role of the CRTC. That is why she made the trip and she took the means to deliver the speech and come back to her riding for her campaign.

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, imagine taking a Challenger jet across the country at a cost of $55,000 for an 800 word speech. I think that works out to about $72 a word.

Why would the Prime Minister appoint this person as his principal secretary who spent $55,000, who violated the Elections Act and who violated the government policy with respect to the use of these jets? Why does the government not at least have the gumption to stand up and apologize for taking taxpayers for a ride?

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, she received an invitation in 2004. She accepted the invitation to attend as a speaker long before the election campaign.

The election was declared. She would have preferred to stay in her riding. She went there, delivered her speech and she came back. She did not mean to go back or forth. She did not go on a vacation. She defended the CRTC. The member should do so himself.

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FOREIGN AFFAIRS

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs. Knowing the implication of Canada in Afghanistan, not only with troops but also with the first ever recent presidential election, what is the position of Canada given reports of some irregularities during this election?

[*Translation*]

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, the first election in Afghanistan has been a great success and according to reports received there was a high turnout, particularly by women voters.

Voting day was not particularly violent. This indicates the great determination of the people of Afghanistan and of the international community. The commitment of Canada and the rest of the international community has helped the people of Afghanistan take an important step forward during this period of transition.

[*English*]

Some candidates have alleged irregularities and these are being investigated. A Canadian diplomat will be among the three experts on the review panel hearing these complaints. In the meantime, all the signs coming out of the elections are quite positive.

* * *

[*Translation*]

PUBLIC SERVICE

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, my question is for the President of the Treasury Board. More than 120,000 public servants have started their strike. These people have suffered an actual loss of earnings of nearly 10% over the past 10 years. What is clear, as confirmed by the conciliation boards, is that the government's stonewalling is unjustified.

[*English*]

Why is this government so disrespectful with its front line workers who provide vital services to our country while it so liberally distributes bonuses and severance packages to its senior political staff?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I am not certain what purpose we serve by pitting one group of employees against another. The reality is we are at the table negotiating in the same way we always have. They have professionals at the table and we do, and we are reaching agreements. I am not certain what the member is so exercised about.

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FINANCE

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, perhaps the government should start wondering why workers are frustrated and walking picket lines. If it did so, it would realize it is because the government's financial numbers look more like Nortel's financial numbers. They just do not add up.

Every spring for seven years the government has been telling poor kids, students, environmentalists, city mayors and so on, that the cupboard is bare, and every October, every fall, suddenly billions in surplus mysteriously appear. This year is no exception.

When will the government stop this charade and come clean with Canadians about its budget numbers?

● (1445)

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, let me remind the hon. member where the additional revenue at the end of the last fiscal year went, as reported at the time of my budget. It went to help with SARS, it went to help with BSE, it went to help with our health care system and it went to help with municipalities. The rest of it went to reduce debt.

Oral Questions

SPONSORSHIP PROGRAM

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, the Prime Minister pledged last spring to clear up the sponsorship scandal before he called an election. He said that he would provide all the documents to the public accounts committee. He did not do that. We now know he was more concerned about getting re-elected than in coming clean with Canadians.

How does the Prime Minister explain the sudden appearance of a 10 million page paper trail after the June election?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the Prime Minister and the government has been extremely open and transparent with information on sponsorship and has provided, as the hon. member recognized, over 10 million pages of documents to the Gomery commission. That is because we are interested in getting to the truth here.

Beyond that, the commitment to transparency and openness in information has been recognized by the Information Commissioner who has said that the government will be sufficiently self-confident, courageous and honest to beat the secrecy addiction to which most governments fall victim.

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, a different set of lips but the same old song. Let us quote someone else here, "Anybody who knows about"—the scandal—"and did nothing should resign immediately". That was the Prime Minister before he tried to cover this all up. In his rush to the polls the Prime Minister withheld vital information from the public accounts committee and the Canadian electorate. Why the cover-up?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the hon. member is just plain wrong. The fact is the Prime Minister and the government were completely open with the public accounts committee and responded to any request for information. The fact is Justice Gomery's commission did ask a broader question and the information was provided.

The hon. member should not prejudge the work of Justice Gomery. At the same time, he should not prejudge the work that the government is doing to provide open, transparent information to ensure that this type of thing does not occur again.

* * *

EMPLOYMENT INSURANCE

Mr. Peter Van Loan (York—Simcoe, CPC): Mr. Speaker, there is a report today that the Department of Human Resources has lost track of over half a billion dollars a year through consistent errors in EI payments. Canadians are tired of this casual approach to the waste of their tax dollars. An internal memo indicates that hundreds of millions of dollars could be saved if the government just caught up with the computer age.

Why will the minister not stop the wasteful flow of money out of his department due to errors that could be eliminated by simply learning how to log on to the Internet?

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, the member would probably like to acknowledge that a departmental performance report tabled in the House last week indicates that we are doing precisely that and that the success rate of the department has actually improved by over 10%.

What the member would probably also like to point out to the House is that the moneys were not lost. The recovery rate is a very high percentage, in excess of 95%.

Mr. Peter Van Loan (York—Simcoe, CPC): Mr. Speaker, half a billion dollars lost is a failure rate, not a success rate. The minister's department now has a dramatic history of waste and mismanagement from the infamous billion dollar boondoggle onward. Yet there seems to be virtually no interest in addressing the bungling and incompetence as millions of dollars flow out the door unaccountably.

Can the minister tell us if he is aware of any other examples in his department where tax dollars are flowing out the door that should not because the government simply has not managed the programs properly?

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I think Canadians might be outraged by the rhetoric of the member opposite. Those moneys have not flown out the door. They have not been lost. All of the moneys have been paid to Canadians who were on employment insurance and needed that money in order to pay their mortgages, send their kids to school and meet the day to day requirements of life. When those moneys were unaccounted for, they were recovered.

I want to applaud the member for recognizing that the report also indicates that there is an ongoing system to ensure that the success rate moves from 95.5% to 100%.

* * *

[*Translation*]

CHILD CARE

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, the Speech from the Throne reiterates the government's intention to introduce a Canada-wide child care program with standards that will apply across the country. Quebec's leading role in child care is recognized by all.

Does the federal government intend to fully respect Quebec's areas of jurisdiction when introducing its program?

● (1450)

[*English*]

Hon. Ken Dryden (Minister of Social Development, Lib.): Mr. Speaker, as the hon. member said, there was an express commitment in the Speech from the Throne. There are meetings coming up on November 1 and 2 with my provincial counterparts. We will be discussing matters at that particular time.

As the hon. member has suggested, the Quebec system is certainly, in its ambitions, very much a model for a national child care system.

[*Translation*]

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, in establishing this Canada-wide child care program, will the federal government make a commitment to respect Quebec's jurisdictions by providing the opportunity to opt out completely, unconditionally and with full compensation?

[*English*]

Hon. Ken Dryden (Minister of Social Development, Lib.): Mr. Speaker, as the hon. member knows, in order for there to be a true national child care system, the provincial governments cannot do it alone. The federal government cannot do it alone. Everybody needs each other in order for it to happen, including the Quebec system to be a significantly better system than it even is at the moment.

* * *

CANADIAN HERITAGE

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, the heritage minister's pathetic attempt to defend the indefensible is an absolute joke.

The Prime Minister's principal secretary, the former heritage minister, slammed the Conservative leader and the Conservative Party 19 times. The speech was purely a partisan speech. Contrary to what the minister said, it is not on the government website. It was designed—

Some hon. members: Oh, oh!

The Speaker: Order. The hon. member for Crowfoot has a powerful voice, but even I cannot hear him under the circumstances. Perhaps we could have order in the House so we can hear the question. How is the minister to answer if he cannot hear the question?

Mr. Kevin Sorenson: Mr. Speaker, it was purely a partisan speech, slamming the Conservative leader, slamming this party at a festival that was worth more than that. It was designed solely to slam the opposition during the election. It violated the Canada Elections Act.

What will the minister do—

The Speaker: The hon. Minister of Canadian Heritage.

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, the minister at that time defended the CRTC. She defended a $20 billion Canadian industry with 740,000 jobs. That is what she did.

She went to Banff, talked to one of the biggest, I would say, international television festivals. She did it within her mandate. It was mandatory to go. She accepted the invitation really—

The Speaker: The hon. member for Crowfoot.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, as the Minister of Canadian Heritage just said, the Banff television festival is one of the major events, if not the major event of Canada in television and news media. A speech for an event of this significance would be written by a departmental assistant.

My question is for the Minister of Canadian Heritage. Who in her department wrote her predecessor's Banff speech? How many taxpayers' dollars did the government spend to write that type of partisan election stump speech?

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, the minister at that point defended Canadian culture. Why do we not see speeches defending Canadian culture on the Conservative website ever? The Conservatives never defend Canadian culture. They always criticize it.

She went, she defended it, she did her job.

* * *

MUNICIPALITIES

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, following the welcomed announcement of the new deal for communities, it became quite apparent that the elimination of the GST saved municipalities across the country many millions of dollars this year alone.

The next phase of this is the proposed distribution of the gas tax which seems to have caused a rift between the bigger cities and the smaller communities.

Is the minister doing anything to alleviate the pressure between the big city mayors and the representatives of the smaller communities?

● (1455)

Hon. John Godfrey (Minister of State (Infrastructure and Communities), Lib.): Mr. Speaker, I thank the hon. member for his question and note his long experience in municipal affairs in Ontario and in Thunder Bay where he comes from.

As he noted, we have already told municipalities large and small how equally important they are by the 100% GST rebate of this year which is worth $580 million every year.

In addition to that, the gas tax we have said will flow for sustainable infrastructure needs for communities which are large and small across the country because they both have infrastructure needs. Some are large like public transit, some are small like water projects, and are equally important for Canada.

* * *

FOREIGN AFFAIRS

Mr. Jim Abbott (Kootenay—Columbia, CPC): Mr. Speaker, on May 26, 2003 the 37th Parliament gave direction to the House to "express its support for the admission of Taiwan as an observer to the World Health Organization and call upon the government to actively urge other member states and non-governmental organizations to support this goal".

That was an explicit direction from the House with a vote of 163 to 67, yet when the government was faced with this at the WHO, it wimped out, backed out and did not follow the direction. Why?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, for a number of decades in this country there has been a one China policy, which directed our vote at the World Health Organization last time as it has for the past many years that this vote has arisen.

We support the one China policy at the World Health Organization and elsewhere. However we appreciate very much our working and trade relationship with Taiwan. I think this reflects the view of Canadians.

Mr. Jim Abbott (Kootenay—Columbia, CPC): Mr. Speaker, as has been pointed out by the foreign affairs critic for the official opposition, the European states also have a one China policy but they also support this kind of involvement of Taiwan in the WHO.

With the vote seven to three in favour of the government expressing support for the inclusion of Taiwan in the WHO, why did the government do this? How are we supposed to take the Prime Minister seriously when he will not pay attention to the House?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, it is very important that Parliament express itself. The government has to take its responsibilities and govern the country. This is exactly the kind of democracy we have. Parliament expresses itself. Parliament legislates. The government has to respect its international obligations. It has to take the initiative and Parliament has the responsibility to keep it in check.

We are supporting a one China policy. The World Health Organization is an international body and this is the policy that directed our vote last time, as it has for the last 15 years.

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[*Translation*]

VIOLENCE AGAINST WOMEN

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, last week, Amnesty International released a devastating report denouncing the violence suffered by aboriginal women in Canada and the authorities' failure to take timely action to prosecute perpetrators.

Could the Minister of Indian Affairs and Northern Development, who has fiduciary responsibility for aboriginal people, tell this House what specific action he plans to take to remedy this deplorable situation denounced by Amnesty international?

[*English*]

Hon. Andy Scott (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I have been meeting with the president of the National Association of Aboriginal Women. We are preparing a response, even as I speak.

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[*Translation*]

DRUGS AND PHARMACEUTICALS

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, my question is for the Minister of Health and it concerns Internet pharmacies.

The minister will know that two major controversies have erupted around this issue in recent days. The first is related to the fact that there were counterfeit pharmaceuticals on the market and the second is that one physician had made nearly one-quarter of a million dollars in commissions for signing Internet prescriptions.

Is the minister prepared to discuss this matter with his provincial counterparts in order to shut down or at least monitor such practices?

● (1500)

[*English*]

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, this is an important issue that has two aspects for me. One is the safety of Canadians. The other is the adequate supply of these drugs. Neither of those two is in jeopardy at this time. We are monitoring the situation.

I would be happy to talk to the ministers of health whom I will meet next weekend in Vancouver. This is not on the official agenda but it is obviously an issue of concern to all Canadians.

* * *

[*Translation*]

HIGHWAY INFRASTRUCTURE

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, in May, the Government of Quebec and the federal government signed an agreement on rebuilding highway 175 on a 50-50 cost sharing basis.

Since we know that there will be cost overruns compared to the initial estimates, can the Minister of Transport confirm that he will respect the agreement and keep his promise to pay for 50% of the costs of highway 175?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, I wish to congratulate the hon. member for Chicoutimi—Le Fjord and thank him for his question.

A budget of $525 million is planned for the work in progress and, indeed, a federal-provincial agreement was concluded for 50-50 sharing of the costs. We shall continue the work. Of course, there is constant communication between the two levels of government, first, to monitor the progress of the work, and second, to monitor the costs.

ROUTINE PROCEEDINGS

[*English*]

CHINESE CANADIAN RECOGNITION AND RESTITUTION ACT

Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC) moved, seconded by the member for Winnipeg North, for leave to introduce Bill C-333, an act to recognize the injustices done to Chinese immigrants by head taxes and exclusion legislation, to provide for recognition of the extraordinary contribution they made to Canada, and to provide for restitution which is to be applied to education on Chinese Canadian history and the promotion of racial harmony.

He said: Mr. Speaker, first I want to thank the member for Winnipeg North for her support. I am honoured to table the bill on behalf of one million Canadians of Chinese descent. This is the third time I have tabled the bill, known as Bill C-333. It is long overdue. For 20 years the Chinese community in this country has been looking for justice to deal with both the head tax issue and the exclusion act.

In closing, I ask for unanimous consent to have the bill numbered Bill C-333, as it was known.

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

● (1505)

The Speaker: Is there unanimous consent that the bill be numbered Bill C-333?

Some hon. members: Agreed.

* * *

UKRAINIAN CANADIAN RESTITUTION ACT

Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC) moved for leave to introduce Bill C-331, an act to recognize the injustice that was done to persons of Ukrainian descent and other Europeans who were interned at the time of the First World War and to provide for public commemoration and for restitution which is to be devoted to public education and the promotion of tolerance.

He said: Mr. Speaker, first let me thank the member for Kildonan —St. Paul for her support of the bill.It is a great honour to table the bill on behalf of the one million Canadians of Ukrainian descent. This is the third time this bill has been tabled. It was formerly known as Bill C-331. It is long overdue. A number of prime ministers have come and gone over two decades, but Canadians of Ukrainian descent are still looking for justice to deal with the internment of Ukrainians. It is time that the government and Parliament dealt with this issue.

Mr. Speaker, you may well remember that when you first came to this House your motion on the very same issue was put on this floor for debate and received huge support. In closing, I ask that you seek unanimous consent to have the bill numbered Bill C-331, as it was formerly known.

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

The Speaker: Is there unanimous consent that the bill be numbered Bill C-331?

Some hon. members: Agreed.

* * *

PETITIONS

TAXATION

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, I have two petitions to present this afternoon. The first is a petition from residents of Mackenzie, B.C. in my riding calling upon Parliament to immediately reinstate their eligibility for the northern residents tax deduction. This deduction, which is intended to mitigate the added expense of living in Canada's northern remote areas, was taken away from Mackenzie residents over eight years ago by the government, without justification, and I believe it is time to correct this grievous error.

CANADIAN FORCES HOUSING AGENCY

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, the second petition is from residents of Kitchener and Waterloo in Ontario, and from Hope, British Columbia, and it has to do with on-base Canadian Forces housing. The petitioners note that housing accommodations provided by the Canadian Forces Housing Agency are in many instances substandard to acceptable living conditions, and that families of Canadian Forces soldiers living in accommodations provided by the Canadian Forces Housing Agency have seen dramatic increases in their rental charges.

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

PESTICIDES

Mr. Gary Schellenberger (Perth—Wellington, CPC): Mr. Speaker, I would like to present this petition on behalf of some of my constituents. The petitioners call upon Parliament to enact an immediate moratorium on the cosmetic use of chemical pesticides as a precautionary approach until such time as their use has been scientifically proven to be safe and the long term consequences of their application are known.

* * *

● (1510)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is it agreed?

Some hon. members: Agreed.

SPEECH FROM THE THRONE

[*Translation*]

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from October 8 consideration of the motion for an address to Her Excellency the Governor General in reply to her Speech at the opening of the session, and of the amendment, as amended.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am pleased to rise today to resume the debate on the Address in Reply to the Speech from the Throne, after the psychodrama we experienced last week.

It is important for people to realize what is at stake. In a way, the Speech from the Throne provides the guidelines for what a government wants to achieve during its mandate. It was sad to watch the Liberal Party of Canada table a throne speech as though it had a majority government.

The Bloc Quebecois and the Conservative Party of Canada have exerted intense pressure and sent a very clear message that they will not accept this type of behaviour any longer. Roughly one hour before last week's vote, the Prime Minister finally began to back down. He asked the two leaders of the opposition parties to find an acceptable compromise and the Bloc Quebecois amendment to the amendment was passed.

So we can see in a way the change in the government's attitude, and we hope this attitude will prevail during future debates.

Next week at the latest, if there is not consent today, we will vote on the amendment of the Conservative Party of Canada. However, when we think of it, this amendment is much broader in scope than was the election platform of the Conservative Party.

For example, the first proposal is the establishment of an arm's-length, but not privatized commission to ensure employment insurance premiums are used only for workers' benefits. It goes without saying that the Bloc Quebecois supports this part of the amendment. For the past 10 years, we have been fighting for the creation of such an independent commission, so that the federal government would no longer be able to use surpluses from the employment insurance fund to cover all sorts of expenditures other than those relating to employment insurance.

Over the past 10 years, workers and the unemployed have been deprived of over $45 billion. Since this was one of the main issues during the last election campaign, it is only normal that we should include an amendment to the throne speech to change the situation and create this independent fund.

This is not only the position of the Conservatives. It is a position that was put forward by the Bloc Quebecois during the last Parliament and one on which there was consensus. At the time, the New Democratic Party was present and its members had not decided that they were more interested in not having an election than in upholding their principles. They supported the establishment of an arm's length commission and they should still do so.

I hope that the government will pass this amendment. When we travelled across Quebec and Canada during the last election campaign, the one thing on which everyone agreed was the need to ensure that the employment insurance program is used strictly for employment insurance purposes and not to pay down Canada's debt.

The second part of the amendment proposes a reduction of taxes for low and middle income families. Currently, in Canada, these people's taxes are obviously too high. The federal government could leave some room in this area. Therefore, this second part of the amendment should not present any problems either. I do not see how the Liberals could vote against it.

The third part of the amendment deals with the creation of an independent parliamentary budget office to provide the government with fiscal forecasts. Of course, this proposal may be a little more annoying to the Liberals. Indeed, each year, for the past 10 years, through the current Prime Minister, they have systematically tabled budget forecasts that underestimated revenues and overestimated expenditures, with the result that, by the end of the year, there was always a surplus that had not been allocated.

This means that, for example, some people were deprived of revenues in the areas of health and social programs. They should have been offered something had there been a true debate in our society and had the government not hidden the surpluses behind false projections.

So, the motion before us is a sound one that would shed better light on the government's financial needs. Here again, the House should support that part of the amendment. Let us hope that the Liberals have got the message and realize that, in the future, they can no longer do what they have done for 10 years, that is to hide the real figures.

The fourth part of the amendment deals with the establishment of a non-partisan citizens' assembly to examine changes to the electoral system, including proportional representation. We know that, from year to year, from election to election, public participation drops. Since we are looking for solutions to this issue, it would be a good thing to adopt this proposal.

● (1515)

Finally, there is the issue of holding a vote on any proposed continental missile defence treaty. This part is very important to the Bloc Quebecois because we have been campaigning steadily on this for two or three years. We have made the rounds of schools, CEGEPs and universities. We have gone to meet the people in various constituencies. If there is one thing on which Quebeckers agree, it is the inadvisability of getting involved in the development of a missile defence system known scientifically to be ineffective. The only argument the government has to justify its participation in such a missile defence system is that we should not annoy the Americans.

In my opinion, with a neighbour like that, reality should be put on the table and we should say why we are against it. We must state that clearly, so that, at the very least, there is a vote in the House of Commons, as the amendment proposes. Even among the Conservatives, it is possible there are some who favour the missile defence system; the important thing is that we be able to discuss it in this House.

When we were elected, only a few months ago, no one was saying, “As for the missile defence system, I would prefer not having to state my opinion”. No matter what party a member is from, during the election campaign each of us expressed our opinion on this matter and our desire to have a chance to debate it. This is an issue of importance for the future of our society, especially our young people.

That is why, when we go to the colleges and CEGEPs, and young people ask questions on this topic, we see that they are very concerned about it. They have noticed that for another five, ten, fifteen or twenty years, a system will be put in place that entertains the idea of a continental war, a nuclear war; this aspect must not be emphasized. There are many other proposals on which we must work and which must be supported in order to arrive at peaceable solutions.

There is also a message to be sent to the Americans, namely that this is not the solution and that there are other ways and means to enhance security on the planet Earth. We cannot always protect ourselves only by putting a safety dome over our heads. We must ensure that wealth is better distributed. We must ensure that there is constant dialogue among the nations of the globe.

Our desire to vote on this matter here in this Parliament strikes me as equally important.

What we have before us is an amendment that has been modified to reflect the Bloc Quebecois motion with the consent of this House last week. It guarantees protection of the areas of provincial jurisdiction, and acknowledges the concept of fiscal imbalance, while stipulating that not everyone necessarily believes there is such an imbalance. It does, however, state that this reality does exist and needs to be mentioned in the throne speech, and must be part of the political environment in which we need to operate.

An important step has been taken, however, thanks to the firm position taken by the Bloc clearly setting out what elements it wished to see added to the Conservative amendment. This week all of us will need to decide, as elected members of this House, whether this amendment by the Conservatives, modified by the Bloc's amendment to the amendment, strikes us as desirable for our ridings.

We have all been told that, now that there is a minority government, no one can take refuge behind party positions. Each of us will have to answer to those who sent us here for the stands we take. I would invite the Liberal members in particular to take a good look at this amendment, to read it in detail. It must contain some significant points if it is to achieve majority support in this House. Then we will at last have a Speech from the Throne that is not the Liberal Party of Canada's but rather a true throne speech reflecting the outcome of the June 28 election, that is the wishes of all of the people of Canada and of Quebec. In Quebec the wish is for the Bloc Quebecois to be the spokesperson for the majority of the people of Quebec.

That is why we are proposing that the Bloc Quebecois support this amendment so that the throne speech will be far more realistic and more concrete, and will oblige the government to set some guidelines that will lead to satisfactory outcomes. By so doing, we will be respecting the wishes of our fellow citizens, who have purposely chosen to elect a minority government in Canada.

● (1520)

[*English*]

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. Speaker, based on the summer, I was very disappointed with the throne speech in one particular area and that was the devastating effect that BSE has had on agricultural producers in my riding. It is just shameful. I know some of the people individually who spent their last 25 years getting a lot of calluses on their hands to build up their operations only to see their equity literally disappear before their eyes.

I would like to direct a question to the member from Quebec and ask for his comments about the BSE situation in the Province of Quebec. Is his party and his members also concerned about the glaring omission in the throne speech to deal with this real travesty that is affecting so many people across the country?

[*Translation*]

Mr. Paul Crête: Mr. Speaker, I thank my hon. colleague for his question.

We should indeed be learning significant lessons from the BSE crisis. The first one is that such a problem should never again be addressed as a single Canada-wide problem. Any problem in the future should be "regionalized" as early as possible, and the regions affected identified clearly.

Had this procedure been followed for the BSE crisis, Quebec would have been spared, because it already had a tracking system in place, which clearly indicated that our cattle were disease-free. Unfortunately, the federal government's decision to treat all producers the same across Canada caused major problems, particularly to dairy producers.

The federal compensation package is unsatisfactory. It covers the replacement of only some 16% of the herd, as compared with an acceptable 25%. There has therefore been no compensation for the rest.

We must also look at another reality: beef prices are dropping for producers, while they remain unchanged at the consumer end of the chain. In between, meat packers took advantage of the crisis to make maximum, extravagant profits beyond what is acceptable.

The government must react quickly and offer much more than what is currently on the table to ensure that satisfactory compensation is provided for cull cows and butcher cattle. In the very short term, there is risk that people who have acted in good faith and managed to develop quality farms, family farms in many cases, but now find themselves on the verge of bankruptcy and of being choked will have to get out of the market and the industry. All it would take now is for interest rates to rise slightly for the crisis to deepen.

I agree with my colleague that the federal government's current measures are unsatisfactory and that we have to learn from this to prevent the same situation from happening in the future. It was just one sick cow that led to a ban on our beef throughout the world. We know full well that the current U.S. position is not based on science, but on politics. The environmental and health obstacles are basically a new form of protectionism.

We have to learn from this. First of all, the producers need help as soon as possible. Throughout rural Quebec this is a major issue that has an impact not just on individual farms but on regional economies as well. These people are not buying as much farm equipment and they are investing less, which has an economic impact on our regions.

Let us hope that the federal government will use its surplus to improve its contributions as soon as possible.

The first measure that could be addressed is the following. If there had been an independent employment insurance fund for the past several years, there would indeed have been more money for doing something other than paying down the debt. The federal government would have had to use these billions of dollars based on the needs of its various areas of activity, but that was not the case.

Let us hope that with the Conservative amendments on the table and the Bloc Quebecois amendment to the amendment, we will have a Speech from the Throne that better reflects the direction Quebeckers and Canadians want this government to take. Parliament has a wonderful opportunity to set out guidelines for the government and demand that it act the way voters want it to.

* * *

● (1525)

[*English*]

BUSINESS OF THE HOUSE

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, I rise on a point of order.

Discussions have taken place between all parties concerning a take note debate on BSE scheduled for later today at 7 p.m. I believe you would find consent for the following motion. I move:

> That the take-note debate scheduled for later this day on bovine spongiform encephalopathy begin at the conclusion of government orders rather than at 7:00 p.m.

The Speaker: Is it agreed?

Some hon. members: Agreed.

(Motion agreed to)

* * *

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion for an address to Her Excellency the Governor General in reply to her speech at the opening of the session, and of the amendment, as amended.

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, I shall be splitting my time with the member of Parliament for Glengarry—Prescott—Russell.

It is a great honour to rise in this historic chamber and address the House of Commons as the very proud member for the riding of Brant. Before I comment on the Speech from the Throne, I wish to sincerely thank the community of Brant for electing me as its representative and spokesperson in Ottawa. It is a humbling but a wonderful trust that the citizens of Brant have place in me. I shall do my utmost to ensure that their trust is honoured as I work on their behalf. Truly it is a privilege to serve them.

I also wish to thank my predecessor, the hon. Jane Stewart, who served the citizens of Brant and the entire country for over 10 years with class, integrity and dedication. I shall strive to emulate her very substantial level and record of service.

It was the right hon. Pierre Elliott Trudeau who stated:

> Our strength lies in our national will to live and work together as a people. Weaken that will, that spirit of community, and you weaken Canada. Weaken Canada, and you damage all the parts, no matter how rich some of those parts may be.

These are words that all parliamentarians can appreciate and understand. With diligence and vision, we can continue our honourable traditions of a society that leads the world in social and economic development, and maintains a diverse cultural community.

The Speech from the Throne outlines and reflects the goals of all Canadians, that is, to build a society in which our children have the best possible start in life, and one in which all people, irrespective of gender, race, or economic strata are treated equally and respectfully. Specifically, the expansion of the government's commitment to children is very positive and far-sighted. Our investment as a country in our children cannot start at too young an age. It is the earliest investment we should make and it is the wisest investment we can make. The Speech from the Throne recognizes and reflects this investment.

I have recently had an opportunity in Brant to attend the ribbon-cutting ceremony at the Stoneridge Children's Centre in Ohsweken, the home of the proud aboriginals of six nations. There is already a substantial waiting list of parents who wish to utilize this fine facility for their toddlers. More such facilities are required and the commitments in the Speech from the Throne will help tremendously.

I have also attended the opening of the launch pad program, an innovative program which sees schools, social agencies and dedicated caregivers working together to provide our very young children with creative, nurturing assistance, to help them learn, grow, and develop from a very young age. Simply put, the Speech from the Throne reflects a government agenda which is visionary and proactive towards our children.

I am very pleased to represent one of Canada's largest aboriginal communities of 22,000 people which is rich in heritage and tradition. A society is, or a society should be, judged by how it treats its less fortunate citizens. Social and economic factors have combined to result in a lifestyle for many of our aboriginal brothers and sisters which is substandard, unhealthy and simply unjust. The Speech from the Throne is purposeful and clear with respect to our aboriginal population. It states:

> We must do more to ensure that Canada's prosperity is shared by Canada's aboriginal people—

● (1530)

I recently attended the 2020 vision symposium in my riding co-chaired by Chief Roberta Jamieson and the hon. Roy Romanow. The need for more aboriginal physicians is obvious. The symposium brought together many interested participants from across the country. Concrete measures were recommended: the $700 million committed to the health issues affecting our aboriginal population; the Canada-aboriginal peoples round table; the aboriginal health transition fund; and the trip taken a few weeks ago by our Prime Minister to Canada's north to observe firsthand the communities in which our first nations, Inuit and Métis reside.

All of those measures reflect a government committed to helping Canada's aboriginal population. Their history with this land and their settling of this land are longer than those of any other people. We must honour their history and their forefathers. We must pay heed to what Edmund Burke said in 1790:

> Society is indeed a contract.... It becomes a partnership not only between those who are living, but between those who are living, those who are dead and those who are to be born.

My 90 year old father, Roland St. Amand, was thrilled to attend in the House last week and to see me take my place as the member of Parliament for Brant. He enjoys good health and remains curious and caring about people and events. For him and for all citizens it was heartening to hear in the Speech from the Throne specific commitments to the health care of all Canadians, that is, the 10 year plan to strengthen health care.

I moved to Brantford in the riding of Brant in 1979 and it has been my home since then. It is a mix of urban and rural, with many diverse cultures. It is currently enjoying significant new growth. It has attracted new investors and is an area very much on the rise. With growth, however, comes the need for sustainable infrastructure, transit, roads, clean water, sewers, and a need in Brantford to remediate brownfield sites.

The government's new deal for cities and communities will be of tremendous assistance to communities such as the ones found in my riding, historic communities such as St. George, Glen Morris, Harrisburg, Paris, Burford, Mount Pleasant, Oakland, Scotland, Ohsweken, New Credit, as well as Brantford, the largest city in the riding.

There are other components of the Speech from the Throne which make me proud to be part of the government: the commitment to the protection of our environment; to the enhancement of workplace skills; and to increasing access to post-secondary education. These and other components speak very closely to Brant.

I have been pleased to share with members of the House information about Brant, some thoughts about the Speech from the Throne and how it will assist the good citizens of Brant. I am here to make a difference for the better for those I represent. The Speech from the Throne is a very impressive start.

● (1535)

Hon. Rob Nicholson (Niagara Falls, CPC): Mr. Speaker, it is somewhat the tradition that on a member's maiden speech the person does not receive any questions, so I am just going to make a comment. I would like to congratulate the hon. member on a very well thought out and well reasoned maiden address to the House of Commons. I disagree with his conclusions, but nonetheless I was very impressed to hear his thoughts.

He and I are graduates of the University of Windsor's law school. I was very pleased to see him elected to the House of Commons. He has had a very distinguished career as a lawyer. He will bring pride to the community which he represents. In his concluding remarks he said that he is here to make a difference and of that I have no doubt. I certainly wish him well in the coming years.

Mr. Lloyd St. Amand: Mr. Speaker, I thank the hon. member for Niagara Falls for his very kind words.

[*Translation*]

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I would like to begin my remarks by congratulating the Speaker of this House, of course, as well as yourself as Deputy Speaker, along with all the other occupants of the Speaker's chair in the House of Commons on their elections to their respective positions.

I would also like to take this opportunity to thank the voters of Glengarry—Prescott—Russell for enabling me to make this speech today, along with all the others I plan to make in the days, months and—I hope—years to come in the House of Commons during this Parliament.

In the last election, the voters of Glengarry—Prescott—Russell had a very serious choice to make: who would represent them in the House of Commons of Canada. On the one hand they had your humble servant, with ten mandates under his belt at one or another level, and on the other they had one opponent who had chosen to campaign using nothing but bitter personal attacks. The campaign was a difficult one. Unfortunately the candidate I have referred to was with the Progressive Conservative Party. The other parties' candidates were fine, and behaved properly during the campaign.

In order to satisfy my Bloc colleague over the way, I should point out that there was, of course, no opponent from his party, since there is not yet an Ontario wing of the Bloc as far as I know.

An hon. member: The day will come.

Hon. Don Boudria: The day will come, he says. I think not. Anyway, things went well, and here I am today sincerely thanking the voters of Glengarry—Prescott—Russell for the choice they made.

● (1540)

[*English*]

I have difficulty reading the calendar on the Clerk's table from this distance without glasses, but I believe that today is October 12. Thirteen days from now, if that is the correct date, I will mark the 38th anniversary of my arrival here on Parliament Hill on October 25, 1966.

I say this every time there is an address in reply to the throne speech and I intend to do it every time. I want to remind myself and perhaps others too of my beginnings here on Parliament Hill. I started here as a busboy at the parliamentary restaurant.

Canada being the country that it is and in its generosity saw fit to give me a number of opportunities in life, including a successful career as a civil servant. Later I was given the opportunity to represent my fellow citizens in three mandates at the municipal level.

[*Translation*]

Later on, in 1981 I had the opportunity to become the member for Prescott—Russell, as it was called provincially at the time, and was re-elected in 1984, 1988, 1993, 1997, 2000 and 2004 here to the House of Commons. I am therefore the most fortunate of men, to have had the opportunity to represent the people of my country at three levels of government, over a goodly number of years, despite the humble beginnings I have referred to earlier.

[*English*]

I also want to take this opportunity to congratulate the Prime Minister on the Speech from the Throne that was presented to us by Her Excellency the Governor General. The Speech from the Throne describes well the aspirations not only of the government but indeed of all Canadians. They are those things that we wish for, and our government is here to make as many of them happen as humanly possible, given the minority government situation in which this Parliament will operate.

[*Translation*]

Only four days after Parliament resumed, a motion was proposed to the House that could well have sent the voters back to the ballot boxes. As for myself, with my experience in the House of Commons, I believe any person who acted in such a way to send us back to the ballot boxes prematurely would be punished by the people of Canada in that vote.

Let me explain. This situation is not new. In 1974, an election took place 18 months after the previous one, in 1972. Why? The New Democratic Party, whose members now sit on my right, which is rather ironic, withdrew its support for the government in 1974. What happened? We saw a motion to amend the budget defeated, followed by an election. What did the public do? It almost wiped the New Democrats off the map. I think there were about 12 out of 40 left after that election; the others were all defeated. In the eyes of the Canadian people, the election was set off prematurely and it was their fault.

And now let us move forward a few years, to 1979. That year the government of the Right Honourable Joe Clark was defeated after a vote in the House of Commons on an amendment to an amendment. The people decided that the government had not done its homework. It did not even get all its members to return to Parliament for the vote. The government did nothing to ask for the support of the Social Credit members in the House at that time. The result was that the government was defeated on that vote. The Social Credit Party has completely disappeared from the House of Commons and none of its members have ever been seen here since. What happened? What did the people do? Those who caused a needless and unwanted election were brought into line by the people of Canada.

I would like to remind all my colleagues in the House of Commons, on my side and on the other, that if we are not serious in this Parliament and if someone—and I do not mean this in a partisan way—tries to exploit a situation to set off a premature election, the people will not swallow it. If it is the government's fault—although I do not think that would happen—the people will speak. If the opposition intentionally plays Russian roulette, as we saw a few days ago, and if it causes a premature election, the people will punish the ones who pull the trigger.

● (1545)

[*English*]

I suppose others might think differently about this issue but I believe history has demonstrated that this is how it has happened in the past. Furthermore, when we and all of our constituents went to the polls, nowhere on the ballot did it say, "We elect you but we want you back in six months, in three months, or even in four days". The population said by way of its vote, "We elect you for the ensuring mandate". That is why they sent all of us here.

That is why I believe it is incumbent upon all of us on all sides of the House to behave responsibly. We cannot on one side of the House be arrogant, that is true; and the other side of the House cannot play bumper car politics all the time because it is not going to work in a minority Parliament. Therefore I conclude by asking my colleagues to be respectful of this great institution and hopefully to make this Parliament last the length of time that Canadians expect it to before going back to the people of Canada.

Mr. John Williams (Edmonton—St. Albert, CPC): Mr. Speaker, I will be splitting my time with the member for Niagara Falls.

First, I would like to thank the constituents of my new constituency of Edmonton—St. Albert for allowing me to come back here for the fourth time. I was first elected in 1993 for the constituency of St. Albert, which is a suburb of the city of Edmonton. The constituency of St. Albert also covers off a number of small towns on the west side and north side of the city of Edmonton, namely, Spruce Grove, Stony Plain, Morinville and Legal.

As many people know, I had a problem with the redistribution because it divided the francophone community. There is a strong francophone community on the edge of Edmonton. In fact, in the town of Legal one is more likely to hear French spoken on the streets than English, even though it is only 15 or 20 miles from the city; I see that the Minister of Intergovernmental Affairs is pleased with that.

Nonetheless, after losing my battle with the electoral commission I now represent part of the city of Edmonton and the city of St. Albert. I am pleased to do that and to have these new constituents. Over the ensuing time that we have in this Parliament—I do not know if we will be counting it in years but perhaps we will—I hope to serve them well and continue on the work we have been doing to hold the government accountable. Through the work of the public accounts committee I chaired in the last session, there was a serious change in the voters' perceptions of the Liberal government. As a result, we now have a minority and, as a previous speaker pointed out, we must have a new working relationship between the government and the opposition.

On the Speech from the Throne, we also have to take a look at things it did not say. One I want to talk about is the absence of what is said about strengthening our military. In my constituency of Edmonton—St. Albert we are right next to the base of the Edmonton garrison, where 7,000 personnel are based. Many of them live in the northwestern part of Edmonton and in the city of St. Albert. They were looking for a greater commitment by the government other than a few comments in the throne speech.

Let me quote from the throne speech: "...we have to invest more in our military..." and increase the number of troops "by 5,000...and our reserves by 3,000". But surely we need something stronger and better than "...we need to invest more in our military...". Where is the commitment? Where is the vision of this government saying, "This is why we are here. This is what we want to do as a government. This is how we are going to lead this country forward". It is not in this throne speech.

Then, of course, after the speech we had the disaster with the *Chicoutimi* that cost the life of one of our sailors. These submarines are used goods. On top of the Sea Kings, which should be in the museum, we have these submarines. We have to seriously question if these submarines are going to be of value to us when the minister of defence from the United Kingdom apparently said yesterday or the day before that contracts are contracts, it is buyer beware, and we get what we buy on used goods.

That is not good enough for a country like Canada, which at one point in time had the third largest military in the second world war and was a beacon to the world. It has been a beacon to the world for the last 40 to 50 years. It has been eroding. Now we are down to buying used equipment that puts the lives of our military personnel on the line. That is not good enough, just not good enough.

Then, of course, to add insult to injury, last year the former prime minister saw fit to use $100 million right out of the military budget to buy two new Challengers because, it was said, perhaps a little air pressure was lost on the jet the government had before and therefore it was unsafe, and the former prime minister needed $100 million just on a whim. Within one week the government made the decision to spend $100 million to buy two new planes for the prime minister, but there was nothing for the military.

My constituents are looking for more and they are looking for better and they are looking for vision and a commitment out of this government. We do not find that in the throne speech.

● (1550)

Then, of course, there is health care. Health care is prominent in the throne speech, rightly so, because health care is a major concern to Canadians. But the Prime Minister talks about his "plan" for health care. It is interesting to note that he had a plan before he met with the provincial premiers two or three weeks ago, a plan that was going to cost us something in the range of $13 billion or $14 billion, and within three or four days at the end of the conference suddenly that plan was a $30 billion plan, or even more than that. I cannot remember the specific number.

In the space of four days he changed his plan dramatically and completely and he also got into what he is now calling asymmetrical federalism, where it is one deal for the Quebec and another deal for the rest of the country. That was not in his plan on the Monday morning but it was in his plan on the Friday afternoon. Now, is this vision? Is this clear-sightedness that he knows where he wants to take this country when in the space of one week he can do a complete flip-flop?

Again, it is not good enough. We Canadians all say that we deserve the best health care and we are prepared to pay for the health care, but the Prime Minister has no plan and he has no vision. He does not know what he wants to do except when he is being pressured by someone else, that being the premiers or someone else in the country.

Then he talks about our aboriginals. Rightly so. They have been treated shamefully over many years and it is appropriate that we redress that. But we have always seemed to say that redress comes through the courts, so let us have it out; we will negotiate and if they do not like it then we will see them in court. The Auditor General points out that today the identified claims are somewhere in the region of $200 billion if they are settled in the way the claims are made today. Other Canadians are saying, "Two hundred billion dollars?" And the fight goes on.

There many things we do not know. For example, the previous Auditor General, Mr. Denis Desautels, pointed out a few years ago when he brought down a report that 40% of our aboriginal people do not finish elementary school; that is, not high school but elementary school. Let me ask members this: how do we expect people who do not finish elementary school to be a success in this complex world we live in? How do we expect them to go to university? How do we expect them to get a career? How do we expect them to even get a trade when they do not finish elementary school?

Surely there should be a commitment by the government to educate our aboriginals the same way as we have a commitment to educate the rest of Canadians. Why not? I do not know. But then I think back to Davis Inlet. Do we remember Davis Inlet where the kids were sniffing gasoline? They were shipped out to Poundmaker's Lodge in my constituency, just about a mile from my constituency office, to try to help them get over this addiction.

It was a major international scandal. The government said it was going to do something. It said it would spend $80 million fixing that problem. I think the total bill was around $120 million. But it did not fix the problem. They built a new town on the other side of the inlet and moved everyone, lock, stock and barrel. The Auditor General pointed out that this did absolutely nothing to address the cultural, social and pathological problems in that society. It just gave them new bricks and boards so they had new houses and it started all over again. The problem in Davis Inlet is as bad today as it was then.

The Speech from the Throne has no vision. There is nothing that gets me excited as a Canadian to say I should follow this government. It is a very disappointing turnout indeed.

● (1555)

Hon. Rob Nicholson (Niagara Falls, CPC): Mr. Speaker, it has been a long time since I have had the opportunity to address the chamber at length. I was a member of Parliament from 1984 to 1993. I remember speaking on behalf of the minister and the government on the child pornography bill in June 1993. It did cross my mind, at least fleetingly, as to whether I might ever get the opportunity to speak again in the House, but I was completely satisfied because of the importance of that legislation. In fact, that was the last thing I ever talked about in Parliament. It certainly was worthwhile. I look forward to the government introducing further changes in this bill.

I want to say at the outset, as I said 20 years ago, what a privilege it is and how wonderful it is to be in this chamber and how appreciative I am of the voters of the riding of Niagara Falls for giving me the opportunity once again. The riding consists of three communities. One of them is the town of Fort Erie, one of the great gateways to Canada. At the other end of the riding we have the town of Niagara-on-the-Lake, which was the first capital of Upper Canada and boasts Canada's only Lord Mayor, and of course there is my hometown of Niagara Falls, Ontario.

I have said with respect to Niagara Falls, and I sincerely believe it, that no person can ever claim to have lived a complete life unless he or she has experienced Niagara Falls. I am very proud and grateful to come from that part of the world.

Let me congratulate the Speaker, the member for Kingston and the Islands, and congratulate you, Mr. Speaker, and the residents of Chilliwack—Fraser Canyon. I said to you privately something I will say publicly: I think it is a very great honour to sit in that particular chair and you should take a great deal of pride in that. It is a fact that in the last 137 years no legislative chamber in the world has a better record of protecting the rights of its citizens or of standing up for what is right in the country than the Canadian House of Commons. There is none, Mr. Speaker, so you and all those who, like you, have sat in that chair, can take this kind of pride in the fact that you are a part of this process.

I have been asked many times since I have been back about what has changed and what has not changed. I can tell the House about one of the things that has not changed. It comes within your purview, Mr. Speaker, and it is the individuals who provide you with advice from the table and the individuals who provide maintenance, clean our offices, provide security and drive the buses. I have invariably found them to be polite and friendly and they have made it a complete pleasure to work in this place. That has not changed in the ten and a half years since I have been here. I know I speak for every member of Parliament when I say how much help the people who work on Parliament Hill have been to us. That is the good thing.

I can tell members about something else that has not changed. I had the opportunity to listen to the first Speech from the Throne from the present government, in 1993. I do not know if you get the same feeling, Mr. Speaker, although of course you are completely neutral on these things, I know, but it is like I am hearing the same thing all over again. It has the same priorities. The same topics got covered. One gets the feeling that the same Speech from the Throne is being recycled every couple of years. To me, that was a great disappointment.

It is a disappointment as well for another reason. Mr. Speaker will know the history of the Prime Minister of today. For many years he has wanted to be and has planned for being Prime Minister of this country. That is his right, of course, as a Canadian citizen. He comes from a very distinguished political family.

What disappoints me about the Speech from the Throne is this. I would have that thought for him and those around us, having spent so many years in his trying to become Prime Minister, there would have been something that would have been a little unique, something a little original, something we have not heard before, a new idea in the Speech from the Throne.

● (1600)

I defy anyone to come up with anything in here that has not been recycled with the same old same old. To me, quite frankly, that was a disappointment too.

As well, I am sure the list of topics covered by the Speech from the Throne must be a disappointment to many Canadians. During the election campaign somebody asked me what I thought of the Liberal's day care plan. I told them the truth and said that I thought it was about the same as the last two times I heard it. I am no more or less impressed with it than the last few times I have heard it. It seems to me that it must be very discouraging for people to hear that sort of thing again and again. Part of the problem with this is that it is an area within provincial jurisdiction.

I remember being on a child care committee in the late 1980s. A woman from Snowbank in the Northwest Territories said to us that if we were talking about national standards in day care that she hoped it would not be Toronto's national standards that we were talking about. I was intrigued by what this woman had to say. She said that she knew what was coming. I should mention that not all of us were from Toronto. The woman said to us that if we were to come up with regulations that the children should be out one hour every day because that is healthy for them, that in Snowbank at many times of the year these children would die.

We should not come up with national standards for the city of Toronto because we will get into variations and regional standards. That will be the government's problem. It keeps promising a national child care policy but what we will see, and quite rightly, is that the provinces will speak up on this issue. When they finally sit down with the Prime Minister they will say that they regulate the area and that they know what is best in this particular area.

I suspect that the government will do much the same as what it did in health care if it is serious about it this time. I have no idea whether it is any more serious this time than the last four or five times. The government promised it, but if anything happens it will be the government handing out cheques with not much federal involvement at all. Those who think there will be major changes in this area should not hold their breath.

I was disappointed as well by some of the other things that were not covered. For instance, the government says in its Speech from the Throne on economic strategy that promotion of trade and investment is the fifth pillar of the government's economic strategy. Is that not wonderful? It did not address one of the major issues that can hold this country back in its economic development and that is what is happening at Canada's borders.

Just this morning about half a dozen truckers called my office from the Lewiston-Queenston Bridge along the Niagara River indicating they could not get their trucks into Canada. There are a number of issues, such as the labour issue on the Canadian side, and I urge the minister and the government to get these things settled. These things have been going on for a couple of years. The customs people must be reclassified. If the government wants them to do more work, to take greater responsibility and to get more involved with security it should pay them accordingly and get these things done. This has dragged on as well as the problems generally that we are having at the border. The Americans are very interested in security and I can appreciate that, but if the traffic does not move along Canada's borders it will hurt this country economically, not just along the borders but right across the country.

Economic decisions are being made right now by companies that are not expanding into Canada because they are worried about moving goods and services. The government can talk all the platitudes it wants and keep recycling it, I do not care—and I hope the Canadian voters will have a different view of this at the next election—but it should do something about our borders. If it opens up those borders it will find the consensus that I think it has found elusive up to this point.

● (1605)

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, first I wish to inform you that I will be sharing my time with the hon. member for Joliette.

I would like to take this opportunity to say hello to my constituents in the riding of Chambly—Borduas and assure them that our political party, which is an important part of the opposition, will work as hard as it ever has to ensure that their interests are always well represented in this House.

One way to do so is to give our opinion on this Speech from the Throne. It is not for nothing that the three opposition parties were so united in their opposition. This Speech from the Throne does not reflect the concerns of the public—concerns that were expressed during the election campaign, that is, quite recently.

As the human resources and skills development critic for my party, I would first like to address this subject in relation to the Speech from the Throne.

My colleagues from the Bloc and I are certainly going to vote in favour of the amendment. I would like to talk in particular about the first part of it on the establishment of an arm's-length, but not privatized, tri-party commission to ensure employment insurance premiums are used only for workers' benefits.

It is very important that this House pass this amendment. Failure to do so will mean many workers who no longer qualify for employment insurance will be kept in poverty. Eligibility requirements have become so strict that only 38% of those who contribute are entitled to receive benefits.

In response to a question I asked him last week, the Minister of Finance said that the employment insurance fund had been part of the consolidated revenue account for many years—since 1986, if I am not mistaken. Before 1986 it was a separate account.

In the first years this fund was part of the consolidated revenue account, there were relatively few difficulties. However, the requirements that have appeared since 1993 have gradually whittled the number of contributors receiving benefits from the 75% of workers who were contributing to the fund and were entitled to it to 38%.

All workers are penalized, of course, but women and young people in particular. Women are penalized by the very complex rules, which take into account the rate at which the required hours of work are accumulated. Because many women—more women than men—work part time, only 33% qualify for employment insurance. That is pretty dramatic, and the percentage is even lower for young people.

Hence the importance of ensuring that the government no longer uses the fund as a pot of gold. It uses it for other expenditures, like paying down the debt or transferring amounts to the reserve fund. Whatever the case may be, this fund is not designed for anything but employment insurance, providing social insurance to those who have had the misfortune to lose their jobs.

● (1610)

I have heard much praise of our country's geography from members defending the throne speech. They spoke of our green forests, our pristine lakes, the graceful outlines of our mountains. Great emphasis was put on all that. While I agree that we must take care of our environment, what I have just listed is not the product of governmental policies.

What is, is the hardship caused to many families across the country. I heard hardly anything at all about that in the throne speech. It was touched on only superficially, with fancy words in obscure passages, a couple of lines, for instance, providing that "the government will continue to review the employment insurance program to ensure that it remains well-suited to the needs of Canada's workforce". That is all it said.

And yet, we see all the difficulties facing workers when they find themselves unemployed. That is to say nothing of the rules, which are both restrictive and very difficult to enforce. Even civil servants recognize that, sometimes, people are not treated fairly because they themselves have a hard time understanding what the rules mean exactly. They take into account average earnings, regional unemployment, weeks not worked, flexible work schedules, and the list goes on. How can one make heads or tails of all this?

Consequently, people who must rely on employment insurance for their meagre subsistence must put themselves in the hands of the public servants, because very often they do not understand things.

Thus, $45 billion has been diverted from this fund in recent years. This is $45 billion that could have gone to the people who needed it the most. This is $45 billion that has impoverished families. This is $45 billion that was not injected into the economy of any of our regions, any of our constituencies. In the riding of Chambly—Borduas alone, there is a shortfall in revenue of over $38 million per year.

Of course we must vote in favour of the amendment. I invite every member in this House to do so. Moreover, I invite the House to reflect on an amendment that could be made during this session, in order to return the $45 billion to the EI fund, and that this repayment be spread over a number of years, which can be determined later.

Since I have two minutes left, I will be brief, although there is much I could say about seniors. There is $3.2 billion that belongs to them but has not been given to them, because the government did not provide enough information on the guaranteed income supplement program. Since this is a program for the lowest incomes, once again the least fortunate were the ones affected.

In the matter of child care, as far as the economy of Quebec is concerned, there is a shortfall of $230 million annually, because Quebec has its own system of child care centres. As a result of the tax rebate system, $230 million less goes to Quebec every year.

Then there is the matter of manpower training. We should have expected to hear in the throne speech that the rest of the training funds remaining in Ottawa would have been transferred, as they ought to have been in 1997 as well. Not only was the funding for targeted clientele, the disabled, the immigrants, the young and the old not transferred, but with this bill we have before us, they are nibbling away just a little bit more into others' jurisdictions. I will return to that point.

I will make my conclusion very brief. The government has missed a great opportunity, there is no denying that. The member for Glengarry—Prescott—Russell has told us the year he started in this House. That is the year I was born. I was surprised at that, because I have seen his past vigour. He ought to have joined with us in stating that the government should have taken its cue from the 2001 report of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities.

● (1615)

That report ought to have come back here to the House and been reflected in the main thrust of the throne speech. It was a unanimous report and contains reference to what have just raised. But there is no sign of it today.

That is why this Speech from the Throne cannot be accepted in its present form.

* * *

[*English*]

BUSINESS OF THE HOUSE

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

That when the House begins the take-note debate on BSE later this day, no quorum calls, dilatory motions or requests for unanimous consent shall be entered by the Speaker.

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

Some hon. members: Agreed.

(Motion agreed to)

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I wish to seek unanimous consent that the second report of the Standing Committee on Procedure and House Affairs be deemed presented and concurred in.

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

Some hon. members: Agreed.

(Motion agreed to)

SPEECH FROM THE THRONE

[*Translation*]

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion for an address to Her Excellency the Governor General in reply to her speech at the opening of the session, and of the amendment, as amended.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, first, I would like to congratulate the hon. member for Chambly—Borduas on his excellent speech. I have known him for a few years and I can assure the House that he will make a very useful contribution here, particularly in light of this throne speech.

This being the first time that I rise in the House since the election, I also want to take this opportunity to thank the voters of the riding of Joliette, who once again put their trust in me, in significant numbers. I thank them and I hope to live up to the confidence they placed in me.

I also want to pay tribute to Joseph Forest, of Saint-Donat, who turned 100 years old on October 9. Mr. Forest is still very mentally alert, as evidenced by the fact that he is a staunch sovereignist. I wish him a happy birthday.

Getting back to the issue before us today, namely the government's throne speech, there is one thing that strikes me. A retired colonel mentioned it Friday on CBC radio, in connection with the tragic events that occurred on the submarine *Chicoutimi*. A retired colonel is not necessarily someone who follows politics the way we do in this House. He said that people hear the federal government talk about health, education, daycare, municipalities, which are all provincial jurisdictions. However, they never, or hardly ever hear the government talk about national defence, which comes under its jurisdiction.

While it is true that the government says little about national defence, the same may be said for international trade and the employment insurance issue. This throne speech is totally silent on federal jurisdictions. Only in the jurisdictions of the other levels of government, namely the provinces and Quebec, is the federal government full of good and very specific ideas. These are, of course, good ideas based on the centralizing and imperialist vision of the Liberal Party of Canada.

As we know, as far as health is concerned, they tell us that things need to be administered in the way the Liberal government has imagined it, whereas the federal government and the Liberal government of Canada have never administered health systems. This Speech from the Throne does not stop at health. No doubt they have said all they had to say on that, so now they start in on education. They call it learning, and tell us that learning is not exactly the same as education. Frankly, that is just playing with words. They talk about recognition of foreign credentials, when professional bodies came under provincial jurisdiction. In Quebec in particular, this is a debate that has gone on for ages, with the doctors' and other professional bodies. It is not up to the federal government to come barging in to help solve such a highly complex problem when Quebec has been working on it for a good fifteen years if not more. I had the opportunity of sitting on the Conseil supérieur de l'éducation and the Comité sur l'éducation aux adultes some years ago, and it was already an issue being discussed in depth at that time. Solutions are needed, but that said, adding the federal government's two cents' worth is not going to help.

When it comes to all the other elements, like child care, it is the same thing. There is a level of detail of great concern to the other levels of government in Quebec and the provinces. The provinces have also looked at the problems that exist in some of our public systems, such as health, education or day care services, and they have solutions that are often much better in terms of implementation.

As I was saying, it has a great deal to say about learning and about recognizing the foreign credentials of new Canadians. However, on something so fundamental to a sovereign country like Canada—something Quebec wants to become one day—as its international policy, which is its number one prerogative, the only sentence in the speech is, "This fall, the Government will release a comprehensive International Policy Statement that will reflect this integration." What should have been at the core of this Speech from the Throne was all the concerns of Canada, Canadians and Quebeckers about international issues, but there was nothing.

● (1620)

There is the hot issue of the day: Canadian participation in the missile defence shield project, the one being pushed by the American authorities. With all the time that has passed since the June 28 election—the House even resumed two weeks late—one might have expected the government to be in a position to tell us something more than "there will be an international policy this fall". They go on, moreover, to say that "Parliamentarians and other Canadians will have the opportunity to debate its analyses and proposed directions".

We might now have expected a position or some parameters relating to the government's reflections, but no. Because they are aware that this is a touchy subject, and involves questions of federal jurisdiction, they prefer to keep mum about this particular hot potato and likely will end up trying to present all of the people of Canada and of Quebec, as well as all the members of this House, with a done deal. Not only is this unacceptable, it is undemocratic as well.

Now for employment insurance. The member for Chambly—Borduas was very clear about this in his speech. If there is one area that still falls, regrettably, under federal jurisdiction, it is employment insurance. I always think to myself that Mr. Godbout , the man who made it possible in the early 1940s for the federal government to reclaim jurisdiction over this from the provinces, must be turning over in his grave.

Employment insurance has been a terrible problem for years; ever since the Liberals "reformed" employment insurance in fact. The truth is, it started with the Conservatives. The House probably remembers the Axworthy reform. At that time I was working with the unions. Along with our young people, we fought that reform because we could clearly see where it was leading. It led us just where we thought it would, to the misuse of public money: $45 billion, as my colleague has said.

There have been drastic cuts in accessibility. Now only four out of ten people who pay premiums and lose their jobs ever get any benefits. It is no longer a social safety net at all; it has become a Canada-wide lottery. It has been denounced many times. In 2000, the ministers went to the Chicoutimi region. The hon. member for Jonquière is here to confirm that for us. The ministers said they were going to solve the problems. And what did we get as a bill? Something merely cosmetic.

A few weeks after the election was called, the Liberals thought they could fool the people with other cosmetic changes to EI. It fooled no one in the regions of Quebec and no one in the Atlantic provinces.

What we might have expected is not what is written in the Speech from the Throne. There we find a sentence that is probably receiving quite a bit of scrutiny, to the effect that the government will look into the employment insurance program to ensure that it remains well-suited to the new realities. What does that mean? Are they going to change it to suit the interests of multinationals that still prefer having a workforce incapable of achieving minimum economic security? Such workers can be forced to accept poor working conditions and low salaries in order to meet legitimate competition from developing countries. Is that what we want? That is what the Axworthy reform was.

Are they finally going to respond to the concerns of Canadians, Quebeckers, workers who want to have a real system, since they are paying for it? The same is true for employers.

Therefore, this is a subject that the Liberal government should have been prepared to meet head on with answers. My colleague from Saint-Hyacinthe—Bagot spoke of this during question period. Year after year, we end up with surpluses much higher than the Minister of Finance predicted. It is true for the current finance minister and it was also true when the Prime Minister was finance minister, and when Mr. Manley was finance minister.

The surplus is systematically underestimated. Perhaps this is a way to provide funding based on conditions set by the federal government in areas where there are acute problems, such as health. That was what Mr. Chrétien did when he came up with $2 billion at the last minute after having said that he would probably not be able to do so without scraping the bottom of the barrel.

We need to have a good look at the real numbers in order to have the discussions that we should have with the provincial premiers on federal transfers to the provinces. This is not just about equalization. I think that everyone agrees on this except the Prime Minister and the Liberal Party of Canada.

We need an institute that could assure us of the validity of the numbers.

● (1625)

Everything I have talked about that was not elaborated on in the Speech from the Throne is in the amendment moved by the Conservative Party. It talks about an independent employment insurance fund to be managed by those who pay into it. It talks about having a free vote on the missile defence shield. It talks about the need to create an agency to ensure that the fiscal forecasts of this government are verified by an independent body.

All these items—and there are more in the amendment moved by the Conservatives—are not just concerns of the Conservatives and the Bloc Quebecois. They are concerns of Canadians and Quebeckers. The best illustration of this is that two-thirds of the members here in this House are not from the Liberal Party of Canada, but from the Bloc Quebecois, the Conservative Party, or the NDP, and the government has to realize that.

● (1630)

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Don Valley East. First, I would like to congratulate you on your election as Deputy Speaker of the House of Commons. I would also like to take this opportunity to thank my constituents from Laval—Les Îles who have re-elected me for a third time.

[*English*]

In the time allotted to me today I am going to focus on literacy for seniors and the recognition of foreign credentials for immigrants. These are some of the many priorities of our government raised by the Governor General in the Speech from the Throne.

[*Translation*]

Immigrants who came to Canada during the 1990s now make up at least 70% of our labour force. For a decade now, we have been relying on immigrant labour increasingly because of our growing needs in technology and our aging labour force.

A number of highly skilled immigrants have had a tough time getting a job in our economy, because of the way their foreign credentials are perceived by the employers.

We all have heard of engineers ending up driving taxis because their credentials are not recognized in Canada. Unfortunately, they do not have the opportunity to get training in the practices of their profession here.

[*English*]

These are the same people who were accepted on their qualifications and approved through the immigration process. They entered Canada because they believed in the premise that employers in various provinces across this country needed their skills and expertise. They now find that there are several barriers to their successful integration since these same employers do not recognize their professional degrees or designations.

[*Translation*]

Many immigrants are caught in a vicious circle of frustrations. They cannot get work experience in Canada, because no one will hire them since their credentials are not recognized in our country. It is a vicious circle.

Accountants, lawyers, social workers end up cleaning offices at night. It is true that our government and previous ones were not far-sighted enough to prepare for the integration of these new immigrants. We should have been more aggressive in implementing strategies to prevent this situation.

[*English*]

That is why the government will put in place a more focused workplace skills strategy, and work with the provinces and territories to improve the recognition of foreign credentials. The Liberal government will also work more aggressively with the provinces and territories, and provincial professional licensing bodies to make certain that together we can find a better and quicker way to profit from the skills of people who settle in Canada. Foreign trained professionals must not continue to remain on the economic margins of a country envied by many as one of the best countries to live in.

Our government has been accused of fiscal mismanagement. Obviously, the opposition has not been paying a lot of attention. It has a short memory. When the Conservative alliance was running this country, I am sure it made errors in judgment and was quite arrogant in its approach to dealing with these issues.

[*Translation*]

We all make errors in judgment and always learn from our mistakes. This brings me to the Prime Minister's reply to the Speech from the Throne. I will paraphrase what he said. He indicated that our government made sure its expenditures did not exceed its revenues, so that future generations do not inherit a debt. Our $5 billion investment in the establishment, over the next five years, of a national early learning and child care system demonstrates our commitment to laying a strong foundation for this country's future decision makers.

We will invest $45 million over four years in early learning and child care for aboriginal children living on reserves. This shows that this government recognizes that the situation of aboriginal peoples living on these lands can no longer be ignored.

● (1635)

[*English*]

According to the 2001 census, nearly half of the non-reserve aboriginal population was under the age of 25 compared to 32% of the non-aboriginal population. Most of the non-reserve aboriginal population, 68%, lived in urban areas with almost 40% residing in census metropolitan areas, in cities with a population of more than 100,000 people, so we have only begun our work.

I would like to now talk about the reality of our aging population. Before I do that, I want to congratulate the government on its commitment to ensuring the well-being of our elders. We do not need to create an independent budget office, as suggested by the opposition. Our government has successfully balanced the budgets since 1997 while eliminating the deficit.

While doing all these things, we are showing how much we value seniors. We are also showing that this is a government that listens.

[*Translation*]

Seniors say they need to be more active and involved in their communities. This government has reinvested in new programs for seniors. Between last year and 2005, $8 million will be invested, on top of an annual growth of $10 million. Homes and clubs for seniors in my riding of Laval—Les Îles will be happy to hear that this funding will help upgrade programming and will certainly stimulate interest among seniors and those who, otherwise, would remain passive, becoming virtually prisoners in their own homes.

In 2000, Canadian seniors represented 13% of the total population; in 2016, statistically, they will represent 17% of the population. Many seniors live to the ripe old age of 80 or 90.

[*English*]

This is a government that has not been sitting idle. It has set out an agenda in the second throne speech in less than a year and made strategic investments toward those priorities. These include being host to a first ministers' conference which struck a $41 billion, 10-year deal to strengthen health care. This deal has been accepted by all provinces and territories.

We are working with aboriginal leaders to improve health care starting with a $700 million blueprint. We have seen strong growth in the Canadian economy with Canada's economic output in the second quarter leading G-7 countries with the fastest growth in exports in more than seven years.

[*Translation*]

Our economy in Quebec is also in full growth. We are benefiting from the substantial transfer of federal gas tax to municipalities in Quebec. This money will help rebuild and maintain our infrastructure, including when it comes to improving our rail system.

Quebec is an entrepreneurial society. This budget provides the tools required to ensure the development of young companies. That is good news for Quebec.

[*English*]

Our government unequivocally supports the regions in achieving their goals. This includes our commitment to affordable housing and the homeless, improved quality of life for seniors, and a commitment to a long term plan to improve our health care system by reducing waiting lists and times.

We cannot do this alone. It will take the commitment of the provinces and territories to work together to accomplish these plans which were outlined in the throne speech.

[*Translation*]

This throne speech is concrete evidence of this government's commitment to acting on the election promises made to Canadians in the last election.

[*English*]

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, the hon. member spoke often of immigrant communities in the country. I have some of those immigrant communities in my own constituency and many of them of Taiwanese background have come to me with concern that the World Health Organization does not recognize their home jurisdiction or observer status at the World Health Organization.

This issue came before Parliament not long before the last election. The House of Commons voted overwhelmingly to support the observer status of Taiwan at the World Health Organization. It is with great sadness, however, that this community learned that the diplomats of our country stood up at Geneva and in the end voted against the will of Parliament. They decided to collapse under pressure from communist China and oppose the recognition of that small democratic island at the World Health Organization at a time when east Asia and indeed much of the free world was suffering with the problem of SARS.

Imagine a jurisdiction like Taiwan with 23 million people suffering from SARS not having recognition at the World Health Organization. How does this hon. member stand in support of the throne speech when her own government voted against the will of this Parliament, voted against the health of all people, and voted against the basic recognition of what Parliament had said?

● (1640)

Ms. Raymonde Folco: Mr. Speaker, I do not know whether the member of Parliament has confused immigration and foreign affairs. Definitely the two are linked in some way, but they are two distinct areas of concern. I would say to the member of Parliament from the opposition that the best person he could speak to might be the Minister of Foreign Affairs.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, I want to thank the member for her speech in response to the throne speech which had wonderful words and great rhetoric. However, there is a big gap between the words we have just heard and the actual action of the government. Let me point to a couple of examples.

Not too long ago we all received information that Canada's positioning in terms of the human resource index which measures our treatment of people in the country dropped from first to fourth place. On top of it all we learned that Canada is now placed 12th among 17 countries pertaining to poverty. In terms of wealthy countries, measuring our responsiveness to children and others living in poverty, Canada rated number 12.

If we put that into the context of the government's handling of the budget and its failure, either deliberately or inadvertently, to lowball the surplus so that the money is not transferred to meeting the needs of children in poverty, we have a pretty deplorable situation on our hands. In fact, Mr. Speaker, you will know that over the last 10 years the government has lowballed the surplus to the tune of about $80 billion. That is money that could have gone to meeting the needs of children in poverty, to students, to cities, to environmentalists and so on.

I would like to ask the member, is she prepared now to put her mouth where the money is and ensure that those surplus dollars are accurately forecasted to begin with and will go to meeting human needs?

Ms. Raymonde Folco: Mr. Speaker, my reply to the question will be very simple. It is true that Canada's position has dropped and it is partly in recognition of this change that the government decided to put forward the measures it did in the Speech from the Throne that will later be backed by the budget.

For example, we know that in the aboriginal communities throughout Canada, and I have worked with aboriginals, the level of poverty is very high. The government has shown its willingness and effort that it will be putting into the aboriginal communities, particularly the youth in the aboriginal communities who are the first to be hit by this. I would also mention early childhood education as well, particularly the tax in favour of communities. These will be assisting communities to help those that are poor.

● (1645)

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, I would first like to thank the constituents of Don Valley East for electing me to represent them. I am honoured by their overwhelming confidence. I also would like to congratulate you on your appointment as Deputy Speaker.

This week Canada was recognized by the world's central bankers as the best fiscal performer among the G-7 industrialized countries. According to the Swiss-based Bank for International Settlements, Canada posted one of the sharpest improvements in its fiscal situation, and consequently has the brightest economic outlook. With the federal books balanced for the past seven years in a row, the federal government is now in a far better position to meet fiscal demands today than it has been in recent memory.

Prior to 1993, the federal government was saddled with rising deficits and an ever increasing federal debt. Double digit interest rates coupled with skyrocketing unemployment rates dashed the hopes and dreams of millions of Canadians. The federal government was awash in red ink and it began to receive severe warnings from the international monetary fund.

I am an accountant by trade, and having worked in both the private and public sectors, I can tell members that the success of any organization depends on responsible fiscal management. I can therefore assure members that the success of this government is no accident.

The current Prime Minister, who previously served as finance minister, immediately adopted a disciplined fiscal policy in 1993-94 designed to quickly eliminate the deficit. The ripple effects of sound financial management were felt throughout the economy. Interest rates began to fall and the unemployment rate began to drop. Gradually the quality of life of Canadians improved as the deficit grew smaller and smaller. That is why we must not squander our current fiscal balance by spending our way back into deficit. This is something the federal government cannot afford to do.

All governments face pressures to spend on competing and often conflicting priorities. Municipalities, provinces, territories and the federal government all feel the pinch to spend more money, but it is the federal government that must be the first to demonstrate leadership and practise sound fiscal policy. It is essential that members of the House and of our provincial counterparts rise above partisanship to address public interests. That is exactly what the Prime Minister intends to do in the coming weeks when he sits down with the provinces and the territories to introduce the most fundamental reform of equalization programs in almost 50 years. Again, I must emphasize that we cannot afford to return to deficit spending to satisfy short term and nearsighted political agendas.

Last week the government outlined its vision for the future with the Speech from the Throne. It is a vision backed with a plan to invest in Canadians. At the same time, it will maintain a sustainable budget that will never let us fall back into deficit spending.

At the centre of this strategy is a 10 year health care plan worth $41 billion. It will ensure that patients will have better access to services. Most important, it will provide the provinces and territories with predictable long term funding. The government also has committed $4.5 billion over the next six years to establish a wait time reduction fund. This will shorten the time it takes for Canadians to access critical care services.

Parents and children can also look forward to a national child care system. The federal government will implement this system in cooperation with the provinces and territories. We will also provide support for those who provide care to loved ones who are aging, infirm or suffer from severe disabilities.

● (1650)

The federal government will also establish a new horizons program for seniors. This program will ensure that Canadian seniors remain active and engaged in community life. The plan also affirms the federal government's commitment to provide a new deal for cities and communities. It will give municipalities more fiscal freedom by receiving a portion of the federal gas tax. The federal government will also help local governments by enhancing existing programs such as the affordable housing Initiative, the supporting community partnership Initiative for the homeless and the residential rehabilitation assistance program.

Prior to the throne speech, the federal government already contributed $12 billion in infrastructure funding to Canadian communities since 1994. It has already provided municipalities with full relief from the GST. This means all local governments will have $7 billion more at their disposal over the next 10 years. In Ontario this will mean municipalities will save $243 million in GST relief for this fiscal year alone.

Other initiatives in Ontario include: $435 million for expansion of GO transit and the York region transit services; $298 million for Ontario municipalities under the municipal rural infrastructure fund; and $56 million committed for affordable housing.

To ensure a clean environment, the government will proceed with its commitment to implement the Kyoto agreement. This strategy will make clean air, water and soil a top priority.

Finally, the federal government intends to assert a stronger presence in the international community. The peace and nation building initiative will have three principal elements: deploy the Canadian corps, which will harness the expertise and idealism of civilians with an emphasis on recruiting the talents and idealism of young people; reduce or forgive debts owed by poor and deserving countries; and increase the Canadian Forces by 5,000 regular personnel and 3,000 reservists.

In closing, when I first visited the Parliament buildings as a newly elected member of Parliament, somebody pointed out to me an inscription carved on the Peace Tower that befits a Speech from the Throne. The inscription reads, “Without vision the people perish”. That is exactly why the federal government has outlined an ambitious and exciting agenda for the people of Canada.

As the member of Parliament for Don Valley East, I am both pleased and proud to be a member of this government. More than anything, I am looking forward to being a part of the larger vision for Canada.

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. Speaker, I thank member for her first speech in the House of Commons. I have constituents who are very anxious for details from the government. The government is good for platitudes and describing where it wants to go, but when it comes to the road map, how we get to where the government wants to go, that is where the problems usually ensue.

Therefore, I have two areas on which I would like the member to enlighten everyone in the House. I have many constituents who are anxiously wondering how they will get their gas tax rebates to their municipalities for badly needed infrastructure. Rural municipalities, towns, villages and cities in Saskatchewan all have infrastructure problems. Would the Liberal member explain to me what the formula will be for redistributing the gas tax in a fair and equitable manner to all communities across the country?

My second question is this. I am still trying to find the implementation plan to the Kyoto protocol. We all want to see what the plan is. Could the member direct me to a website or something that explains in detail how the Kyoto plan will be implemented in Canada? I anxiously await the precise answers to these good questions.

● (1655)

Ms. Yasmin Ratansi: Mr. Speaker, as a new member of Parliament, there are too many questions, so I will basically choose those that I am capable of answering.

There are things that are not known and that is that Canadians received the highest tax reduction from the government. The government has been so fiscally prudent that it has not been showing that 35% tax reduction. The government also has been working with the provinces and territories. I think it is the collaboration that will help us all build the infrastructure that we want. The road map cannot be done in isolation. I commend the Prime Minister for being so conciliatory and working with the provinces and the territories.

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, I, too, would like to congratulate my colleague from across the way for her maiden speech in this place. I know it can be somewhat intimidating to rise to give our first speech. She did a wonderful job.

I want to comment on what my colleague from Prince Albert referred to as platitudes. I would agree with him. It seems that the party she represents is always good with flowery rhetoric, but it does not follow through, especially at budget time with providing the resources that are necessary to do all the great and wonderful things it brags about during throne speeches.

In particular, I would like to draw the member's attention to the throne speech that she just addressed. It states:

> Enhancing Canada’s security means that we have to invest more in our military as part of defending ourselves at home, in North America and in the world. We have to earn our way in the world.

How would the member square that with the fact that the Prime Minister, in his first budget last spring, failed to bring in any new money for the operating budgets of our military, for our three services, the army, navy and air force, and utterly failed our military in the sense of bringing forward money to address not only operating deficits, but the new equipment it needed? We are continually forcing the good people we have in our Canadian Forces to make do. All of us are aware of the tragedy that ensues when we continue to do that.

How does the member intend to hold her own Prime Minister and government accountable so that they live up to the commitments they are making, not only to the Canadian people, but to the men and women of our Canadian Forces. They have made these statements in the throne speech?

Ms. Yasmin Ratansi: Mr. Speaker, the hon. member has stated that the government has platitudes and rhetoric. I do not believe that $100 billion in tax cuts is a rhetoric or a platitude. Nor is the commitment for $41 billion in health care or the commitment for $7 billion in cities.

I would like to remind the hon. member that when the federal Liberal Party took over just 10 years ago, the government had a $400 billion debt and a $43 billion deficit. We have to put our house in order before we can make commitments. I commend the Prime Minister for being so disciplined in bringing such fiscal restraint, but also investing in social programs that were so necessary.

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Mr. Speaker, I am privileged to rise today for my maiden speech in the House of Commons. In addition, I am especially honoured to be the first member of Parliament for the new riding of Edmonton—Spruce Grove, proud to be among my Conservative colleagues and privileged to represent the honest and hard-working people of West Edmonton, Spruce Grove, Enoch, Stony Plain and Parkland county.

My journey to arrive here has been short in time but long in memories. I am blessed to have the support of my husband Bruce, my family, my friends and the good people of Edmonton—Spruce Grove who have put their trust in me to be their voice and to represent their interests.

I am proud to be a part of our Conservative team. Every day my Conservative colleagues inspire me with their fresh enthusiasm. They mentor me with their experience. They challenge me with their beliefs and their ideology. Their knowledge brings substance to our discussions. Most important, they bring humility and humanity to the difficult issues that we face every day as parliamentarians.

I am also proud to serve alongside the Leader of the Opposition. His leadership is one of the reasons that I am here today. His articulate, principled vision for Canada is the philosophical backdrop that I believe is necessary to ensure that this country is able to reach its potential, a vision that is embedded in freedom and respect for the individual.

I understand that the Speech from the Throne is merely meant to reflect an overall notion. It is supposed to be construed at maximum as a blueprint for the government's agenda and at best offer Canadians a small sense of the government's vision.

However this Speech from the Throne was disjointed. It was not only devoid of vision or passion, it was devoid of philosophical consistency and argument. It is not merely from rhetoric that I make this accusation. I sincerely believe that the Liberal government has lost its way. If I dare say, even to the detriment of my colleagues across the aisle who still believe in a Liberal vision, because those who actually lead the government may have once believed in a vision but today they have replaced it with a desire to maintain power.

Governments cannot sustain themselves on power alone. It is no mistake that practical solutions and real public policy did not emerge from this throne speech. Public policy is the building block that sets into motion the practical solutions that emerge from our passion and vision for our country but one cannot exist without the other. Public policy that will build a coherent, workable government cannot flow from words that are not rooted in a consistent set of philosophical principles and a vision for a country does not emerge without the passion that sustains those principles.

The Liberals' desire to maintain power has taken a toll. The Speech from the Throne was indicative of the most serious problem with the government, not that it is Liberal, but that it is nothing.

I was honoured to be appointed senior critic for intergovernmental relations for the Conservative Party of Canada. I believe that nowhere is this Liberal lack of vision and addiction to power more obvious than in federal-provincial relations because when we are dealing with the Constitution there is really nowhere that we can hide.

In almost every initiative in the Speech from the Throne, the federal government is infringing on provincial jurisdiction. It appears that infringing on provincial authority is the only consistent element to the government's agenda.

However, even if we acknowledge this element of consistency, there is still no reliability, no principle, no philosophy that is guiding the actions of the government, no vision for the way our federation should work and no sense of dependability or predictability in the relationship between the provinces and the federal government.

According to the throne speech, the government's vision of federalism is to ignore the most pressing issues faced by the provinces. Their constant and continuous incursion into provincial jurisdiction, if and only when it is politically expedient for them to do so, has become the Liberal way of maintaining power and establishing a sense of political relevancy.

This lack of consistency, this lack of respect for the constitutional authority of the provinces and the unpredictable nature of a government that makes decisions based on power as opposed to principle has left federal-provincial relations at an all time low. This relationship has been continuously undermined over the last decade of Liberal policy-making and today it has culminated in a desire to maintain power at the expense of the sometimes delicate fabric that holds the country together.

In their continual denial of the fiscal imbalance, their refusal to deal with the need to reform equalization, their dismissal of the call for real electorate and democratic reform and their belief that the state of Canadian unity can be bought with sponsorship money, the Liberals have fuelled the flames of western alienation, ignited sovereignist sentiment and created a wedge between the have and the have not provinces of this nation.

● (1700)

This has left provinces no recourse but to assemble a quasi-federal government of their very own in the council of the federation. While the federal government has ignored these pressing issues, the premiers have established a council as a vehicle to find solutions.

The Conservative Party of Canada supports the leadership the premiers are showing and the important work that the council of the federation is doing to advance interprovincial cooperation. However we also believe that these difficult issues require leadership from the federal government.

At the heart of all of this is the fiscal imbalance. I say at the heart because the fiscal imbalance created by the federal government is responsible for the inability of provinces to sustain their core health and social programs, the very things the Liberals claim make up the fabric of this nation.

Let us not forget the Prime Minister was formerly the finance minister and since then the federal government has taken an increasingly disproportionate share of tax money, creating a fiscal gap between the federal and provincial governments.

This persistent gap between the budget results of the federal government and the budget results of the provincial governments will only continue to grow and, at its current rate, it is predicted to reach a potential $90 billion by 2020.

Meanwhile, the provinces and territories will find it increasingly difficult to maintain balanced budgets and deliver health, education and social programs to Canadians.

Despite continued federal denial that a fiscal imbalance does exist, today it is expected that the finance minister will report that the federal surplus is easily more than double what the federal government had forecasted just months ago. This situation is unacceptable. While the federal government is swimming in surpluses we live in a country made up almost entirely of have not provinces.

Despite the continued federal denial that a fiscal imbalance exists, every provincial government, the Conference Board of Canada, the C. D. Howe Institute, the Séguin commission and the Conservative Party of Canada, just to name a few, acknowledge that this serious problem exists.

Even in the face of huge surpluses, the solution that the federal government offers is for provinces to simply raise their income tax to pay for the important social programs that Canadians need. However new taxes and continued provincial deficits are not the answer. It is clear that the current tax structure no longer meets the needs of the provinces and territories.

It is part of the Conservative Party's proposal to give the provinces greater autonomy. The Liberals' approach to the fiscal imbalance is stop gap measures when it is politically expedient for them. Instead, the Conservative Party has called for fundamental changes to the equalization formula, addressing the issues around resource revenue and the fiscal imbalance.

For instance, through the transfer of tax points the federal government could offer provinces the increased revenue necessary to deliver social and education programs without having to raise incomes taxes or go into deficit. It would also ensure that less inefficiencies and duplication would occur through federal intrusion into provincial jurisdiction.

However here is where the real problem lies. For the federal government to be able to implement a proposal such as this one it would have to give up some amount of power and control. To do that it would have to have some faith: faith in the provinces, in the premiers and in the members of provincial assemblies. It would have to have faith in municipalities, the mayors, the cities and the town councillors, the school board trustees, the parents and, last but not least it, it would have to have faith and respect for the individual. However this is something that the Liberal government has lost: faith in the individual and, by extension, faith in the nation. This is increasingly obvious in its politics of federalism when intervention, micro managing and duplication have become its contribution to federal-provincial relations.

This is the most striking difference between the government and the Conservative Party of Canada. We respect the Constitution and the power of the provinces and we respect the individual. Our vision of federalism begins from the notion that Canadians have the ability and capacity to make their own decisions and they know what is best for themselves, what is best for their children, their families and their communities. This is the vision of the Conservative Party of Canada and I look forward to the day that we form the government so the Constitution will be respected, the provinces will be respected and Canadians will be respected.

I also look forward to working with my colleagues, fellow parliamentarians and engaging Canadians in debate on these important issues. I do think togetherwe can find a better vision for Canada.

● (1705)

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, I can see the member has a good handle on provincial and federal jurisdiction. Would she expand on where the federal intrusion into provincial jurisdiction creates inefficiencies in program delivery?

● (1710)

Ms. Rona Ambrose: Mr. Speaker, this is a very important issue in regard to federal-provincial relations. The problem arises when the federal government has its own agenda and policy objectives. It is often rare that these objectives actually coincide with the policy objectives of the provinces.

When the federal government brings these priorities to provincial matters it attempts to set provincial priorities. This then shifts provincial priorities away from the needs of the citizens and toward the programs that the federal government is trying to fund and trying to impose.

As we all know, all provinces have different needs. Provincial governments are the ones closest to the citizens and it is their constitutional obligation to deliver these services to citizens. That being said, the intervention of the federal government then skews the process to the detriment of the programs that actually need to be delivered.

Finally, we should be clear that when the process is skewed, the people who lose out the most are the citizens not being able to have the quality of services they deserve. Money is also being wasted because inefficiencies are created and duplication happens. Again, it is not for the benefit of people who actually need the programs.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, I would like to further elaborate on the theme that the hon. member laid out in her presentation, which is the constant intrusion of the federal government into the areas of provincial jurisdiction.

The throne speech promises to further erode provincial jurisdiction with a pledge to assemble a massive, multi-billion dollar government-led child raising program it calls child care. This is an area of provincial jurisdiction. It is not part of the competence of the government. However, at the same time it applies a tax burden on the average family that is so burdensome it is inadequate for one parent to go out into the workforce and raise income by him or herself. As such, both parents have to go out to work.

The overall policy direction of the government is to discriminate against those families who make the sacrifice to keep one parent in the home to raise the children and instead forces upon them a decision that is not their first prerogative, which is a government-led child raising program.

I wonder if the hon. member might expound upon her earlier discourse about the intrusions into provincial jurisdiction with particular reference to this upcoming proposal.

Ms. Rona Ambrose: Mr. Speaker, I think we still have quite a bit of detail to receive from the government side on this issue. My comment would be that on any program that is being imposed from the federal level onto provinces, as the member rightly said, this falls into the area of provincial jurisdiction.

In terms of child care, we have many needs across this country. Provinces have signalled that based on linguistic and cultural differences they are delivering child care within their own provinces. This is something that we will still need to get much more detail on from the federal government.

However I appreciate that any national program that is being imposed on the provincial governments will entail some sense of duplication. As I signalled, the provinces are already delivering this service to Canadians so there has to be much more discussion along the lines of what this will look like.

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, first I thank the constituents of Blackstrap for returning me to Parliament and supporting me as their representative in Ottawa.

It is interesting that since 2000, when I was first elected to this chamber to represent the fine people in my riding, we have had four throne speeches by the Liberal government. Something that I thought was a rarity has become an annual happening, each repeating the same rhetoric but not building on the one before. Each throne speech is more diluted than the previous one.

According to the proper procedure of the House of Commons, the Speech from the Throne is generally a statement of the government's policies and broadly there is debate on that policy. It is very difficult for this side of the House to debate policies that do not exist. The latest throne speech was long on generalities and short on planning.

I found it particularly ironic that the Governor General opened the 38th Parliament by acknowledging a 60th anniversary of the D-Day landing and how important that day was to Canadians and to the world. From the veterans, she said, as a country and as individuals, we gain in pride and in purpose from their deeds and their service.

We closed Parliament talking about D-Day. Just days before the Prime Minister dissolved the 37th Parliament, we asked the Prime Minister why, when the government had money to take over 70 government sports staff, that only 60 veterans were sent to the D-Day celebrations in Normandy. Where was the respect when the government had a chance to honour our veterans by allowing more of them to attend that historic memorial?

Not surprisingly there has been an increasing number of cases brought into my constituency office concerning the Department of Veterans Affairs. In my riding there are constituents deeply affected by the lack of support given to veterans' widows and those affected by chemical and biological warfare.

It is commendable that we honour these Canadians through speeches, but history shows that there has been no tangible action taken to follow through on those words.

The speech also noted that this 38th Parliament begins with a commitment that all parliamentarians, regardless of political affiliation, will contribute to real progress for Canadians, for the country and our future. It is unclear how the progress will occur when the government's plan consists of little more than the same generalized promises that have not resulted in changes since they were first announced.

Canadians are faced with a throne speech from a federal government that does not appear to have fully accepted that it is in a minority position.

The government's message about children, caregivers and seniors is a series of vague statements. There are statements like, “we will explore other means”, “ask Parliament to consult”, “put the foundations in place”, “drawing on upcoming recommendations”. These are not phrases that suggest concrete action or progress.

The government has been in power for more than a decade and is still fumbling for solutions. The cornerstone of the government's plan for children is a national system of early learning and child care. Child care is very different in each corner of the country where local and provincial governments have already realized this.

By the time regional, cultural and economic adjustments are made for each part of the country, we end up with anything but a national program. That is important in my riding where there is a large rural population. Regardless of the good intention of universality, such programs inevitably are less accessible.

The government's plan also overlooks the importance of respecting provincial autonomy. Child care is a provincial responsibility and there are serious logistical, jurisdictional and economic issues that must be better explained by the federal government. Universal daycare is something that will require the cooperation of the provinces and the federal government and the decision cannot be made unilaterally by the federal government.

Equalization is mentioned briefly in the Speech from the Throne. There is a tremendous opportunity to enhance federal-provincial relations through a fair equalization formula, a formula that respects provincial jurisdictions as laid out in our Constitution.

This speech also makes brief reference to Canadian families who care for young children as well as the elderly. Many of our baby boomers are caught in the situation where they have school age children and aging parents. They are now being called the sandwich generation.

● (1715)

The Governor General stated that the government recognizes the vital role of Canadians who care for aged or infirm relatives, or those with severe disabilities, and that it will assist people with disabilities in becoming more self-reliant by looking at possible tax measures.

Looking back earlier this year, we cannot forget that it was the same government that informed some 106,000 Canadians with disabilities that they were no longer automatically eligible and would have to reapply for a disability tax credit that they had been receiving for years. I fielded many calls from people afflicted with blindness or amputated limbs who wondered how they could suddenly not be considered disabled for the purposes of taxation.

The Council of Canadians with Disabilities has picked up on the lack of measures aimed at helping the disabled, stating in a press release that the Speech from the Throne is disappointing for persons with disabilities as it offers to our broad and diverse communities even less than was previously acknowledged in the February 2004 Speech from the Throne and the March 2004 budget.

The throne speech is also notable for what it does not address, including important issues such as the action on the gun registry, democratic reform, tax relief, a modernized and effective military, and criminal justice reform. Also glaringly absent was any significant discussion of agriculture.

What the government has described as one of the key pillars of our economy, the agriculture industry, is on a downward spiral economically. In recent years all farmers, western and eastern, have been plagued by a number of obstacles such as drought, grasshoppers, frost, subsidy wars, trade disputes and of course the ongoing BSE border closure debacle. Farmers are losing their livelihood and the only mention the government saw fit to include was a reference buried in other topics, such as automotive, aerospace and other manufacturing and resource based industries. Yes, that is what agriculture got in the throne speech, a mere mention.

I said earlier that the throne speeches that I have listened to for four years have been consistently watered down. In the throne speech earlier this year for example, the Liberal government mentioned the agriculture industry in one paragraph. It said:

> The government is dedicated to Canada's farm economy and to taking the steps necessary to safeguard access to international markets and to ensure that farmers are not left to bear alone the consequences of circumstances beyond their control.

Our farmers are still waiting for real action. It is possible that the government still does not realize how desperate the situation in agriculture has become. It reduced the level of attention paid in the throne speech to this serious problem. This is both regrettable and disturbing.

All Canadians had hoped for decisive, constructive and positive policies in the throne speech. It is a shame that the opposite is true.

● (1720)

[*Translation*]

Mr. Roger Clavet (Louis-Hébert, BQ): Mr. Speaker, although she was not the first to mention it, I want to commend our Conservative colleague for pointing out how disappointing the throne speech was, not for what it said, but rather for what it did not say about the people who were overlooked. She mentioned, for instance, our farmers.

A lot of things went unmentioned in the Speech from the Throne. This is surprising from this government, which is never at a loss for words at the talking stage, but fails to deliver when action is required. The Speech from the Throne was unusually silent on a lot of issues.

Let me take this opportunity to thank the constituents from Louis-Hébert, since this is the first opportunity I have had to publicly thank them for their support. They can rest assured that I will represent them well. Since I defeated the former heritage minister, I fully expected not to see another of those *Heritage Minutes* which say almost everything there is to say about the state of the nation in just one minute.

But there are many of those *Heritage Minutes* in the throne speech, especially minutes of silence. My hon. colleague mentioned some of the issues that were not mentioned. One of them has me particularly worried. I find it more troublesome than the others, and I am talking about parental leave.

This Speech from the Throne can be examined from all angles and in both official languages, but nothing will be found about parental leave. And yet, parental leave is something that exists; it is tangible.

Just a few months ago, the Prime Minister of Canada claimed, boasted, I would almost say crowed, about the special agreement in principle he had reached with the Government of Quebec. Words are cheap. At such times, words come easily to our Liberal friends—our friends in government. But all at once, the search for fiscal ways and means begins. How will this partnership actually work? What will the actual effect be of this agreement in principle on parental leave?

I looked and looked for myself, and could not find one word. Mum's the word. There is nothing about it in the speech. Yet it is as clear as spring water. The federal government was going to recognize Quebec's jurisdiction over parental leave. That is not hard to figure out. It can be done, even in a speech that consists of intentions, a Speech from the Throne. You can turn it over and over in all directions; there is nothing there.

It may be important for the Government of Canada to distance itself a little from the temptation to go to court all the time. It should give up such proceedings and simply transfer to Quebec its due, some $700 million per year for parental leave. That is something concrete that does not appear in the Speech from the Throne.

Once again, I congratulate the hon. member who rose before me, because she precisely identified this complete lack of content. Since my hon. Conservative colleague pointed out the poignant silence on the subject of farmers, does she believe it would be useful to move from words to action, to say more things a little more specific about the fate of thousands of people in this country, to put some meat on the bare bones and come up with tangible achievements?

● (1725)

[*English*]

Mrs. Lynne Yelich: Mr. Speaker, it is very interesting that the member brought to light the comment of an agreement in principle with the government of Quebec. I can tell the member that he is going to hear a lot of this sort of talk from the government across the way, which says different things in every part of the country.

We in western Canada have heard about western alienation. During the campaign one would not believe how many times western alienation was addressed. We saw it at football games which the Prime Minister attended. He came to Saskatoon and lauded our city, and convinced us all that he was addressing western alienation. As the member said, in Quebec he will address its issues.

He is everywhere, all over the map, in every region. I cannot imagine all the things he has promised Atlantic Canada or the western part of our country, but the member will find that there is not a real good map of where our Prime Minister is going or where the government is going. I wish the member luck in trying to read this map.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, I am pleased to divide my time with the member for York South—Weston.

It is a great honour and privilege for me to stand here today for the first time to address my colleagues from all parties on behalf of the citizens of Lac-Saint-Louis, a riding that encompasses the western most part of the island of Montreal and that borders on the St. Lawrence River, one of the world's great waterways and once the doorway to the earlier discovery of an entire continent.

Before I deliver my thoughts on the throne speech, I would like to formally thank my electors for the confidence and trust they invested in me on June 28 and to reiterate my commitment to serve them to the fullest of my capabilities.

[*Translation*]

I wish to assure my constituents that I will make every effort to live up to the honour they have given me by electing me to represent them in the House of Commons.

I would also like to point out the contribution made by my predecessor, Clifford Lincoln, to the life of this House for more than 10 years. Not only was he a champion of environmental causes, but he also earned the respect of all stakeholders in broadcasting, arts and culture in his capacity as chair of the Standing Committee on Canadian Heritage.

[*English*]

I would like to underscore the integrity, dedication, diplomacy and vision Clifford Lincoln brought to parliament hill, and to many other aspects of his years of ongoing public service to Canada.

● (1730)

[*Translation*]

Community life is at the heart of the life of a country. Major events or simply the events in our daily lives find their deepest meaning within the framework of clearly defined local communities, be they city, town or neighbourhood. Our daily trips to work or school, whether by car or public transportation, are dependent on an infrastructure that is created and maintained by local government, often with the financial support of another level of government with greater revenues or borrowing power.

[*English*]

The government's communities initiative is recognition of the vital importance of community to our national life. It is also an expression of the fact that we Canadians often distinguish ourselves from our neighbours to the south by the quality of life of our cities and towns.

[*Translation*]

I subscribe to the premise that geography influences culture, in subtle and sometimes mysterious ways. The residents of my riding, some of them there for generations, have been profoundly marked by life in this majestic St. Lawrence and Great Lakes ecosystem.

[*English*]

I like to believe that, like all Canadians, we on Montreal's west island have learned to respect the beauty of our natural environment, but also to understand that nature, like other forces greater than ourselves, such as the forces of economic and technological change, often have a random quality that requires us as individuals to look to each other for help and support. I like to believe that on Montreal's west island geographic reality has somehow led us to develop strong communitarian values.

One of the most powerful expressions of community caring is how we as individuals come together in the aid of those who are vulnerable, especially those who are vulnerable because of illness or handicap, physical or mental, temporary or chronic.

[*Translation*]

In my riding there is an extraordinary network of volunteer community groups dedicated to the well-being of our fellow citizens in need. This network was created through the efforts of tireless volunteers, many of whom are now seniors. What they accomplished in developing the volunteer sector in my region, they did at the time without government subsidies, for the most part. These pioneers of the volunteer sector were, on many levels, the first to encourage governments to become involved financially in what is now called the social economy.

[*English*]

I am thus heartened that the government in the throne speech has included a commitment to enhancing the lives of Canadian seniors.

In addition to its numerous community clinics and med stops, my riding of Lac-Saint-Louis includes the only federally owned and operated hospital in Canada, the Ste-Anne's Hospital, a true centre of excellence in the area of post traumatic stress syndrome and related illnesses. The citizens I represent are deeply committed to the federal government's role in administering Ste-Anne's Hospital.

[*Translation*]

In addition to the Ste-Anne Veterans Hospital, my riding includes the Lakeshore general hospital, which serves Montreal's west island and the region from Lac des Deux-Montagnes to the Ontario border.

[*English*]

Those who administer Lakeshore Hospital, including its excellent staff of doctors and nurses, have doggedly pursued the Hospital's expansion and modernization to accommodate the needs of a growing community. Last year the hospital received capital funding for a new state of the art ambulatory care centre complete with operating theatres. However, because of operating funding constraints, the centre is not being used to maximum capacity. It is my sincere hope that the recent health accord will benefit Lakeshore Hospital through the additional funding it will provide to the provinces, in this case the Province of Quebec.

[*Translation*]

I would also like to commend this government for its increasingly comprehensive vision for health care, a vision that goes beyond the traditional approach by also focusing on home care and end of life care.

[*English*]

I should also mention, in connection with end of life care, that my community is increasingly well known for its new West Island Palliative Care Residence. Like the Lakeshore Hospital that sits adjacent to it, the residence has become a hub of volunteerism providing a new impetus to the volunteer spirit throughout Montreal's west island. The residence, created through the persistent and inspired advocacy of its executive director, Teresa Dellar, and supported by the tenacious efforts of former member of the national assembly, Russell Williams, is a beacon of hope for individuals and their families who must deal with the realities of terminal illness.

● (1735)

[*Translation*]

I am sure that many Canadians are pleased with the government's emphasis on the environment in the Speech from the Throne. Environmental policies go beyond environmental protection and the health of Canadians; they are also at the heart of social justice.

[*English*]

The throne speech's focus on the Arctic is a concrete sign of the government's desire to link environmental and social justice issues for Canada's aboriginal peoples. Scientific study has shown that much of the toxic pollution that originates in areas far away from the Arctic finds its way through wind currents into the fragile Arctic ecosystem and enters the food chain of those who inhabit the north.

I am proud to say that an institute in my riding, the Centre for Indigenous Peoples' Nutrition and Environment, is engaged in research on the state of the traditional food systems of Canada's aboriginal peoples, including the Inuit in the north. I am also proud of the role an organization such as this, located in my riding, can play in advancing the government's priorities in northern Canada.

Canada has always taken a broad view of the concept of community. For Canadians, the word multilateralism flows naturally. It does not elicit the fear of having our identity submerged in the larger world because Canada is a reflection of the larger world. We have never been a homogenous society. Ours is a society first populated by native Canadians and by those French and English speakers who came later, and now includes people from every corner of the globe, many of them fluent in both of Canada's official languages as well as their own.

In conclusion, democracy is one of the greatest gifts our predecessors have bestowed upon us.

[*Translation*]

Throughout history, there has been no shortage of controversial topics that Canadians, and we as their elected MPs, have had to address. This will certainly be the case in this 38th Parliament.

I am afraid, however, that we might lose sight of the fact that our democratic institutions were created to allow individuals and groups to deal with issues, that are at times emotional and divisive, in a constructive manner and in a context of respect and understanding for one another.

[*English*]

Democratic dialogue permits the recognition of the value and legitimacy of the opinions of the other, the realization that even though we may not agree with our colleague, he or she is motivated by the same intellectual honesty and good faith we are. It is this realization that ultimately allows us to move on, and once a matter has been democratically decided, to work together to resolve other issues on which we might better agree.

It is this spirit of mutual understanding and respect that I hope will guide us through this 38th Parliament.

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, I am very privileged to rise today and to offer a number of observations with respect to the throne speech.

Before I do that, I would like to congratulate members who have been elected for the first time to the House. I have always found it a humbling experience recognizing the responsibility that our constituents and Canadians place on us. There really is no greater humbling experience than to have the opportunity to be here.

Second, I would like to congratulate those who have been returned. I am sure they will be peers who will offer the kind of advice that will help new members carry out their responsibilities. In short, it is a great place to be. I am pleased to be here and I thank the constituency of York South—Weston for sending me.

It is always convenient for us to talk about all of the things that cumulatively we want to do, that we strive to do, but unless we have a sense of the fiscal discipline, which really is the platform and context within which we can deliver on promises, and if we are not upfront in terms of fiscal discipline, then we are not being upfront with the people of Canada.

In the throne speech the concept of fiscal discipline is introduced and, as a reminder, we have looked at the past two or three decades to find the precedents where we have not provided a legacy for future generations that is sustainable in fiscal terms. We know that in the 1990s, beginning in 1993, the Liberal government of the day under the leadership of the former prime minister and the minister of finance, the present Prime Minister, had to grapple with realities to put our financial house in order.

Too often our corporate memory is such that we are selective in terms of things we want to remember and in terms of things we do not want to remember. One thing we should remember is that all of the possibilities with respect to dealing with our environmental challenges and prerequisites, our opportunity to strive for a higher level of social justice, and the ability to invest in young Canadians who will be future workers in the workplace and to invest in new technologies are entirely dependent on setting in place a base of fiscal responsibility. We are the beneficiaries today of the hard choices that had to be made back in those days.

Underlying the theme of the throne speech is the notion that while we are investing in health care and our ability to broker peace in the world, that at the same time, we must also create prosperity, and from that prosperity continue to pay down on a debt that would fetter future generations in terms of the kinds of decisions that they must make.

I would like to emphasize that past parliamentarians on both sides of the House have had to struggle with that equation: how do we pay down on the debt, but at the same time invest in the social, economic and environmental issues that will create a higher level and quality of life for Canadians?

It is very shortsighted for us to not understand the need to build a consensus within our federal relationships.

● (1740)

While the throne speech did not come right out front and say how we are to do this, what it did do was use the consensus that was built with respect to the health care program, the 10 year program that was arrived at through deliberations with the provincial governments. The throne speech emphasizes, I think, how important it is that the culture of Canadians—and I would say the culture of this House—has to support the search for finding a consensus.

Often we hear talk about the democratic deficit. We tend to think of that democratic deficit in terms of how Parliament is elected and whether we should have proportionate representation or whether the committee system and the structures can work better. But often we do not talk about the culture, which is to try to find those ways non-confrontationally and in lessening the usual degree of partisanship to work on shared values.

Certainly, the health plan, in the whole nature of discussions with the provinces and in fact the final result, was proof positive that people of goodwill representing all Canadians can search out for a consensus on a major issue such as health care without pointing fingers as to why we came to the state that we did, and proof positive that solutions and resolutions can be found.

In the throne speech, and I think crafted through it, is this notion that there are challenges out there for us to look at other issues and approach them in the same manner.

I think it is also important that we as Canadians recognize the changing diversity of our communities. We live in the global village, where we must find expressions that represent public opinion accurately and truthfully. Again, the throne speech talks about the challenge for us, not only to try to find resolutions to international conflict and play a major role but also to use that same approach here in Canada, recognizing that our policies have to mirror the expectations and aspirations of Canadians not only at home but abroad.

The throne speech also talks very seriously about defending the charter, the charter as the manifestation not only of the rights of minorities within our communities but also of the aspirations of all those who come to these shores, and about that value that Canadian society in the changing milieu continues to be an inclusive and dynamic community. I think the throne speech is a very well crafted expression of that value.

The throne speech also is an outlining of the opportunities that exist in this marvellous country, the opportunities that exist through the full spectrum, be it from labour through to professionals, to the investment community and to the corporate community. Huge possibilities exist.

I see the throne speech not just as pillars supporting something that is nebulous or just layers in a cake that are layered upon; I see it as a statement of aspirations and possibilities, be it in investing through environmental technologies or be it in resolving international issues in playing our major role and in looking at the world and finding Canadian leadership possibilities.

● (1745)

No matter how we look at the throne speech in terms of either substance or what it declares it stands for, it is a document and a representation of a government that is searching for inclusiveness and for fellow travellers to participate in the world as it exists, in creating not only a better world but a greater country. It is inclusive with respect to reaching out in this minority government to both sides of the House and all parties. As such, this is a throne speech that deserves the support of the House.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, first I want to congratulate my colleague on his return to the House of Commons. As well, there is one thing that is overlooked a lot of times and that is our clerks at the table. We want to congratulate them for coming back and as well, of course, the sergeant-at-arms and the person who I think has the greatest job in all of Canada, the button man up there, who makes me look good or look bad.

That aside, the reality is that the throne speech is about as relevant as a campaign promise. It means absolutely nothing unless there is a budget very quickly behind it that follows with the meat and potatoes of that substance.

My question is quite clearly on a different topic. The member talks about investing in Canadians. He is absolutely right, but the reality, as seen in today's media, is that the transport minister is indicating support and the government needs to move quickly to support the aerospace industry for Bombardier Canadair.

We in the NDP do not have a problem with that. If the government is going to use tax dollars to upgrade or entice or work with private industry in order to create long term jobs in the Montreal area, we think that is a good idea, but why is that attitude not displayed toward our shipbuilders in this country? Why is it that the former finance minister, Mr. Manley, said the shipbuilding industry in this country is a sunset industry?

In the industry minister's own riding of British Columbia, the B.C. Ferry Corporation of the British Columbia government allowed a half billion dollar contract to a German company to build three ferries in British Columbia. Not one Canadian job is produced by that outsourcing. The reality is that we have the companies in this country. We have the industry available in this country. Most important, we have the capable, highly skilled workers in this country to build the ships that we as a nation need. I remind the House that the Coast Guard vessels need to be replaced. Our military vessels need to be replaced. Our laker fleet needs to be replaced. For example, ferries and tugs right across this country need to be replaced.

Those replacements can be done right here in this country to help out British Columbia, Quebec, Port Welland and especially those of us in Atlantic Canada. We are not asking for handouts. We are asking for development aid.

If only we had that development and the proper policy. By the way, the wheel does not have to be reinvented. The policy is already done. Mr. Tobin, the previous industry minister, got labour and industry together and developed the policy. The fact is that it has been sitting on the shelf for three years.

Once again we are asking why this Liberal government is so lackadaisical and so nonchalant when it comes to a proper shipbuilding industry in this country. The Liberal government did it for the auto industry and does it for airplanes. Why can the government not do it for ships?

● (1750)

Mr. Alan Tonks: Mr. Speaker, I appreciate the question that has been raised by the member. I cannot give chapter and verse with respect to the shipbuilding industry, but I can say that the government, through its regional economic development strategies, sector-specific within the regions, has attempted to invest and reinvest in a full spectrum of industries that have found themselves in a decline due to changes in the marketplace and in the world order as a result of changes in modes of transport and so on.

I do not think, though, that the member's point with respect to the shipbuilding industry is enhanced by his lead-in, which points fingers at another industry that finds itself caught in the competitive global environment, the aerospace industry, which also affects the jobs of thousands and thousands of Canadians. If I may suggest, I do not think it enhances the argument, which I take by inference is focusing on the shipbuilding industry, to say that we should not invest in other parts of the economic spectrum, where jobs equally are extremely important, both the direct jobs in the aerospace industry and the indirect jobs, the spinoff jobs and the multipliers that come from it.

Equally, the shipbuilding industry is caught up in an extremely difficult international situation and is equally entitled to both the regional and the sectoral concerns and considerations of the government. I might add it is my understanding that several years ago there was a report on the shipbuilding industry that had all party support. In fact, the government has embarked on the implementation with respect to labour strategies, investment strategies and support strategies for the shipbuilding industry.

Perhaps it is time that we re-evaluated just exactly what has been accomplished. I would suggest that the member take the government up on that by taking that matter before the relevant committee.

[*Translation*]

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Mr. Speaker, I thank my dear colleagues in the New Democratic Party. I can see they wish I were still a member of the Standing Committee on Fisheries and Oceans.

As I begin, like many of my colleagues here in the House, I would like to thank my constituents; the voters of Haute-Gaspésie—La Mitis—Matane—Matapédia have given me a very clear mandate and entrusted me with a second term.

I do not have much time left, just about five minutes. I wanted to talk about ten different things, but I will not be able to get to them all. But there is one issue that I care deeply about and it is the first I will raise—the fisheries.

I went on a tour with the hon. member for Gaspésie—Îles-de-la-Madeleine before returning to the House, and we realized once again that the situation in the fishing industry is a complete mess; in the east it is almost a catastrophe. I know that on the British Columbia coast they have the same problems, but perhaps at a different level.

There is one thing the people mentioned over and over—protecting the resource. Since the federal government has taken responsibility for managing it, the resource has continued to shrink and its protection has not really been guaranteed. People want us to insist that the federal government assume its responsibilities and protect the resource to allow it to regenerate and allow the industry to continue.

Perhaps we should remind people that groundfish, particularly cod, have just been under the second moratorium in 10 or 12 years, which means that in those years we have learned nothing about managing the resource and the federal government has not taken steps to protect it and allow it to regenerate. That is one issue.

There is another very important issue threatening the safety of fishermen, right now, and that is the question of small craft harbours. We heard it everywhere along the Lower North Shore, the mid North Shore and all through the Gaspé. I am sure they are saying the same thing in Newfoundland and in the Maritimes, too. Never has anyone seen government infrastructure abandoned like this.

This does not come from me but from a study commissioned by Fisheries and Oceans Canada and recently released. We learn that, in the short and medium term, the government cannot meet the needs of the fishery because insufficient investments were made over the years. Today, it would cost something like a billion dollars just to upgrade the necessary infrastructures. We are talking about infrastructures designed to provide some protection to fishers. When you set sail with a fishing boat and the nearest port is 60 nautical miles away, you have very little chance of making it home safely through a storm.

That is the situation fishers are facing at present. All Fisheries and Oceans Canada is doing right now, since there is no government funding available, is to put up fences and close down wharves. People are tearing down the fences or making holes in them to have access to their boats. I saw a fine example of this in Grande-Vallée. Come fall, how are people expected to hoist boats onto the wharf when the fence is padlocked? They are forbidden access to the wharf with a truck, a crane, anything. How will the boats be taken out of the water? Tell me how a government can act like that with its own infrastructures.

This government has been irresponsible. I am referring to this government, because hon. members will recall that the present Prime Minister was finance minister as far back as 1993. He is one of the ones responsible for the cuts in the fisheries. These he imposed upon us without proper thought. A government's primary role is of course to look after its citizens, but it also has to look after its responsibilities.

Instead of invading areas of provincial jurisdiction, as it has in the past and aspires to again according to the throne speech, it ought first to look after its own infrastructures and ensure that they are in decent operating condition, so that fishers and pleasure boaters can make safe use of them.

● (1755)

The government has just introduced a bill that also concerns the coast guard. It deals with safety, another very important element. Over time we have become aware that the Coast Guard is underfunded to such an extent that it has become incapable of fulfilling its various missions.

Today, instead of putting funding back, what we are hearing in the projects presented to us, and reading in the ministerial press releases is "But it won't cost a penny more". If it does not cost any more, that is because it does not solve the problem. All that is happening is a transfer from Fisheries and Oceans to Transport.

The Acting Speaker (Mr. Proulx): It being 6 p.m., it is my duty to interrupt the proceedings and put forthwith all questions necessary to dispose of the amendment now before the House.

Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Proulx): The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Proulx): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Proulx): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Proulx): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Proulx): Pursuant to order made Tuesday, October 5, 2004, the recorded division stands deferred until Monday, October 18, 2004, at three o'clock.

Pursuant to orders made Thursday, October 7, 2004 and earlier today, the House in committee of the whole resumes consideration of Motion No. 2 under Government Orders.

I do now leave the chair for the House to go into committee of the whole.

[*For continuation of proceedings see Volume B*]

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House of Commons Debates

VOLUME 140 • NUMBER 006 • 1st SESSION • 38th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, October 12, 2004
(Part B)

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, October 12, 2004

[*Continuation of proceedings from Volume A*]

GOVERNMENT ORDERS

[*Translation*]

AGRICULTURE

(House in committee on Government Business No. 2, Mr. Proulx in the chair.)

The House resumed from October 7 consideration of Motion No. 2.

The Deputy Chair: When the committee arose on Thursday, October 7, 2004, the member for Stormont—Dundas—South Glengarry had five minutes for questions and comments.

● (1800)

[*English*]

Mr. Gary Schellenberger (Perth—Wellington, CPC): Mr. Chair, the reality now is that we do not have an export market for live cattle. We need to start looking at the possibility of the domestic market being the only one we have for our live cattle. We should be encouraging the marketing and processing of box beef. It is a value added product, and we should be focussing on the development and assistance for this industry because we can export box beef. There is no quota on box beef.

It seems that since the beginning of the BSE crisis the government has targeted all its assistance programs with the beef producers in mind. It is important to help beef producers, for sure. In fact we must ensure to help all ruminant producers: live cattle, dairy, sheep, elk and bison. These people cannot be forgotten because they are in a real quandary. However, all we have had so far are band-aid solutions to a complex problem and it requires much more. So many are affected from so many areas that we need a much more broadly based strategy.

Regarding the CAIS program, my constituents are telling me there is a chronic problem with the program. They say that those who qualify for assistance often receive much less in compensation than they expect. It is a serious problem because it means people cannot pay the bills. People should be paid what they are told.

The CAIS program must be carefully looked at and strengthened.

Since the sale of Petro-Canada, billions have been promised to improve our position on the environment, but why not take some of the money and use it to develop the biodiesel industry? A tax credit for the use of biodiesel could be applied. Raw resources are plentiful: cull cattle and dead livestock, where no markets currently exist, minimal cuts and waste from our packing plants are a constant supply of product to produce biodiesel. This might just help lower greenhouse gas emissions and put the country on a more direct route to reaching the objectives of the Kyoto protocol.

As the price of oil tops $50 U.S. a barrel, why not spend some money to develop an alternative energy? Ethanol could also be one of these alternatives. Increased development of the ethanol industry would mean grain producers would have a market for the grain left over by decreasing numbers of cattle.

These suggestions would help make farming more viable and also help the environment.

The government has had since May 20, 2003, to bring forward meaningful changes to agriculture and agriculture policy. If we procrastinate for another year, we could be here at the same time next year saying the same lines.

Let us hope the border will be open soon. At the same time we need to ask what the government is prepared to do that is a new initiative. Should we have new innovative ideas in our agriculture policy?

● (1805)

Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC): Mr. Chair, yes, we should have some new innovative programs. As I mentioned in my maiden speech last Thursday, we have been consulting with the dairy farmers across Canada, and in the space of two week we have received more new fresh ideas on how to resolve this problem than we have in the last two years from the other side of the House.

Ms. Belinda Stronach (Newmarket—Aurora, CPC): Mr. Speaker, I rise this evening to speak to an issue of grave concern and even business survival for many Canadians, but also one that affects all of us in every part of this country. I include my own riding of Newmarket—Aurora where there are few beef producers but many beef consumers.

The use of the term BSE in referring to one very specific disease does not capture the full impact and range of this crisis. This is a collapse in the trading system with our largest trading partner. It has caused great hardship for cattlemen and farmers in the first place, but also many others who make a living serving this proud and important industry. The meat processors, the truckers who move cattle, and the customs brokers are examples.

We cannot forget that the ranchers and the farmers are traders and exporters too. The impact on their livelihoods has been devastating. In one year alone since the Canada-U.S. border was slammed shut to Canadian cattle, beef and ruminants in May 2003, the industry has lost over $2 billion and the losses mount.

In the heartland of the cattle industry, Alberta, the figures are stark. Here the United States is the market for every single head of non-purebred cattle. Revenues fell immediately by 36% with the border closure. On average, 1,000 head of Alberta non-purebred cattle crossed the border each and every day before May 20, 2003, but that stopped overnight.

We know what is at stake, but what is the problem behind the closure of the border? There are various aspects.

In Canada we speak often and loosely of American protectionism. There are clearly protectionist pressures in the United States, most evident in parts of the Congress. Trade is a very politicized issue south of the border especially in an election year, but the United States as a country is not protectionist. There are other strong voices in support of free trade and the administration itself is not protectionist by policy.

To make progress on the border, we need to understand the complex politics of trade in the United States and be more careful about how we define the problem.

Ironically, one judge in one state, Montana, set in train the fiasco we have before us today. The threat is always there of renewed litigation by a small industry lobby group which is protectionist to the extreme. The strategy for reopening the border over the longer term must take into account this reality and include a legal dimension.

The cattle and beef industry is one of the most integrated sectors across the border. A head of cattle can move back and forth across the border several times in its lifetime in different phases of the supply chain. This is why the Canadian cattlemen and farmers have so many allies among their associates and friends south of the border, which makes the border closure so galling for them.

Business in general has been moving steadily toward greater cross-border integration regardless of what government does. The BSE crisis is defining the need for governments to catch up to business in terms of policy and regulation. I believe that this is one of the emerging challenges of the trade relationship.

The U.S. dimension of this crisis is even more important than the huge volume of lost trade might suggest. The country can spend money on developing new world markets and should in a smart, targeted way, but we must know that many of these markets will not open to our production while the United States remains closed, so there is a multiplier effect in the damage.

We need to convince the U.S. government to inoculate the cattle and beef industry from the ravages of rogue use of the ports to circumvent trade policy. Where is the government's strategy on doing this? We probably need a new and open-eyed look at the dispute settlement laws and mechanisms. Canada has suppressed this process. The Americans are preoccupied elsewhere and unlikely to show leadership in any aspect of the bilateral trading relationship, but history has shown that they will listen when presented with plans that also serve to advance their interests.

● (1810)

The border is held hostage to political will. The U.S. administration needs to know that it will have the political cover to confront legal challenges to free trade.

Our government must contribute by helping to build political constituencies in the United States in support of our cattlemen and farmers. It needs to take the lead in coordinating with the provinces to use local and regional cross-border groupings to consolidate support. It needs to assure Canadians that no stone is left unturned in building support throughout the U.S. economy and society.

The Minister for International Trade and his colleagues should be in the United States, in the states where most support exists for free cattle trade, building alliances to allow Washington to better confront the political pressures of protectionism.

In the interest of openness, the government should publish a record of its interventions with American authorities at all levels to show ranchers and farmers, truck drivers and all Canadians just how active they are in pressing for a solution.

I appreciated the opportunity to speak to this important national trade issue this evening.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, I congratulate the member on her election to the House.

The member talked about the integration of the industry. In fact, there is no industry that is more integrated with the United States than the beef industry. We talked about this the other night in terms of cattle moving down into feedlots, back up into Canada and so on. It is a very integrated industry.

I think the member also agrees with what her leader said the other night, that the real problem is the stoppage at the border.

I was intrigued by what the member said about changing the dispute settlement laws. Many members of the House have talked about this issue previously.

We have to find a quick resolution when there are issues with the United States. We have had the softwood lumber issue, fisheries issues in my area and we now have the BSE issue. Clearly the science is on our side in terms of opening the border. Contrary to what the hon. member said, there has been an endless number of cabinet ministers going to the United States. There have been delegations of members of Parliament, cabinet ministers and our ambassador, all of whom have been working hard on the issue. As yet there has been no resolution because, as the member said, it has been politicized.

I am wondering what the member has in mind in terms of quick response or dispute settlement changes in the laws which the House could have the benefit of as we go down the road to find a quicker resolution to these issues.

● (1815)

Ms. Belinda Stronach: Mr. Speaker, the member is right. Obviously there has not been a resolution, as he mentioned, on BSE and softwood lumber.

NAFTA should be reviewed. There should be a better framework of fairness to take a look at whether we can come up with a quicker dispute settlement mechanism. It should not be allowed to completely devastate an industry. There must be a framework of fairness developed.

Our government could be doing more under chapter 20, in particular exploring consequences under chapter 7, when last summer the international standards organization, the OIE, the Office international des épizooties, ruled that there was no risk of Canadian beef. That should be explored but it has not been. Chapter 11 refers to fair and equitable treatment. The government should explore that as well. I do not think the government has done enough.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, as you are well aware, this is a continuation of the take note debate last Thursday night which went for five hours.

Upon reviewing last Thursday's *Hansard* I believe all of us really did not explain to the rest of the world, beyond farmers themselves, what this industry is all about and how the U.S. border being closed has completely devastated our industry even though science dictates that the border should be open. I want to try to put a bit of a face on that dilemma.

The reason I want to take this approach is that in the House the opposition tends to attack the government. That is its right. Even the odd time we do need to be tuned up. However on this issue, I do believe that sometimes the rhetoric can get in the way of the industry understanding what the government has tried to do for producers and the industry.

I want to start off by talking about how important this industry is in terms of cash receipts. The sale of cattle and calves in 2002 generated $7.7 billion, which accounted for 21% of total cash receipts. As a result of the discovery of BSE in May 2003, sales of cattle and calves dropped to about $5.2 billion in 2003. That is basically the beef industry, but beyond that there are other industries that are affected. The dairy industry has had a loss of sales of cull cows and lower prices for cull cattle. In fact, they cannot even get rid of them. An animal dropped in price from somewhere around $900 to $200. There is the sheep industry, the deer industry and there are others.

I want to expand on that. In Thursday's discussion the member for Cumberland—Colchester—Musquodoboit Valley on the opposition side said that part of the frustration of being an Atlantic Canadian and going through the BSE crisis was that most people think it is an Alberta issue or a western Canadian issue. He went on to talk about farmers in his riding. I agree that it is a Canada-wide problem. Yes, in terms of total economy and the size of the industry, Alberta is much more affected.

What we often forget about or what often is not stated is that at the end of every beef operation, whether it is large or small, or all the other industries affected by BSE, there is a farmer and a farm family. They are affected by this. In terms of their situation, the impact is much the same, and that is total devastation. I want to give a couple examples.

Last fall in my office I met with an individual from just over the other side of the Ottawa River. He is a part time beef producer who actually works on the Hill. He was going back to the bank and was wondering what to do in the situation. He was going back for the third mortgage increase, at $20,000 a shot. The bank was putting on the pressure. It did not see the value on the books. That individual was facing marriage problems and financial stress problems as a result of BSE. The picture I want to paint is that the individual was suffering substantially because of the border being closed.

There is another example of a beef producer in Prince Edward Island who last year lost $360,000. The bank came to him this spring and wanted more equity in terms of his operation. The asked him to put on an additional mortgage of a quarter of a million dollars. That was in order to protect itself in terms of its asset base as a lending institution.

● (1820)

What would we do in that situation? This individual is about 56 years old, has been working in the farming industry all his life and he has had to make a decision whether to take on an additional $250,000 worth of debt or throw his life's work away by selling out and losing his life's work. He did acquire the extra debt but he is now feeling the pressure of finance.

My point is to try and explain the impact on the individuals and their families. We need all Canadians on side on this issue and to understand why it is so important that the Government of Canada continues to support the industry.

It goes beyond that. I think Canadian consumers were with us last year. When the beef industry encouraged them to go out and buy more product they did. In fact, consumption went up and we do have some of the safest beef products in the world.

I want to give an example at that level as well. An individual producer came to me on the weekend and said that he had sold eight cattle on September 24. Seven of those were triple A cattle, some of the best cattle that could be shipped. One was a double A. The prices he received for those cattle ranged from $1.29 to $1.33.

What I want to say to consumers is that when they go into their grocery store they should ask their grocer why producers are not getting a greater share of the price of the steak they are buying. Those questions need to be asked. We need to know why there is not a greater share of the returns to the beef industry going back to the primary producer.

I do not want to spend all my time talking to that end. The opposition has failed to make this point so I will have to ask the question. What has the Government of Canada been doing to support this industry?

If we go back and look at the record we will find that the minister explained that fairly well on Thursday night. I want to review a couple of points. Immediately the Canadian Food Inspection Agency went out there and it did its job in a regulatory way.

The minister, the previous minister, other ministers of the crown and in fact the Canada-U.S. parliamentary association made every effort to get the border open with the Americans. As I indicated, parliamentary delegations have been down there.

A number of programs have been introduced and I think we should review those: the BSE recovery program which targeted $520 million and $465 million has gone out; the cull animal program of $120 million and $110 million has gone out; the transition industry support, $930 million and $568 million has gone out, and the rest will be out I am told by October.

On September 10 the minister talked about repositioning the industry with a program of $488 million and, as he mentioned the other night, it is to go to four areas: first, to continue to pressure the United States in terms of them opening the border; second, to expand our slaughter capacity with assistance to the processing industry and to the small and medium slaughter industry to try to expand that slaughter capacity within Canada.; third, to bring normalcy back to the market through the fed cattle set aside and the feeder set aside programs; and fourth, to look at new markets as a country.

Right now the minister and a member from the opposite side are overseas trying to establish and inform others on our beef industry, its safety, the quality of our product, the kind of genetics that we have in those cattle and that they should be buying those products in their country. The minister is looking at Japan, Korea, China and Hong Kong.

Yesterday the first feeder set aside program was opened up by the reverse auction approach. That program should now be up and running.

● (1825)

The bottom line is that the government is standing by this industry and doing everything in its power to support the industry. We are willing to listen to constructive criticism and to look at novel ideas to improve our programming and assist this industry in its time of need.

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Mr. Chair, as the hon. member said, we need to increase the capacity to slaughter and pack livestock in our country so there is more reliability for the agriculture industry.

In my riding of Edmonton—Spruce Grove, a former member of the House, Stan Schellenberger, is spearheading an initiative called Ranchers Own. This initiative aims to provide farmers with a stake in a facility so they own it and will have a reliable facility and a fair price.

Ranchers Own is also using state of the art technology to ensure that it is able to process meat as efficiently as possible. Ranchers Own is also targeting niche markets to capture parts of the marketplace that larger packing facilities have no interest in so that if and when the border is open Ranchers Own will still be viable to process meat.

My question is about start-up initiatives. What is the government doing to ensure that start-ups are built to last so that when the border opens those facilities will not find themselves out of business?

Hon. Wayne Easter: Mr. Chair, there is also an initiative in my own riding of Malpeque for all of Atlantic Canada. A new slaughter plant has been built on the co-op principle. To ensure supply to that particular plant should the border eventually open, each producer has shares by way of purchasing a hook. In that way the plant is basically assured that it will be supplied with product.

That particular operation is also looking at being the cutting edge of traceability to try to establish, right from the hoof to the plate, where the animal came from, what its genetics were and what farm it may have come from, which ties in to food safety and food quality. It also ties into niche markets as mentioned by the hon. member.

The details of that program are still being worked on but it is basically a loan loss reserve program which the Government of Canada would, to a great extent, backstop with financial institutions those businesses, those entrepreneurs and those individuals who are willing to take the risk in terms of increasing slaughter capacity. That is a fairly good move on the government's part.

● (1830)

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Chair, my question has to do with something the parliamentary secretary just mentioned. He mentioned that there were programs in place to increase slaughter capacity but that is not where the government's job ends. It is not enough to just announce a program.

I know of an entrepreneur who recently contacted the department to find out about this $38 million backstop so he could go to the bank with the details and let it know what he wanted done. He discovered that it would be two to three months before the forms to apply for the program would be ready. That is unacceptable.

I would argue, and I think the parliamentary secretary would agree with me, that it is not enough for the government to just announce the program and say that its job is done. When will the government do something to ensure that we actually have some slaughter capacity now?

Hon. Wayne Easter: Mr. Chair, the fact is that the government has been doing something. As I indicated at the announcement on September 10, we want to ensure that the program will work and will do its job in the best interests of the industry. The minister has had fairly major consultations with the Canadian Cattlemen's Association and others across the country in the design of that program.

I would agree with the member opposite on one point. All effort has to be made with haste to get that program up and running. When we do get it up and running, we have to make sure it is up and running correctly and that we are not jeopardizing taxpayers' money or jeopardizing an entrepreneur or a cooperative or the investment by a group of individuals in the industry. We want to make sure the design is right so that we target results at the end of the day and have a secure business that can return some profitability to those individuals and can work in the interests of the livestock industry as well.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Chairman, in one of the lines that the parliamentary secretary just gave he said that the government needs to respond in haste with a program. We have had 18 months, since May 23, of this carrot being dangled in front of those who would start these kinds of programs or projects and also in front of the producers who are waiting for some help.

I would suggest that the government has had ample opportunity to design a program, to stand in front of the camera and say that the program is here and $66 million is here but we do not have the application forms here. It will take at least 12 months to get some of these packing plants up and running.

The four points of the program that has come out are contingent on the fact that there be more capacity.

If we do not see enough increase in capacity by October 2005 or January 2006, we will have a glut again. The holdback calves that will have been held back and should have been slaughtered in May or June will be held till October or some even later into January. Instead of 700,000 over fat cattle coming on the market, we will have 1.2 million or 1.3 million over fat cattle coming on to the market.

I would encourage the parliamentary secretary, with that sense of urgency that he talks about, to urge the government to do everything it can to clear the way so that these new start-up projects can get quick access. The banks have the security, because right now when these individuals go to the banks, the banks are backing away because of the government's failure.

In my comment I would simply urge the parliamentary secretary to push for more than what we have. There is nothing in here about tax incentives and nothing in here about those who are taking the big risks. All it is, is a low loss reserve to the banks.

● (1835)

Hon. Wayne Easter: Mr. Chair, a loan loss reserve to the banks is actually quite a step forward. The minister made it very clear in his September 10 announcement that we were taking a somewhat different approach. We would not just stand back and live in the hope that the border would open and problems would be solved.

We believe that we have to build a Canadian industry, to expand our Canadian industry and get into more slaughter capacity. As was stated on Thursday night, with the various set aside programs in place in conjunction with the industry, we are trying to bring some normalcy back to the marketplace.

Slaughter capacity is in fact ramping up. We want it to ramp up and we put in place a program that we think will assist in doing that. We have put in place the set aside program so that when there is normalcy in the market, prices will come up and producers will receive better prices in the marketplace.

I would encourage members opposite, as I mentioned in my speech, that we also need to be talking about the other side of the equation, which is that right now, out of the packing industry and the grocery store chains, the farmer is not getting a fair share of that consumer dollar. I would ask them to look at that end of it as well.

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Chair, I just want to follow up on the comment by the parliamentary secretary about how much this has cost the industry. He tried to paint the picture.

From my own personal experience as a cattle producer and from talking to friends and fellow producers in my area, I know that the losses on the farm at the primary producer level have been in that $300 to $400 per head loss. In my case it was over $43,000. The amount of money that I was able to get through support programs, which is also in comparison to other people in my area, was only around $45 a head. It is nothing compared to the financial stress and loss that the industry is going through right now. We have to look at why programs are not working and why the money is not getting to the producers.

The industry asked for a cash advance. I want to know why our government decided to go ahead and do a cash advance through the CAIS program when most producers, myself included, do not believe the program is a viable program, one that will be there in the long term and one that will provide the mechanisms to get the money out of the system.

I want to know why the government did not look at a different way to deliver money. Money flowed a lot easier through some of the other programs. CAISP is administratively burdensome. It is very long in the process and producers are still waiting on 2003 money, never mind having an advance on 2004. If the government really wants constructive criticism, the CAIS program is a key case in point. The government needs to take a hard look at other ways it can deliver cash advances.

Hon. Wayne Easter: Mr. Chair, the issue of the CAISP advance came up at the meeting of provincial ministers of agriculture and their deputy ministers along with the federal minister and deputy just two or three weeks ago. That has been seriously looked at. There is a recognition that the CAISP was designed to work in normal boom and bust cycles and level out the income levels in that way.

This is anything but normal. It was not envisioned that this would happen. Bringing forward a kind of advance on the CAISP is seriously being considered and was talked about extensively at the meeting. We want to make the CAISP work as well as it possibly can for the livestock industries as well as it does for others.

The bottom line principle behind that program by the Government of Canada was to bring it in and other programs so that at the end of the day the primary producers would have fair and reasonable incomes in their operations. That was the intent of the design. We will continually look at ensuring that the objective is being met and making improvements. We want to see some cash in the hip pockets of producers so that they can continue in one of the most important industries in this country and one of the backbones of the rural economy.

● (1840)

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Chair, it is my pleasure to participate, albeit very succinctly, in the debate tonight. I will be splitting my time with my colleague from Crowfoot.

I want to pick up on some of the points that my hon. colleague from Malpeque just made. In his remarks he said that he would certainly like to see some cash in the hip pockets of our producers. That is something that we on this side of the House have been hollering about for 18 months. The program that was designed by bureaucrats for bureaucrats is not delivering the needed assistance to the farm gate. We have been saying this repeatedly for a year and a half.

It is more than a touch ironic to hear the hon. parliamentary secretary stand in his place and suggest that the Liberals too want to see some much needed cash reserves in the hip pockets of producers. I would argue that if that were true, the government would have found a mechanism or program designed by the producers to get that assistance to them a lot more readily than we have seen to date.

Earlier in his comments he said the government wanted to ensure that the design of this program was right. Speaking on behalf of the producers in Prince George—Peace River, we have heard over and over again, not only from members of the Conservative Party on this side of the House but from members of all parties, including his own party, the frustration from our producers on a daily basis.

It is hard not to be struck by a bit of déjà vu. In preparation for tonight I took a look at remarks that I had made back on February 3, 4 and 5, and a take note debate on February 13. I could read the same remarks word for word eight months later. The Liberals come up with these programs but the money does not get to where it is needed. The members representing the cabinet stand and say that they sure want to get that money out to producers because they know how bad they are hurting. Pardon me for being just a tad cynical.

In rising tonight the message I want to deliver, as I did in February, eight months ago, is the frustration that is at the farm gate. These are families that in some cases are second or third generation producers. They are on the verge of losing their farms, losing their ranches, and losing their feedlots through no fault of their own. This was not an issue of bad management. This was not an issue of them having spent their money unwisely. This is totally beyond their control.

The hon. member stands in this place and says that the government has done everything it can. People contact me in Prince George—Peace River who owe their livelihoods to this industry and point out to me that it is pretty strange that the government would not spend money on advertising, for example, in the United States, reaching out to consumer groups to suggest they are paying a bit too much for their beef and are getting an inferior product because we know that the best beef in the world is produced in Canada. The government would rather spend sponsorship money advertising Canada and Quebec instead of beef, lumber or whatever in the United States to put an end to this border closure.

The Liberals stand in their place and profess great sympathy for the industry and producers. When I talk about producers, I do not talk about Joe farmer. I talk about Joe farmer's family.

● (1845)

These are families that are hurting. It is children who are hurting. They are arriving home on the school bus and have to listen to their parents debating about how they are going to meet their monthly bills. There is real hurt, but to listen to the government we would never know it.

All I wanted to express tonight on behalf of my constituents is the frustration because they are not buying it any more that the government really cares. If the government really cared, it would have designed a program that worked, not try to funnel money through CAISP, and force provinces and producers into a program that it knows does not work.

As a past farmer of 20 years myself, I am fed up with governments that force-feed programs to producers and tell them that it knows what is best for them.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, we can see vividly by that member's remarks why it is difficult to get anywhere on this issue because all we hear from the member is rhetoric.

Is the member saying that we should not consult the Canadian Cattlemen's Association and bring in programs with which it is in agreement? What is the member really saying?

I talked about the hurt that is in the industry. We know on this side of the House the hurt that is in industry and we are trying to do everything we can to overcome and compensate for that hurt. We are trying to build the industry, but the member stood up and all he gave us was rhetoric. I did not hear one positive suggestion from the member. A take note debate should be about putting forth alternatives and options on the table instead of the same old rhetoric that we got from that party when it was the Canadian Alliance.

The member has certainly not changed much since he has become a Tory. I would like to hear something positive out of him for a change.

Mr. Jay Hill: Mr. Chair, I knew the member when he used to be the president of the NFU, if we want to talk about rhetoric. His rhetoric goes back a long way. He forgets some of the things he used to stand for, but since he became a Liberal somehow he does not stand for that any more. At least I stand for the same things no matter what my party is called. I stand for the same things today for which I used to stand. What about the member?

The member said nobody put anything forward. The new Conservative Party, even though it was only in existence for a few months, in February put forward a comprehensive plan of how to address the issue. We ran on it in the campaign. The Liberal Party did not have any plan. It did not have anything until it cobbled together something in September, foisted it on the industry, said it had consulted for the last seven months, and that was it. Problem solved. What a bunch of nonsense.

I would like to take this moment to pay tribute to the producers who are banding together at a time of great peril to their industry and making the best of a tough situation. I would be remiss if I did not mention a new organization called the Peace Country Tender Beef Co-op in my riding of Prince George—Peace River.

I know it is not unique. It is a group of producers who banded together in a spirit of co-operativeness that we saw really take off in the so-called dirty thirties, in the Great Depression. It is sad that the industry is being forced to do something similar. It is almost like we are reverting in time but good on the producers. I want to pay tribute to them in Dawson Creek and the South Peace River in my riding. They are springing up all across the land as people try to come together in a time of need and of great peril to their industry and livelihoods.

The $4.2 million slaughterhouse facility will obviously help to alleviate the severe lack of slaughter capacity. Many of my colleagues have talked about that. Our critic has talked about the fact that the $66 million program is simply not enough to address that, that we need far more from the government and yet when we bring up issues like this, we are criticized and told we only stand for rhetoric.

As I said, we had a plan in February. I would challenge the member to tell me where his plan was in February or in March, April and May. Where was it during the election campaign when all of us were asked about it at all candidate forums? We had our plan. We ran on it. We are still waiting for something substantive from the government. The best it can offer is a half-baked plan that it came up with in September.

● (1850)

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Chair, again I rise tonight to debate probably the most important issue we have had to debate in some time. As my colleague has suggested, we have been debating this since last February, and since the summer of 2003.

I want to thank my colleague from Haldimand—Norfolk for sponsoring this take note debate tonight. The debate is a direct result of a government that has failed to recognize and provide a timely response to the crisis which has severely impacted the cattle industry and all agriculture as a whole. It is the government's failure to implement a program that adequately assists farmers and ranchers devastated by this BSE, a failure that has resulted in losses now estimated to be $2 billion to the primary producers and maybe up to $6 billion or even higher when we consider the agricultural sector, the trucking industries, the auction markets and others. It is a failure that has stakeholders disheartened and discouraged.

As we all know, the two isolated incidents of BSE caused the United States border to close on Canadian beef. To date that door remains closed to all live animals, again because of the government's failure. This closure is due not only but in great part to the soured relations between our two countries, years of neglect and blatant derogatory statements made about our southern neighbours. Now protectionist forces that have picked up the battle cry in the United States have continued to keep the border closed.

The Liberal government's overall approach to this very serious issue has been, realistically speaking, timid and tentative. It is time for the government to act. It must do everything in its power to amend those relations with the United States, and then to assure it and the world that more resources will be focused on the study of BSE and other related diseases. As many have suggested, we must assure the Americans that we will meet our testing targets by January 1 and that we will increase our tests on animals 30 months and older in time to come.

We have an integrated market with the United States, one that this country depends upon very heavily. We must therefore work toward immediately reopening the border to livestock under 30 months and not just for beef and cattle, but to others such as buffalo, camelids, goats and other animals that have never shown signs of BSE or like diseases.

We must develop protocols on acceptable rendering materials with an overview to cross-contaminations. We must develop protocols on the removal and handling of specific risk materials, and I will say that the provincial government has done this. We must develop continental risk assessment rules for minimal disease outbreaks. Right now we are tied to regulations for a country that is going through a BSE outbreak. We need to ensure that the protocols are different for countries with minimal risk. Although there have been some steps, we need to continue on in that direction. Right now we are being treated as if we have had a major BSE outbreak. There are many other countries with many more cases. We have talked about it tonight and we spoke about it last Thursday evening. I think it is a given that we recognize that we must increase slaughter capacity.

I remain very skeptical that the government's proposed $66 million loan loss reserve plan will really significantly help accomplish this. I base this scepticism on a number of people, even today, who have called me. Our member from Edmonton—Spruce Grove spoke about a group. Representatives contacted me as well today. They said that nobody really fully understood the process. When they tried to talk to the government, it seemed that even the bureaucrats did not understand exactly the process. Others have said that they could not get application forms for other parts of the program.

● (1855)

This program, although it has been announced, is not up and running, and it is not running to the degree it should be. Is the government on the right track? I am not sure. Maybe it is. I know one thing. There is such little action here that if people are sitting on any track, they are about to be run over. We have major difficulties when we move into a fall run and producers do not understand programs.

Mr. Jay Hill (Prince George—Peace River, CPC): Madam Chair, I appreciated my colleague's remarks tonight. He put forward some good plans. I have heard some good proposals.

I have heard from constituents in my riding about the CAIS program. They are drawing comparisons now between it and the Income Tax Act. The Income Tax Act has become so convoluted, so big, so unrecognizable and so difficult to understand that even accountants cannot understand it. It is the same thing with the CAIS program.

That is why I said during my remarks that it seemed to me it was a program designed by bureaucrats for bureaucrats, which seems to work quite well when they do all their test models in Ottawa. However, when it comes out to the farm gate, it all falls apart somewhere between the ivory towers of Ottawa and the farm game.

How would my colleague see a program that would deliver the assistance to the producers in a timely manner, rather than this convoluted program that they have now? I have stacks of letters from producers in my riding who have tried their best to access this program. They cannot understand it. They have made repeated phone calls at huge expense to themselves over a period of weeks and months. They receive conflicting responses from the other end, depending on with which bureaucrat they talk. It seems to be a nightmare of ongoing frustration for them to try and access this program to get the paltry assistance the government has tried to filter down to them.

Mr. Kevin Sorenson: Madam Chair, again that member hits the nail on the head. There is a high level of frustration among the producers, the cow-calf operators, the ranchers and farmers. Whether it is all the government's fault or not, let us just back up. We used to have a program called NISA, net income stabilization account, and the government shut it down and began the CAIS program. Farmers, even in the last few months, have until next January to decide whether they will go into the CAIS program.

Now the government has come forward and has said that it will deliver a lot of the program through CAIS. The government should recognize that producers are questioning whether they will enter the CAIS program. I read in the House Thursday night a letter from a cow-calf producer in Endiang, Alberta in my constituency. The family went to the accountant who suggested they join the CAIS program. The family has lost huge equity in their farm and in their cattle herd. Now they are being told to take, I believe, $15,000 and put it into the CAIS program. Others have been told to take $20,000 or $25,000 and put it into the program. In the letter she said that the government simply did not get it. They have gone from earning $40,000 in the sale of bulls to $6,000. They have had to pay their insurance and their bills. They do not have $15,000 to put into an account and if they did, 10 other businesses are asking for payment.

Again, I am not sure the government fully recognizes the severity of what is happening in my province and across the country. It is coming up with programs that simply do not meet the needs of the producers. Certainly we have gone through and recognize the increase of capacity that is needed. Now we are moving into the fall run. We would expect that if we ask our ranchers and farmers to manage their farm as a business, that these programs would not come forward in the middle of our fall run of cattle.

Every auction mart is or should be busy at this time of the year. Farmers still do not understand this program. Are they going to hold 40% of their calves back and put it into the set-aside program? They do not know. What is the ear tag identification system all about? They do not know. They did not have the ability to be at our GEM 4-H Club the other night to hear the answers to those questions. They do not know and yet we are asking them to manage.

The government is known for knee-jerk reactions in a crisis. My producers are caught up in this, and the way the member expressed this is absolutely right. People are devastated. The industry is in crisis, and the government members are out looking for a camera to stand in front of so they can announce some big dollar program that nobody can access.

● (1900)

Hon. Wayne Easter: Madam Chair, I rise on a point of order. On procedure, I would take it in the exchange following a speech that the party on the other side should have the first opportunity to raise the question. That kind of soft lob and more of a speech that we had on that side is not the answer. I would have liked to ask why Japan and Korea closed their borders if the only reason the Americans closed theirs was because some backbencher said something. Let us get a life here. They go on with that a lot—

The Acting Speaker : It is not a point of order. We will resume debate, the member for Lambton—Kent—Middlesex.

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Madam Chair, I am happy to have the opportunity to discuss the ongoing crisis facing the livestock industry in Canada. It is important to have an open, frank and factual debate on the current situation and to continue to discuss ways to help the industry.

Canadian farmers in all sectors are feeling the negative impact of BSE at this time. As the government and as the member of Parliament representing the riding of Lambton—Kent—Middlesex, in which agriculture is a primary industry, it is our duty to take any and all possible steps to make sure this sector regains its position as a world leader in beef production. This government is here for our farmers and we will continue to act in the best interests of the industry.

The beef and livestock industries have changed drastically as a result of the BSE crisis, in both Canada and the United States. The once highly integrated single market with an invisible border has become a stone wall. Since beef products from both countries have been shut out of international markets, we need to work together to convince the international community that North American beef is safe.

North America is a highly integrated beef industry and has functioned as a single market with an invisible border. In the last five years, two-way trade totalled $13.6 billion for 7.3 million animals. Canada exports about half our total production to the United States and 97% of all live cattle imported to the United States come from Canada and Mexico.

Slowly, U.S. cattle producers and government officials are starting to realize that if they want countries such as Japan to open their borders to U.S. beef they first have to allow Canadian beef into their country. They cannot expect another country to open its borders when they themselves are keeping borders closed to Canadian livestock for the same reason.

We are still awaiting the United States department of agriculture's decision to clear the way for the U.S. border to reopen. In August, the National Cattlemen's Beef Association in the U.S. passed a resolution urging American officials to work toward the normalization of beef trade in recognition that it is unlikely that a major importing nation will reopen borders to the United States until trade issues between Canada and the United States are resolved and their election is held.

The number one priority for all levels of government, industry and producers in Canada continues to be that of convincing the international community to completely reopen borders to Canadian beef and livestock. It has been extremely disappointing that the international community, including our neighbour to the south, is basing its continued border closure on politics and trade protectionism rather than proven science.

As members know, on July 18, 2003, new measures were introduced by Canada which required that specific risk materials be removed from cattle at slaughter. The effective date for these regulations was August 23, 2004. However, in federally registered establishments, a CFIA directive required SRM removal as of July 24, 2003. Since the infected cow found in Washington State, the United States has now taken similar action.

In order to help convince the international community that our beef is safe we are implementing additional measures to ensure that another BSE case is not discovered in Canada. On July 9, 2004, the Government of Canada announced the introduction of new animal feed restrictions to further strengthen Canada's safeguard against BSE. This measure will add an additional level of security to Canada's current feed ban, which has prohibited feeding cattle with ruminant materials, including SRMs, since 1997.

The government has been consulting extensively on a series of regulatory and policy enhancement options with the provinces, stakeholders and key trading partners since the case of BSE was reported in May 2003.

On September 28, 2004, the Canadian Food Inspection Agency released a detailed information paper outlining an array of potential regulatory enhancements the agency is considering. Interested groups have been invited to comment as quickly as possible. At the same time, the CFIA has been drafting a set of regulatory amendments to Canada's existing feed restrictions. It is anticipated that a proposed set of regulations will be published by the government in the fall of 2004 and implemented by the spring of 2005.

One of the possibilities being considered would see the elimination of SRMs from all feed. This would ensure that there is no cross-contamination between ruminant and non-ruminant feed. The removal of SRMs from all feed could be an expensive endeavour, but if it leads to reopening of international borders it would be worthwhile.

● (1905)

We do need to ensure that the potential economic impact of imposing this new regulation is not placed solely on the shoulders of livestock producers, who are already confronted with economic hardships. Far too often it is the primary producers who are most negatively impacted. For instance, the government program was designed to assist livestock producers but instead appeared to result in meat packers taking advantage of the situation and benefiting from the same.

To this day, I still do not know why my hon. colleagues from the official opposition refused to support the report of Standing Committee on Agriculture and Agri-Food to allow two meat packers that refused to provide the committee with their financial information to a forensic auditor to be fined $250,000 per day. I should note that the committee took the necessary steps to assure that all meat packers would have their privacy protected, and I certainly agree with that.

Without the financial information from the meat packers, we will never know how much they benefited from the federal government program. As a member of the agriculture committee under the 38th Parliament's first session, I will work to ensure that this issue is reviewed once again as well as ensure that federal programs are addressing the financial problems our primary producers are facing.

It is unknown when the international borders will completely reopen to Canadian livestock. Therefore, we need to find out why prices at the retail levels have not lowered despite the fact that cattle prices have been reduced drastically. We need to ensure that a fair share of the money that consumers are paying for the beef is getting back to the primary producers.

I would like to point out that without the continued support of the beef industry by Canadian consumers, the situation facing our primary producers would be considerably worse. Not too many countries could find a case of BSE and still have their beef consumption increase as much as 60% to 70%.

Far too often, primary producers do not receive their fair share of money for their finished product. This has to stop. Producers cannot afford to farm much longer if this continues. We need to ensure that any assistance provided by the government is getting into the hands of the primary producers, because they are the individuals most affected by this crisis.

If there is anything to be learned from the BSE crisis, it is that we need to expand our processing facilities in Canada and become less reliant on the United States. This is not to say that we completely shut our borders to the United States. Rather, we need to work to balance the amount of livestock we produce with the amount of processing facilities we have in Canada.

The U.S. livestock producers have suffered since the international borders have closed to their product, but certainly not to the extent our Canadian producers have. We produce approximately 60% to 70% more beef than we can consume, while the U.S. consumes all it produces. BSE is therefore not hurting them as much as it is us. If we had more processing facilities we would be able to continue to export the boxed beef products instead of having a backlog of close to a million excess cull cattle.

That is why the federal government recently announced a strategy to help the livestock industry reposition itself to ensure its long term viability. The plan is geared toward enabling sustainability of the industry through the following measures: by creating a loan loss reserve to facilitate the increase in domestic slaughter capacity for ruminants; by providing cash advances on CAIS for certain breeding animals and other ruminants until domestic capacity targets are reached; by introducing set-aside programs for feed and feeder animals to manage Canada's current oversupply of cattle; and by establishing additional technical experts to focus on strengthening relationships with regulatory agencies in export markets.

As export markets expand, the increased ruminant slaughter capacity in Canada will provide greater value added opportunities for the industry and will reduce its reliance on live animal exports.

CFIA is committed to streamlining the process for establishment reviews and the approvals of new plants under the Meat Inspection Act. As well, governments will examine existing regulatory processes to identify opportunities for streamlining in order to allow expansion or construction of facilities to begin sooner.

Despite the international standards set by the OIE, Canada was able to regain access to the United States, Mexico and Russia in just over 100 days as opposed to the recommended seven years. No other country—and I emphasize that—hit by mad cow disease has been able to reopen its borders so quickly.

This proves that the international community has confidence in the surveillance and testing we have in place and that the efforts by the federal and provincial governments, along with those of industry, have been more successful than those of most countries. We need to also revisit our international standards to ensure rules meet today's technical information.

To date, the federal government has committed $1.9 billion in assistance to the industry. We will continue to work with the industry and producers to find solutions to address their situation and ensure the viability of the beef and livestock industries.

● (1910)

I would like to say to the farmers and to all Canadians listening to this debate tonight that we will continue to do everything in our power to convince the United States and other countries to open their borders to our proven safe Canadian beef and livestock.

Mr. Myron Thompson (Wild Rose, CPC): Madam Chair, the member brought forward some very good points on a number of issues. One that attracted my attention and one which I am always anxious to hear the Liberals answer is this: what do they mean by and what do they suggest for value added? I know what I think value added means. I wonder if the member could explain that to me. I am not talking about more processing plants. We know we want to get more meat butchered and processed. What does value added mean? What other industries are she and other members of her party thinking of in terms of value added?

● (1915)

Mrs. Rose-Marie Ur: Madam Chair, as I stated in my speech, it is really important for all Canadians to recognize that this is not the industry coming to the government and to politicians asking for our opinion as to what we want it to do with its products or live animals. It has been proven that the stakeholders, the provincial governments and the federal politicians have come together and are all sitting at the same table to decide what is in the best interests of our livestock producers.

As I stated in my speech, we export 60% to 70% of our beef. Producers are indicating to us that they need to have other venues available to them, because we certainly cannot consume that amount of beef. They need to have the opportunity to access export markets once they have those various products available. They know what they want to do. It is not that we as politicians are dictating to them what they should be doing with their products.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Madam Chair, I would like to thank the hon. member for her remarks and I would also like to note with delight the presence of five members of the Liberal caucus here, including the—

The Assistant Deputy Chair: The hon. member for Peterborough on a point of order.

Hon. Peter Adams: Madam Chair, it is directly opposed to the Standing Orders to make a remark of that type, particularly when the member is here virtually by himself. I hope that you advise the member of that. I suspect he does not understand, but in regard to the fact that he is here on his own I understand he is very courageous in mentioning some of the numbers.

The Assistant Deputy Chair: It is inappropriate for members on either side to point out the number of members in the House.

Mr. Pierre Poilievre: Madam Chair, the parliamentary secretary pointed to his government's willingness to listen to the Canadian Cattlemen's Association's suggestions with respect to dealing with this crisis.

I would like the hon. member on the government side to discuss with me why it is that the government was reluctant to look at a temporary income tax deferral to help producers temporarily suffering with this crisis and why the government refused to look at tax averaging options to balance over a 10 year period. Why were we not able to balance over a 10 year period tax payments for those producers who have decided to exit the market?

Finally, could the hon. member talk to us a bit more about the government's plans to provide tax incentives that would help attract capital investment, venture capital, to increase slaughter capacity here in Canada?

Mrs. Rose-Marie Ur: Madam Chair, I will try to answer the greater portion of the member's questions. As I indicated earlier in my response to the previous question, the fact of the matter is that we have worked with provincial governments and with the industry in consultation to work on reopening the border with the United States, taking steps to increase slaughter space, introducing measures to sustain the cattle industry until capacity comes online, and expanding access to export markets. These were conclusions that were taken with the various premiers as well as the industry.

I had the great pleasure of meeting with the president of the Canadian Cattlemen's Association this summer and he indicated to me that he was more than pleased with what came out in funding in the last program. He looked forward to continuing to work on this issue with the provinces as well as the federal government and the stakeholders. I think that when we have someone from the industry appreciating what has come down, they can go on beyond the one item tax deferral and look at the whole program, as the Canadian Cattlemen's Association indicated.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Madam Chair, I enjoyed my colleague's remarks. She is a longstanding member of the agriculture committee. She mentioned in her remarks the problem with getting to the bottom of the investigation. The committee was investigating where some of that money that was intended for the producers slid away to.

I believe there was an effort to try to look at the books of the packing industry. She mentioned that in her remarks and I wonder if she might expand on that. A member opposite in the Conservative Party refused the unanimous consent of the House to have that come about. Could she expand on that and explain to the producers exactly what happened?

● (1920)

Mrs. Rose-Marie Ur: Madam Chair, the hon. parliamentary secretary is right. I am very pleased and proud to sit on the agriculture committee because agriculture is the largest industry in my riding of Lambton—Kent—Middlesex. Our committee for the most part leaves politics at the door and works very much in harmony on various issues.

On the BSE issue and regarding the meat packers, it appeared that we were coming to the House to obtain unanimous consent on that matter. When it came to the House, the official opposition would not go along with the motion put forward by the chair of the committee. Thus, it died on the floor.

I can quote from newspaper articles which say that meat packers are making 231% or 345% more money. That is highway robbery when our primary producers are getting nothing.

Mr. Myron Thompson: Where are they getting the money?

Mrs. Rose-Marie Ur: They are getting it from the programs that our primary producers are supposed to get. There is vertical integration. The meat packers have feedlots and all the rest and they are buying into these programs.

It is time that the opposition sat with us in committee and allowed this to go forward so we could see where the money is going. This is an important factor and we need to get to the bottom of it. We can only get to the bottom of it if the opposition agrees to look at these dollars.

One article indicated that Alberta auditor general Fred Dunn said that the meat packers' net earnings soared 281% since the market was disrupted. It went on to say that a packers' earnings jumped 345%, a 43% increase in earnings from the year before.

There is something wrong when an industry takes advantage of the primary producer which it thinks it is wholly working on behalf of. It is important that provincial and federal stakeholders get together and work in the best interests of the Canadian producer.

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Madam Chair, I appreciate the opportunity to speak for the families in Elgin—Middlesex—London. I also commend my neighbour across the way.

Earlier the parliamentary secretary talked about not putting programs together in haste. Yet the member across the way also mentioned that she believes the packers have somehow stolen this money from the farmers of Ontario and the rest of the country. If the program was not put together in haste and was put together properly by the government, why is it we feel this money was somehow paid improperly to the packers and not to the producers?

Mrs. Rose-Marie Ur: Madam Chair, I thank the hon. member for the question. I am pleased to note who the gentleman is because I was asked in my riding if I had met the hon. gentleman to my right. I am very pleased to receive his question this evening. I am sure my son will be waiting with bated breath for the answer.

That aside, all programs are not put together by politicians in Ottawa only. They are put together, and I have said this before, with the stakeholders, with premiers, with agricultural representatives, as well as the federal government. These programs are put together but unfortunately, sometimes there are venues out there that any one of those stakeholders may not realize what may happen if those dollars are put forth.

As I said earlier, when meat packers also have feedlots, et cetera, there are opportunities for them to be very constructive in their applications. I never said that they stole the money. I said that they have interesting ways of articulating their bottom line and accessing the funds. I never once said that they had stolen money.

● (1925)

Mr. Myron Thompson (Wild Rose, CPC): Madam Chair, it is a pleasure for me to rise tonight to address this issue on behalf of the literally thousands of ranchers and farmers in my riding. They are at their wits end as to what will transpire in the near future and what should happen from this government and other levels of government and exactly where we should go.

First of all, I want to face some realities. I want the other people in this place to face some realities. I certainly agree that we should have more packing plants. Let us do more processing. Let us build the market. Let us do the things that need to be done. Those are all things that we need to look at for the future.

This fall, within a month, there will be scores and scores, hundreds, if not thousands, of people who will be foreclosed on by the banks and other lending institutions. They depend on the fall calf crop or other crops to carry them through, to make their land payments and because they will not be able to make their land payments, the banks will foreclose. I have been told by personal bankers in my riding over and over again that they have just about reached their limit in extending their support and that foreclosure is just around the corner.

Are we a government of representatives here of the largest industry in the country in terms of the number of people it affects and the spinoff occupations that rely on it and the number of jobs that are created by a good agriculture program? Are we going to allow this to happen? Are we going to say to these people that it is too late and it is too bad that it has come to a foreclosure, that they will lose their land? If they lose their land, they have lost everything. If they do not have their land, they cannot do anything.

I have talked to many of these people, as have some of my colleagues, and probably some on the other side of the House. They are not sticking their hands out and asking us to give them money to make their land payments. They are saying, "Help us through this crisis. Find a way to help us meet our obligations and land payments, even if it is through a very small interest loan".

Leave the operation of the industry to them. They know what they need to do with their herds. They know what needs to be done better than any politician.

We are in a position in this House to help. We could look at the immediate needs of these people who I say again will lose their land. Losing their land would be the end. If they have no land, they have no business.

Madam Chair, I will be sharing my time with the member for Yorkton—Melville.

What will the government do today for the crisis that exists? It is great to talk about the future and what we are going to do. However, the programs that have been produced since the May 2003 closure—and these are the facts; anyone can check them out if they want to—of all the thousands of producers that are in my riding, at the farm gate the average money that was received from the government's programs is $924 for the entire period of time. Pray tell me, what is $924 going to accomplish over that period of time?

Do we seriously think about these people losing their land and bank foreclosures, or is it just forgotten as one of those things that happens?

Dairy farmers have been told by the minister that there will be some quick adjustments because he realized in the last program that they were improperly treated. They are looking for this to happen. Guess what? We are getting another promise. Weeks have gone by. I do not know how long it has been, but nothing is happening. This is immediate. Things have to occur.

● (1930)

One thing that shocked the daylights out of me was when members of the government went to visit people in the United States on this issue.I was told they were surprised that a large number of congressmen, senators and state government individuals did not even know that the border is closed. I find that hard to believe. They did not even know that the border is closed.

What in the devil have we been doing here? We are sending our Prime Minister to the oval office, and it is nice to hear those words, but there ought to be some action from those visits. Several others have been visiting. The minister has been visiting with the Americans' agricultural leader over and over again. Where is the action?

When the border was closed, it would appear to me that the government's first move would have been to say that we have to come together collectively, that we have to bring all interested parties together to look at what has taken place, that we should get together to plan some strategy, that we will go to the United States to discuss the situation until we get the border open and that we will stand there for months if we have to until the job is done. That has never been accomplished or even tried. Why has that not happened?

We should go down there to discuss it, sit with the Americans and make them understand what the border closure means. Help them understand what their consumers are realizing, that the beef shortage there is so terrific that their beef prices are going sky high and out of this world. Why are we not down there trying to get some help for them?

This goes for sheep, white tailed deer, elk, buffalo, rheas and alpacas. All of them are impacted; all of those producers are suffering greatly. All we are doing is coming up with convoluted, complicated programs that will not address their immediate need. Let us stop it and get serious.

The critic for agriculture in my party has called for an ad hoc committee. So far I understand the Bloc has responded. The other parties have not even responded. We should come together as a government willing to help a drastic situation and solve the problem. Let us work at it and do it now.

Mr. Charlie Angus (Timmins—James Bay, NDP): Madam Chair, the hon. member raised some interesting points about our need to get the border open.

We are hearing some very disturbing words from stateside that R-CALF is preparing for any moves we make to open the border in terms of injunctions they will bring in so that they can drag this out for years. I am wondering if the hon. member has heard any similar talk from his people in Alberta, because that is what I am hearing in Ontario in terms of R-CALF.

Mr. Myron Thompson: Madam Chair, of course it is true. There is a protectionist group down there. Why would they want the border open when they are in control of a few head of cattle and making thousands of dollars? It is all about money for a lot of people. To me it is not about money. It is about a general livelihood across the nation, both nations as a matter of fact.

The member and other people in the government would be quite surprised how much support we would get for getting the border open if we approach it by saying that there is a drastic problem going on. Marketing magazines down in the United States are already reporting 35% to 40% lower surpluses in the history of the cattle business, and here we are sitting with a huge surplus. Instead, we come up with programs like CAISP and all kinds of little things that are so convoluted and complicated that farmers cannot even figure it out. They have to get a lawyer or an accountant to help.

Where is our committee? Where is our group of people? Let us not make this a partisan thing. Let us get some Liberals, members from the Conservative Party, the Bloc and the NDP, and let us form a committee. Let us involve some industry people and then get some of our friends across the border, because they are our friends, who also agree the border should be open, and go down there and fight until we get the job done. What is wrong with that?

We should take on these protectionists. They are not the majority, they are a minority. Most people do not even know what is going on down there because we have not got the fight in us here to go down and explain how drastic it is. I spent almost two hours with the ambassador from the United States. He assured me that that was an excellent idea. He was even willing to supply me with the names of senators and representatives who needed to be seen regarding the issue.

Instead, we dream up programs, complicate them and make them so difficult that nobody can understand them. Farmers do not even know how to get copies of the applications, and in most cases they are not even available. Over and over those kinds of problems exist when we address them in the manner that we have.

I do not understand what is wrong with a group of people from this House, led by a few from each party, including the industry, including people from the U.S. who want the border open, going down there and saying "Look big brother, things are not right. People are hurting. People are suffering, not just in our country, but in yours as well". They are begging and pleading for livestock in many areas down south, but instead, we keep coming up with convoluted announcements. The government announced something like $1.4 billion in Lethbridge, or some ridiculous figure, once upon a time.

Where are the tax breaks? Where are the incentives? Where are the deferrals? What can we do for these people today, immediately? They are going to lose their land and we are the problem. We have suddenly become the problem. We need more than a take note debate to solve it. We need some sincere, committed hearts to say that this issue is going to be fought and brought under control, and I hope that I will be included.

I know what it is like to lose a farm. I stood on a farm with my father and brother when we had to shut down because there was no other hope after about the fourth hail storm. In those days we had no hail insurance. There was nothing we could do, no one to turn to. I see no reason for that to happen in a great country like Canada. I see no reason at all for us to allow such a thing to happen.

If the government needs to find the money, let me help it. We can go through the public accounts and find all the waste. We will help the government find the money, but let us get the job done. It is still not too late. This fall is going to tell the tale. Let us get with the program.

● (1935)

Mr. Garry Breitkreuz (Yorkton—Melville, CPC): Madam Chair, thank you for the opportunity to address the House and by extension, all Canadians.

I want to take a little bit of a different tact in this debate. I want to speak to our cousins in the big cities, those who enjoy good quality food produced by our farmers. We talk a lot about health care and the need for good health care, but those people who sit down to the table every day to enjoy food produced by our farmers must realize how important this debate is this evening.

I would like to ask those who are in the big cities to give a little bit of an ear to what our country cousins are experiencing at this time. We need the support of those people who enjoy good quality beef and food we are discussing tonight.

Before I go much further, I want to ensure those who are in the cities that our farmers and ranchers are doing everything they can at this point to survive. In my area of eastern Saskatchewan, Yorkton—Melville, they are trying to get slaughter plants built so that they can butcher their beef and export it to those who want it. They are trying their best to do it but the border is closed. That is what precipitated this entire problem. The leader of the Conservative Party clearly explained why the border closed and how the Liberals failed to address it as they should have immediately. But going beyond that, we need to do more for our farmers.

We heard members opposite defend the farm programs that they put in place saying in the throne speech that they would do more. They barely mentioned it but they said that they were going to quickly address the BSE crisis. We have had a year and a half for them to quickly address the crisis. Farmers are doing their best to survive, but they cannot hang on any longer and the programs that are being put in place are not effective.

The average compensation reaching farmers is less than $1,000 and it costs them $500 to fill out the highly bureaucratic forms. They have to hire people to decipher what these forms are all about and they are being caught with virtually no compensation for the past year and a half. That is why we have asked for this take note debate on this whole issue.

We can talk a lot about this. I was surprised as I talked to people in the big cities, that they do not realize that compounding this BSE crisis is another crisis that has hit the prairies, and that is the August 20th frost that absolutely devastated crops across Saskatchewan. Over three-quarters of the province has had the quality of its crops and yields reduced.

I was in fields in Saskatchewan this last Thanksgiving weekend. I went into a field of wheat. It looked beautiful. The farmer had cut it down and it was lying in swaths. It was wheat that would normally be used for making bread. I examined it, rubbed it out, and there was absolutely nothing in that crop. There might have been a little bran, but the frost completely devastated the crop. What should have been a good quality crop was virtually non-existent.

We have the frost compounding the BSE crisis because when the grain crops were not doing well 10 or 15 years ago farmers began to go into cattle, to diversify and do their best. That is why I come back to it. Farmers are doing their best to survive, but they do not have any more options left. The government has created the problem, but it is not helping them solve it.

I want to explain more about the situation in my particular area. Business people in the City of Yorkton told me they are absolutely devastated. The farm crisis is not just affecting those people who are producing the grain and the beef. It is by extension affecting all of our cities.

Families that normally would send their children to hockey school, piano lessons or all of the things that farmers do, are not able to do it any more. They are being severely impacted. The businesses in my home town are at the end of their rope as well.

● (1940)

This affects people in the cities, but they do not realize it. We have taken for granted a good quality food supply. Therefore, I ask for their support because the government has made this into politics. It says, "Only 2% of the people are in agriculture so we don't have to worry too much about it because 98% of our vote comes from the cities, so we can ignore these people".

I am appealing tonight to our city cousins to listen to the pleas of rural Canada for some kind of help and help us put pressure on the government to act. If we do not act soon we will not have that good food supply there. We are going to lose our middle class farmers and corporations will grab hold of that food supply. Let me warn people that at that point it will not be as it is today, where they can count on this.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Madam Chair, I agree with some of the points the member raised in terms of the situation on the farm. It is serious and we have said that. We have been trying to work at that.

In fact, I had the pleasure of being on the Prime Minister's task force on the future of farming out of which came roughly $6 billion for the agricultural industry and a safety net program. Is it as good as it could be? Improvements can always be made.

The member opposite tried to leave this impression, and this is one of the troubles that I have with the party opposite. He said that the government said that it did not matter because only 2% of the people were in agriculture. I say to the member opposite, that kind of rhetoric I do not appreciate.

We care about farmers on this side too. I would ask the member opposite to tell me directly what government member on this side of the House ever said that they are only 2% of the people and they do not matter. We are supposed to be having a take note debate to improve the situation, not get into the falsified rhetoric that the member opposite is doing and leaving the impression that we do not care. We do.

We put in place the business risk management program. On the CAISP that the member talked about, close to 70% of cattle producers are in fact triggering a CAISP payment. The federal government announced the CAISP special per head interim payment for 2004 for producers of eligible cattle and specific ruminants based on inventories as of December 23, 2003, in order to address the cash flow and liquidity issues. That was one of the programs that really worked. It got the money out to producers in a hurry.

The program that was announced in May worked well because it was a simple application. Yes, I agree with the member opposite that the CAISP application is terribly complicated and we have to improve it. However, the application in April was a simple program and the returns went out in a matter of 30 days. It was based on inventory numbers. It is not that the government is not doing anything. We have the CAISP. We have production insurance that will hopefully deal with some of those crop problems the member talked about.

The key point I want to make is that the kind of rhetoric that the member is insinuating, that someone on this side said that farmers did not matter, is wrong and he should apologize to every member in the House.

● (1945)

Mr. Garry Breitkreuz: Madam Chair, let me simply say that if the government cared, if the members on that side cared about our farmers, they would do something about it. Their actions would demonstrate that they care.

These words mean nothing. They sound so good. However, people who are immersed in the industry, our beef and grain producers, realize that these government programs are not working. They are not delivering the money to them.

The member is doing exactly what I complained about in my speech. He is giving the impression to our cousins in the big cities that the government is really doing something to solve the farm crisis. What could be further from the truth? That is an absolute falsehood that he would give the impression to the people listening tonight that the government is doing something.

We would not be having this take note debate tonight if the government had done what it should. I rest my case.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Madam Chair, we have discussed a lot of what has happened on the domestic front to mitigate the problems that have resulted from this crisis. I would like to address the international side.

I would like to ask the member his view on the approach of the government in getting the southern border open. Here are some concrete suggestions on how that might have happened more quickly. We could have lobbied more vigorously the consumer groups in the United States of America who consume Canadian beef. We could have linked arms with the American slaughterhouses that slaughter Canadian beef and make a livelihood from it. We could have sent our representatives to Washington to link arms with the congressmen and senators from the states who consume Canadian beef. We could have built the domestic pressure on that side of the border to get the border open to Canadian beef.

Instead of doing that, we have a Prime Minister who is not in Washington today, but is globe-trotting in Europe. Members of his own caucus, whom he refuses to discipline, are attacking our closest friends and biggest consumers as idiots, morons and worse. What does the hon. member think of the approach of the government to getting the borders open?

Mr. Garry Breitkreuz: Madam Chair, the member makes some excellent points. We have been exporting our young people to the U. S. now for a long time. It is called the brain drain.

I went down there to visit them. In California the meat prices are sky high. What the member has said, that we could have built allies with those people, is bang on. We did not go to that segment of the American population that would really come to our aid.

I see our minister from Saskatchewan went down there. He talked to the Americans. He said that if the border did not open soon, we would not send them any cattle later on. What kind of a threat is that? That is so ridiculous. He went on that this would be a matter of grave concern to Canada soon. It should have been of grave concern for the last 18 months.

● (1950)

Mr. Paul Steckle (Huron—Bruce, Lib.): Madam Chair, I want to begin this evening by congratulating you on your appointment as one of our Speakers. I trust that you, like all the others who have either been elected or appointed, will govern this House in the way that you oversee the procedures on a day to day basis in a fashion which we all find acceptable. I congratulate you once again.

On the same note, I would also like to extend my profound thanks to the people of Huron—Bruce, my riding. Their support in the recent election is truly gratifying and I pledge to do my best to ensure that their trust is rewarded with effective representation.

Lastly, I would also like to thank my family, most particular my children, Cam and Brian, and particularly my wife Kathy. Without them and their unending support and confidence, I could not do my job as an MP effectively.

Now to the matter at hand. I find it fitting that one of the first issues tackled by this Parliament is BSE. This matter is one that has already sparked a crisis in the agriculture sector across the nation and, if left unchecked, promises to continue to decimate the future of our primary producers.

That being said, as the recently re-elected chair of the commons agriculture committee, and on behalf of all members of the committee, we need to turn words into actions. Time is of the essence and our farmers are looking to us for help and leadership. We must not let them down as the price of failure is much too high.

Prior to May 20, 2003, most Canadians did not know what BSE stood for. In fact most did not know what bovine spongiform encephalopathy was or how it could potentially devastate our domestic cattle industry and adversely impact upon our national economy as a whole. We may have been vaguely familiar with the term “mad cow” from Hollywood movies and doomsday television plots, but we had no idea how dangerous BSE really was. In short, we had no concept of what was to come.

Canada had a brief bout with BSE a few years back. However, that animal was found to have been a British import. Consequently, we were able to escape from the full effects of a BSE discovery, but this time the animal was unmistakably Canadian in its origin.

Unfortunately, as this House and our Canadian beef farmers know all too well, on May 20, 2003, our naivety was forever ended. Canadian farmers, and for that matter all of rural Canada, have spent the past 17 months coming to terms with the sad reality of BSE. More important, we have been trying to move past it.

I will not rehash yesterday's news. Nor will I attempt to explain to the House what the root problem is. We already know. We have debated this issue at length and to pretend there are new consequences is disingenuous at best. Members know that we cannot fix the past or turn back the clock. The problem is imminent, it is here and it requires our immediate attention and action. Debate is fine, but *Hansard* cannot be deposited into a bank account.

Today the Canada-U.S. border remains closed to live Canadian cattle. All of our other international trading partners refuse to buy our cull cows, and live beef and domestic cattle prices remain severely depressed as a result. During the recent election, the Conservative candidate in Huron—Bruce put up signs demanding that the Canadian government open the border immediately. I agree that this would be a fantastic idea. However, if we could open the border, we would have done it months ago. How can one open a locked door when the key is on the other side?

We need to deal in realities and not in wishful thinking. Our farmers deserve at least that much.

As an aside, I would like to extend my personal congratulations and appreciation to the Department of Agriculture and to the CFIA. Both have done tremendous work with respect to this matter. It is worth mentioning that, prior to Canada, there has never been a reopening of an international boundary so quickly following the discovery of a BSE incident. I am of course referring to the fact that the U.S. is again accepting our boxed beef. Agriculture Canada and the CFIA deserve a pat on the back for this.

● (1955)

Furthermore, I would be remiss if I failed to again remind consumers that the affected beef did not make it into our food supply. To put it plainly, our system did exactly what it was set up to do; to protect Canadians and our international customers. Again, Canadian beef is completely safe.

Despite all these achievements, this is all in the past and while we should be pleased with all of these successes, we must do more. Money is a vital first step. In my opinion governments must continue to work to stabilize our industry. To date, more than $1 billion has been invested in the sector. However, to an industry that generates ten times that amount in direct annual economic activity, that is a drop in the bucket. We need to continue to work with industry leaders like the Canadian Cattlemen's Association, the Ontario Cattlemen's Association, the CFA and the OFA, to ensure that the help reaches those who are most in need.

That brings me to my next point. How do we make certain that money gets to our primary producers and is not diverted into the hands of corporate giants? Prior to the last election, the standing committee had launched an investigation designed to explore this issue. In fact the House even went so far as to unanimously hold certain packing houses in contempt for failing to cooperate with the committee's investigation. That was a concrete example of turning words into action, where there was cooperation in the House on all sides.

Regretfully, the clock ran out on the process when Parliament was dissolved for the election. However, I am pleased to report that the committee planned for that and provided provisions to permit this study to be continued when the House resumed and the committees were reconstituted. It is every bit my intention to continue in that direction. I do not say this because I have a vendetta against the packing houses in question. No, I say it because in the past couple of months alone evidence has surfaced indicating that packing houses are making record profits at a time when our primary producers are facing the greatest economic challenge ever. This seems suspect to me.

As evidence of this, I cite the June 15, 2004 CBC story reporting that 10% of the BSE aid package intended for Alberta farmers was distributed to two specific meat packing companies. The Alberta government stated that while the two packers in question received a combined total of $42 million, 22,000 Alberta farmers were forced to share $158 million left after corporations received their portion. Now I am not an economist, but this does not seem fair to me and I would suggest that Canadian farmers would agree.

What I am saying is our farmers need for us, all members of the House, to help them to help us. Rural Canada is the foundation upon which Canada rests. BSE represents a serious threat, not just to our beef industry but to all rural Canada. Aside from the fact that BSE negatively impacts on sheep and lamb markets, the dairy sector, pet food manufacturers and farm equipment dealers, to name just a few, it also undermines all of rural Canada.

When I urge members to turn words into actions, I am sincere. In the past I have supported motions in the House regardless of the partisan origin. I completely accept that good ideas may not have an exclusive political affiliation. One example is the motion that was brought forward by the member for Perth—Wellington. I supported it because it was worth supporting, something that I would urge all colleagues to do in the future.

In the months prior to the last election, the Standing Committee on Agriculture and Agri-Food presented two specific and unanimous reports on this matter. These reports contained recommendations that were agreed upon by all parties because they did not represent any specific partisan agenda but rather, they were designed to help farmers.

Today I would again lend my support to those reports and the recommendations contained therein. I would like to thank committee members and staff for their work on the recommendations. Again, I call upon this House to adopt the suggested measures.

Increasing domestic slaughter capacity, instructing the commissioner of competition to conduct an inquiry into the pricing of slaughter cattle and beef at the wholesale level, intensifying diplomatic efforts with the U.S. aimed at implementing the world organization for animal health code and repealing both countries' import embargoes, while continuing to negotiate other modalities of an implementation plan that would improve the free flow of livestock and meat are all attainable measures that could actually help our farmers at the farm gate.

● (2000)

We know what the problems are. Now is the time to concentrate on securing and implementing real solutions. We need to take immediate actions aimed at increasing our domestic slaughter capacity and put in place a safety net that will truly stabilize the industry until such time as trade is normalized. Moreover, we must ensure that diplomatic efforts are strengthened, not just south of the border but around the globe.

Canadians know our beef is the best in the world. We must work to remind our trading partners of this reality. In the meantime, Canadian farmers have every right to expect that this Parliament will offer support in a time of need. I for one intend to work toward this goal and I call upon each and every member of the House to do the same.

Mr. Charlie Angus (Timmins—James Bay, NDP): Madam Chair, in terms of supporting regional capacity and in terms of what the member said about packers, the one thing we can say for sure out of this debacle is that they have made a killing on the backs of our farmers. We have heard a lot of talk about regional capacity but I am very concerned that at the end of the day the packers will be stronger than they were at the beginning of this. They will have more power to undermine any small regional plants that get off the ground. I have not yet seen anything in any of the plans that will support our regional plants standing up to either price dumping or predatory practices on the auction floors.

Does the hon. member have any suggestions about what direction the government might take?

Mr. Paul Steckle: Madam Chair, the implications of more capacity and building for more capacity, whether it is through government assistance, through loan guarantees or through whatever measure the government or private industry choose, one thing remains certain, following the opening of the borders in the future, whenever that might be, we need to ensure that the guarantee of supply to those packers is assured. If we do not do that we will fall back into the same trap that got us into this problem in the first place.

One of the plants in this country that slaughters over-aged animals is located in Quebec. Ontario has one plant that slaughters the under 30 month old animals. Those plants are dominant in the field. They control the marketplace. In fact, a high percentage of the market goes to one particular plant in Ontario. It not only controls the cattle coming in but it controls the cattle in the feedlot and the calves that will go into the feedlots this fall.

Unless we can ensure that some mechanism will be in place for those left in the industry, whether it is a self-imposed tariff on the benefit that would be derived by going outside of our country in the export of that product, live animals in all likelihood, we need to face those kinds of situations down the road. I am certainly prepared to support that kind of thing. If there is a $50 benefit in going outside the country to ship an animal to the United States, I am prepared to support imposing a tariff of some sort to take that back to support the industry which we have helped to create and which we need for the future.

We also need to ensure that we create a marketplace for our product, which we know is the best in the world. We need to go into the Pacific rim and other countries that have an interest in our product and create a market there so we do not become reliant on the United States of America. That is the way we have to go. As we go down that road we will see a lot of issues addressing that issue going forward.

● (2005)

Mr. Jay Hill (Prince George—Peace River, CPC): Madam Chair, I listened quite intently to the exchange between my hon. colleague and the NDP member and I am not quite sure he answered the question.

As I understood it, I think the member was referring to the fact that the government has not come up with any answer for the problem. However the Canadian public, thank goodness, has responded so overwhelmingly that beef consumption is up considerably. We may have variations on the percentage but we all can agree that it is up considerably. And yet ironically, the low prices that the farmer receives has not resulted in a savings to the consumer which would obviously fuel even greater consumption if there was a price incentive.

It seems to me that the supply and demand situation has created the anomaly that although the general population has responded to the crisis in making a conscious choice at the supermarket to purchase beef instead of chicken, pork or some other meat product, the supermarkets do not understand why they should lower the price when demand is up.

I think what the member was getting at was that whether it was the packers, the supermarkets or a combination of the slaughterhouse, the packers, and the supermarkets, the problem is that the lower price to the farmer has not resulted in a lower price to the consumer.

Mr. Paul Steckle: Madam Chair, my colleague is absolutely correct. The reflection of price at the farm gate does not reflect on the price over the counter. I would be remiss if I did not also add my words of commendation to the Canadian consumers who have supported our industry. They have very sincerely bought our Canadian beef, no matter what the price is or has been at the counter.

The problem we have had, and many of us know this because we have had the wholesalers coming and telling us that the price they are paying to the packer when they order beef in boxes or quarters or whatever form, they are still buying that beef at the price they were paying prior to May 2003. No savings have been passed along, which is one of the reflective issues that has caused us to come to the conclusion that the packers have made huge profits. There is no doubt about that. They have admitted that. However somehow this country sees nothing wrong with making huge profits on the backs of those who are going bankrupt. There is a moral issue here and I take exception to that.

It is time consumers, producers and everyone else understood what has been happening. Surely we will learn from this situation some of the lessons that we have not learned very well in history and that is that in the past there has been a culture in the packing house industry that when a program is put forward by government, whether it is 7¢ as it was in the 1960s, it will make every effort to claw that back if at all possible, and that is wrong.

Unfortunately we should have taken a different route with that program but we did not. I know there are people in this world, including Russia where our Prime Minister is currently visiting, that are looking at buying product from Canada. If it means that we have to test every animal and go to identification systems where we are already way ahead of the game in terms of the United States, then let us go there. Let us take ruminants out of all kinds of feeds. Let us take that route and make sure that our product is far and beyond anything that anyone else in the world could offer. That is my submission to Canadians and to the House. I will support the things I have said this evening.

● (2010)

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Madam Chair, I am pleased to have time to say a few words on this and to ask a question of the member opposite.

He rightfully acknowledged that his government blew it when it came to the program on delivering money to cattlemen which ended up going primarily to the packers. That was a good step forward but he went on to say that he found it morally reprehensible that the packers were reaping such huge profits.

I would ask the member what the most effective thing the government could do to help solve that problem? I would suggest that it would be to help create competition, to really have some money flow that would allow and encourage new packing plants to get on stream as soon as possible.

The government has said that it has $68 million or some such figure that will go to that. In fact, it is about half of that. However we find out how from the provinces that the money will not flow for at least three months.

On the one hand the member says that he finds it reprehensible that the packers are making this kind of profit. On the other hand, his government has done nothing in a year and a half to put even one new packer in place. As of right now, no government money is going to help a packing plant start up. That is a sad commentary on this government.

Could the member explain to us and to the cattlemen in particular why it is that the money has not done the job in helping even one packing plant start up?

Mr. Paul Steckle: Madam Chair, if I ever said that government by itself made all the decisions in terms of program then I was wrong, but I did not say that.

What I said had to do with the way that we delivered the program, but let me tell him that it was done with the concurrence of the primary sector, the beef producers themselves and our farm organization. We did not walk alone.

The first program, as he will recall, was a program where we talked about loan guarantees. That never even came to the table before it was taken off. We ended up with cash to the farmers, which ended up being a bad plan. Nevertheless, that is what we put forward.

I think it is also fair to say that no one in their wildest dreams ever thought that 17 or 18 months later this problem would still not be resolved. We should have known. The protocol, if taken to its ultimate limit, would be seven years. We are just nicely into the seven year period. That does not make it any easier to swallow.

Having said that, there is now money for the packing houses. Some people have said that we should have gone to chapter 11 and had a challenge on that. If we had told the people then that it would take two or three years they would have said that was not acceptable.

We have to understand that there was a farming community that thought there was an imminent end to this issue but they needed money quickly. The government, therefore, had to respond quickly or we would have heard from the member's side, from other opposition members and perhaps even from our own side that we were not delivering quickly enough.

It was a case of delivery and then we found out that it was not working quite the way we figured it would work, but is that not often the way it goes, even the way we do our own business sometimes? I think we responded rather quickly and I think we responded favourably to those who were helping us design programs. I think in fairness to all, there is enough blame to go around for all.

[*Translation*]

Mr. Sébastien Gagnon (Jonquière—Alma, BQ): Madam Chair, I would like to begin by congratulating you on your appointment. I have no doubt whatsoever that you will fulfill your duties with dignity and objectivity.

I would also like to take this opportunity to thank the voters of Jonquière—Alma, a new riding created as a result of the redistribution, for the support and confidence in me that they expressed on June 28. It is a privilege to be able to represent them here in this House. I can assure every one of them that I shall work very hard to demonstrate that I am worthy of the trust they have placed in me, but also and above all to debate issues of concern to them, agricultural ones in particular. What is important is to work hard at delivering the message here in the House of Commons.

The overall situation needs to be understood. In 2003, one case of mad cow disease was discovered in Alberta, which triggered a total ban on Canadian exports to the United States. This plunged Quebec into economic disaster, as well as being a source of great frustration for our Quebec producers. They had been subject to very strict health standards for a long time, yet one cow in Alberta, 5,000 kms away, was enough to send their incomes plummeting. The agricultural industry of Saguenay—Lac-Saint-Jean was already struggling, but now I can tell you it is in dire straits.

In order to mitigate this situation, Ottawa should have entered and should now enter into discussions with Quebec in order to decentralize the food inspection system and divide Canada into a number of public health regions. A similar kind of regionalization—it must be recognized—would have made it possible for Quebec's producers to be spared. They could have been peacefully exporting to the American market today, and showcasing both their constant efforts and their public health leadership. Instead, for farmers in Quebec, especially in the regions, life is not rosy.

I would like to remind the House about the importance of agriculture to Quebec, so that members will understand what an important place this industry occupies. For example, the agricultural sector in Quebec has sales of some $5 billion. There are 44,000 men and women working in agriculture every day to produce the cereal and milk for our breakfast in the morning.

In Quebec, agriculture has also been shrinking in recent years. Between 1996 and 2004, the number of producers dropped from 53,000 to 44,000. We know this is a problem already. We know that a solution to this problem needs to be found quickly.

As for agricultural renewal, that is tragic as well. There are only 6,500 farmers under 35 years old. This figure dropped by 52% between 1996 and 2001. That is the state of renewal in agriculture, and renewal is important. We see the number of agricultural students in CEGEPs and universities declining. There is a lack of interest in agriculture, which is seen as an industry plagued by crises.

Two weeks ago, along with my Bloc Quebecois colleagues, I had an opportunity to meet agricultural producers. My colleague from Chicoutimi—Le Fjord was with us as well when we met these farmers from the Saguenay—Lac-Saint-Jean area. We even met with the Union des producteurs agricoles, not just to hear their message but to understand it as well. They had a great deal to say about the way the Liberal government is handling this crisis. One had to be there to feel the depth of their frustration.

Last year farmers sent a devastating message. I do not necessarily approve of it, but it showed their distress. In front of the cameras, they went so far as to slaughter a cull. This caused an outcry in the local media. The message behind this action is important. These farmers were trying to show that they no longer had any money for their cull. A cow that could once sell for between $800 and $900, today is worth between $0 and $200. In some cases, farmers have to pay to get rid of the cow. This is a significant loss in farm income.

What did the government do after the crisis? It came up with a fifth program which, at this time, is failing Quebeckers and the farmers in Saguenay—Lac-Saint-Jean.

● (2015)

This program was created for Western Canada. It may be good for some, but it does nothing for dairy farmers who have cull.

Representatives from the Union des producteurs agricoles, among others, have taken steps to make the government understand this. Farmers have held demonstrations. There have been political representations. Hon. members expressed their opinion to the former minister and questions were asked during the last Parliament. I can assure you, the government has done nothing.

This is a $488 million aid package, but Quebec is receiving a measly 4%, or roughly $15 million. The government has to understand that what the producers really need is roughly $150 million.

After talking to the Union des producteurs agricoles, we did a small calculation. Our region gets $105,000, which is somewhere between $100 and $120 for each farmer, but we know that one cow used to be worth between $800 and $1,000. This is totally ridiculous and is a slap in the face to the producers.

Another important issue was raised earlier in this House. I am thinking about the whole issue of competition. The producers also pointed out that, while they are being paid next to nothing for the cull shipped to the slaughterhouse, the retail price for streak is still $3.89 a pound. The price has not gone down. One has to wonder where the profits are going, Once again, the government must look into that and take appropriate action.

Our producers are so exasperated that, in another press conference last week, they announced that more pressure tactics would be used. I am very sensitive to their plight. I hope the situation will not escalate, that it will not go as far as last time. But at the same time, I realize that, if something happens, the Martin government will be partly to blame. It must take its responsibilities and help those producers who need help.

This government must get this message, in this House, today. Our farm producers are expecting help. After all, they are in no way responsible for the mad cow crisis, given that the infected cow came from western Canada.

I challenge this minister, this government, to come to my riding and meet with the producers, so that they take in this message clearly, if they are not getting it today.

● (2020)

[*English*]

Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.): Madam Chair, I listened with interest to what my colleague had to say. I have to say that I have great admiration for the place of agriculture in the society of Quebec. This is an admiration I have had for many years, which is now increasingly being shared by my constituents. I am not now simply speaking of beef or of meat. I am speaking of the whole farming system. I know the strength of the dairy system in the province of Quebec.

One of the things that has impressed me, which is what I would like my colleague to comment on, is that it seems to me that in the province of Quebec—I can only speak for Ontario and I have to be a little careful because I am elected in Ontario—in times of crisis in one sector where one commodity is having a problem, in some fashion agriculture is organized in Quebec in such a way that the other commodity group farmers come together and stand very solidly with the people who are being harmed or experiencing a crisis at that particular time.

Over and above the cull cow issue and all of the others which he quite rightly raised, would my colleague care to comment on that? Are there mechanisms in the farm community in Quebec which encourage them to help the commodity groups that are in a particular crisis?

The Assistant Deputy Chair: I am afraid that the member for Peterborough and the Parliamentary Secretary to the Minister of Human Resources and Skills Development misunderstood the fact that we are now into his presentation. We are past the time for questions and comments.

Hon. Peter Adams: Madam Chair, I thought it was questions and comments for my colleague. I do not recall anyone asking him a question.

The Assistant Deputy Chair: I called for questions and comments and there was no one standing. Then I called on you for debate.

Hon. Peter Adams: Madam Chair, I stood to ask a question. Could I ask for unanimous consent for my colleague to respond?

The Assistant Deputy Chair: We are moving on to your presentation.

[*Translation*]

Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.): Thank you, Madam Chair. My apologies to my hon. colleague, it was my mistake.

● (2025)

[*English*]

Madam Chair, I am glad to speak today. All of my colleagues on this side who have spoken are farmers. They are people with current and past farm experience. I greatly appreciate their wisdom and the advice that they give me in rural caucus.

I am also an associate member of the Standing Committee on Agriculture and Agri-food. I sat in on some of the hearings last summer that had to do with the packers. I was shocked by the way we were prevented by members of the opposition from subpoenaing packers and packers' records.

I am not a farmer. I do not have a farming background. I am a member of Parliament who has the enormous privilege of representing farmers. I have worked very hard to do that. I have come to appreciate not only the agricultural community but the entire rural community in my riding, and its enormous strengths, its enormous patience and its enormous wisdom. The farmers in my riding have gone to a great deal of trouble to try to train me so that I know the difference between a cow and a horse now and very important things like that.

I appreciated what one of my colleagues opposite said: that one of the purposes of debates such as this, a take note debate on this critical issue, is to raise interest in the general public, particularly in the urban public, not just in the big cities but in many of the small cities where people either have forgotten there is a crisis underway or have misconceptions about it.

What I would like to do in the short time available to me is speak to that and try to again explain what is going on to people who are not as involved with it as my colleagues in the farming community are.

First of all, there is the point that has been made again and again. Over a year ago now, one cow was discovered with BSE and was very quickly traced and did not get into the food chain, but that triggered this crisis we face. Most of us, and this includes the farmers, I think, although we knew some of the things that happened elsewhere in the world with BSE, thought it was going to be a short crisis.

By the way, the medical and science experts, not only here but in the United States, the international science panel, which the Americans actually paid for themselves, said that it was going to be a short term problem and that the border, which was closed because of this risk of transfer of disease, would be open.

They were proved partly right, because in fact, very quickly, as some of my colleagues have said, we succeeded against all the odds in having the border opened to meat of younger animals. That meat has been flowing over the border ever since. I think that is one of the reasons why people think the crisis is over.

Now we know that we are faced with this longer term problem. The problem has nothing to do with health and nothing to do with science. It has to do with politics. The Americans will not open the border. Our colleagues have given some suggestions, the Prime Minister has tried and our ministers of agriculture have tried. We have tried to operate through customers of the United States, such as Japan, to encourage them to encourage the Americans to open the border. Those things have not worked.

Now we are trying to deal with the longer term problem. That is why I am glad we are having the debate. We are going to build new slaughter capacity in Canada because we do not have enough capacity to slaughter the animals we are producing, the animals we previously were selling into the United States.

We have the set-aside program, which has just come in and which is to fill in the gap between the building of the new slaughter facilities and to get some animals on one side and help the farmers a little while that capacity is being built. There is also a cash advance program, which is on now.

Our minister, as we speak, is in the east trying to open up other markets and diversify, which by the way is something we should have done long ago. The Prime Minister is in Russia and is pressing agricultural exports with Russia. By coincidence, about a year ago I had the opportunity to speak to President Putin of Russia for 45 minutes, and half the time I spent talking to him about restocking the genetic pool of the Russian agricultural industry from Canada.

● (2030)

He himself said at the time that we are such a good fit with Russia, with our climate and so on, that the Russians want our genetic stock and that they are looking forward to trading with us. That is a part of the program. There is no health problem. We are trying to deal with what is now a long term political problem.

There is another misconception out there. In addition to the fact that many city people think the problem is over, many people think it is a western problem. Goodness knows it is something that has hit the west very badly. We know from Alberta and Saskatchewan exactly what the impact has been out there, but this is a nationwide problem. It is part of this extraordinary food producing system that we have in Canada.

In the east and in my riding, the problem is not meat as such. People imagine that sides of beef are going over the border. In my riding there are over 1,000 livestock farms. Almost all the traffic is in livestock. The animals used to go over the border live. It is quite a complex industry, as some members here have said. We are talking about all ruminants. In my riding alone, in addition to cattle, there are llamas, buffalo, goat and sheep farms.

For the benefit of members and the people watching this debate, of the sheep farms in my riding, one of them produces milk and cheese, others are more focused on meat, and others are more focused on genetic stock. Before the border was closed, the Canadian sheep industry was in the process of replacing the genetic stock in the United States.

I have hardly spoken about beef, which I will do very briefly to explain because it is a complicated industry. As my colleague from the Bloc said, I have 125 or so dairy farmers. They are faced with particular problems from this crisis. I have people who are cow-calf operators, people who are essentially feedlot operators. Their problems are all different and they are all suffering.

I hope people watching this debate who are not farmers will feel for the farm families in this amazing, complex food industry that we are so proud of. In my riding over 1,000 families are directly suffering and many others are being affected in the rural areas and in the city by that suffering.

[*Translation*]

Mrs. Diane Finley (Haldimand—Norfolk, CPC): Madam Chair, as agriculture critic for the official opposition, I would like to take this opportunity to talk about the effects of the BSE crisis on Quebec and put a question to the hon. member opposite.

While commenting on the announcements made by the agriculture minister on September 10, the president of the Union des producteurs agricoles, Laurent Pellerin, asked the minister to revise his strategy in order to quickly invest new money in cattle operations, which are on the brink of bankruptcy 17 months into this crisis.

Mr. Pellerin said: “I do not understand why Ottawa and Quebec gave around $150 million last year to support the Quebec beef industry, but are making such a modest contribution this time around. Nothing has changed. Producers are facing as tough a situation as ever”.

According to the Fédération des producteurs de bovins du Québec, the Fédération des producteurs de lait du Québec and the Union des producteurs agricoles, although Quebec producers need over $141 million, they will only get between $15 million and $20 million under the new transition measures, which will meet less than 15% of their needs.

I would like to ask the hon. member the following question. How far does he think the federal government should go to support the Quebec industry, which was and continues to be hard hit by the BSE crisis?

● (2035)

Hon. Peter Adams: Madam Chair, I thank the hon. member for her question.

[*English*]

In reply to the first part of the question, people keep asking why the minister does not do this or why the government does not do that. This has been explained. Throughout this crisis we have always tried to consult with all the players in the industry. Maybe someone thinks there is something wrong with that but I think our minister should consult. At the WTO negotiations, for example, Canada was one of the few countries which took delegates from the various commodity groups to engage in those discussions. Consultation is very important.

With regard to the cull cow program, and I tried to explain this in my riding, it is my view that one part of the problem has to do with the dairy industry. The dairy industry is very important in my riding. Where there is a cull cow problem, the treatment should be the same all across the country. I am sure that is what the member would prefer.

We know the dairy industry is very strong in the province of Quebec, but it is also very strong in Ontario and other jurisdictions. I say yes to a cull cow program and one which is as effective and as vital as we can get, but it should be the same across the whole country.

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Madam Chair, I congratulate you on your appointment and wish you well.

The hon. parliamentary secretary indicated earlier that he had learned a lot of things from his colleagues about BSE and I am glad to hear that. The government and the media have not done a good enough job in educating our urban friends on how big a problem this is.

I would like a bit of education myself from the hon. member tonight. The minister was here for the debate last Thursday night and I informed him about some discussions I had had with some industry leaders. They informed me that the meeting they had had with Agriculture Canada staff was not very fruitful. They implied that the staff was not very flexible and did not seem willing to come up with an agreement.

The hon. Parliamentary Secretary to the Minister of Agriculture indicated earlier tonight that the government wanted to hear some good general comments. The minister said that they are working night and day, seven days a week. Those were his exact words last Thursday night. I would like to know the play by play action. What happened on Friday? What happened on Saturday? Does he get the picture? I would like to know what was accomplished over the weekend.

Hon. Peter Adams: Madam Chair, I draw attention to the fact that I am the member for Peterborough, in case some members opposite think that I am the Parliamentary Secretary to the Minister of Agriculture, which I am not. I am something else. I am not privy to the Minister of Agriculture's office and the discussions that have gone on there recently.

I want to repeat my remark about consultation. I know from the work that I have done in the House that we are a government which consults with the industry.

The member mentioned the bureaucracy. I believe that the House can drive the bureaucracy. I do not believe that the House is under the control of the bureaucracy. The same applies with an effective minister and his political staff. Picture the Department of Agriculture as a pyramid. The minister and a handful of political people are at the top and there are tens of thousands of bureaucrats underneath. We can imagine how difficult it would be to drive it.

The minister's job is to drive the government's agenda. The government's agenda is to keep working at this, to listen as much as it can to the industry, and to produce programs which are as effective as humanly possible, as quickly as possible.

● (2040)

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Madam Chair, I want clarification on the response to the question from the member for Haldimand—Norfolk.

The question came across to me as if the member for Haldimand—Norfolk was asking for special privileges for Quebec producers. I hope that was not the case because we have tried as a government to come up with a program that is equitable to all producers across the country and that it is the best for all producers. Quebec certainly benefits from the national supply management system. It is as a result of the Canadian supply management system that the producers in Quebec are able to do as well as they are under that system.

I was concerned about the question from the member for Haldimand—Norfolk. There may have been an implication, based on her question, that there should be special privileges for one province versus another. I wonder what the member's response to that might be.

Hon. Peter Adams: Madam Chair, when I replied I tried to respond in that vein.

In the case of cull cows, given the significance of the dairy industry in Quebec, it obviously is of special importance in Quebec. I think the parliamentary secretary's words are right. The dairy industry is important in Quebec and the cull cow problem is very important there. Whatever cull cow program we have should be, as he says, equitable across the whole country. I think that is the function of the Government of Canada.

Mr. Larry Miller: Madam Chair, I want to go back to the comments by the member for Peterborough.

I am very aware that he is not the Parliamentary Secretary to the Minister of Agriculture. Where I was leading on this was that in an important and very urgent crisis like the one we have on our hands, I would presume there would probably be two or three updates a day, maybe even hourly, from the agriculture minister. No matter where the member sits, I would presume he would have that kind of information on something this important.

Hon. Peter Adams: Madam Chair, to the best of my knowledge, most of the members have that information. There is a website which I am sure the member consults on a regular basis. Information is posted there.

I receive regular information through parliamentary e-mail, as I think do all members here. Perhaps the member would care to consult with my farmers, I do not know how he corresponds with his, but in addition to my own website, I do mailings on this topic updating the farmers roughly every two weeks. I have been doing so for more than 12 months.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Madam Chair, I want to congratulate you on your election as Assistant Deputy Chair of Committees of the Whole. It is very interesting to see you fulfill these duties. I know that you will do a good job and that the members of this House will like you. I welcome you.

[*English*]

It is with great pleasure that I have the opportunity tonight to speak on the topic of BSE. Normally I speak in French but tonight I will try my best to speak English, the language spoken by the farmer to whom I spoke the other day.

Yesterday, during Thanksgiving, I took the time to sit down with a farmer. He was cutting his corn. He stopped his machines because he wanted a message to be brought to the House of Commons. I know the farmer, David Whelton, is listening tonight. He lives in Pokeshaw, New Brunswick. He said that he hoped the members of the House of Commons would stop picking at each other and try to find a solution because he was losing his shirt.

He gave me a message to bring to the House of Commons, and it gives me great pleasure to do that. We throw around blame but the end result is what we will do for the farmers.

In August last year I had a press conference in Bathurst, New Brunswick. David and other dairy farmers were with me. Also, my colleague, Dick Proctor, from Moose Jaw, was with me. I remember what David said at the press conference. He asked what was happening between the farmer and consumer. He said that he used to get $1,400 for his beef but was getting between $300 and $500. He said that he went to the super store and it was still the same price for steaks. He asked at the store what was happening to the price between himself and the store. He was told that the store was paying the full price, so David asked to be shown the bills to see how much the store was paying. The person at the store said that he could not do that.

David told me about his financial picture before May 20, 2003. He had a debt of $260,000. He had cattle worth $360,000. He is maybe not a big farmer but he is one of the farmers we love in our area. He had feed valued at $100,000. He said he had no mortgage, no debts and no bills, but he had $200,000 net if he was to sell all his cattle. That was before May 20, 2003.

Now he has $30,000 worth of cattle. He has feed worth about $50,000 to $80,000. He has minus $35,000 in accounts payable and a debt load of $550,000. If we put the $515,000 and the $200,000 that he would have had, it makes a difference of $715,000. Now he must sign a mortgage with the Farm Credit Corporation of Canada to convert $260,000 of debt to a long-term 20-year mortgage at prime plus 3.25%.

He had to borrow from the Royal Bank $350,000 as an operating loan to refill his feedlot to handle 300 head of cattle to start over. The operating loan is guaranteed by the New Brunswick government at 80% in order for the bank to lend the funds. An annual cost guarantee to the provincial government is as follows: an annual payment to the province of New Brunswick of a guaranteed loan will cost him $4,200; an annual interest payment to the farm credit for $260,000 at the prime rate of 3.25%; and an annual payment to the Royal Bank for the $300,000 at prime plus 3.25%. Today to keep his farm, he must take a very large increase in his debt load.

● (2045)

After paying the New Brunswick government, farm credit and the Royal Bank, the chance of making a living with a farm is very slim. Not only will meat packers make money from the mad cow disaster, but the bank and the government will make money from people who are losing their shirts.

Between the farmer and the consumer what is happening? I remember we had to twist the arms of the meat packers to get them to come to the parliamentary committee. Where are we going as a country, when our farmers are going down the drain. What are we doing?

David is very sad today. He had a nice little farm and he had money in the bank. Now he is going broke like many other farmers. I would like to thank David for giving us this story, a real one, one about what people are living today.

He applied for a grant and he got $9,000. It cost him $3,000 for the accounting firm just to fill out the forms. He made $5,000 out of $8,000. It cost him $3,000. He gave me all the forms that he had been filling out for over a year, but he is getting nowhere. Know what the department told him? He was turned down because, by their calculations, he did not lose enough money to trigger the payment. What a shame it is to have a program that is not enough. We believe the meat packers and big super stores are making money. They even are getting the money from the government.

The little farmer is not getting the money. He applied last year and he is still waiting for an answer. He was told he would have to wait another 60 days before something would happen. That will be November 25, 2004, 13 months after his first paperwork was sent to the CAIS program. We have a problem.

My colleague said not too long ago that Parliament had no power over the bureaucrats. If we do not have any power, we have a problem. When we talk about what is happening in the United States, we are being nice. We should punish the United States with our free trade. We have free trade one way, and the Americans find a way to stop us.

We had a problem with chickens from two states. All Canada said was that it would not take chickens from these two states. We did not say that we would stop taking chickens from all states. The BSE incident happened in Alberta and the whole country was stopped from sending its beef to the U.S. It was one case. We have eaten more beef in the last few years than we have ever eaten and no one has died.

I was in Taiwan a couple of weeks ago, and I asked a question. Members from the Conservative Party and the Bloc Quebecois were there also and they asked why they did not buy our beef. The answer was that they had not been convinced technically that it was okay.

Are we doing our job? Did we try to convince them? Did we show them the proof? We told the Taiwan people and the foreign deputy minister that we believed the only reason we were having the problem with the United States was because they did not want our beef, the same way they did not want our softwood lumber. They have been treating us the same way for the last few years, and it is not right.

● (2050)

A member from the Conservative Party has said that we should go to the States and sit there until the Americans understand. They do understand. However, this is not right. We have to look more at how to treat our people.

Maybe I can suggest a solution to the government. Why do we not set up a royal commission? We could find out what is happening in Canada alone. Why is it today our farmers get $500 or $600 for a beef, yet when we go to the store, we still pay the same price? Why is the steak still $11.50 per pound, but the farmer is losing his shirt, a guy like David who was working late yesterday. It is the same thing with the one in Alberta, the one in Winnipeg, the one in Edmundston, New Brunswick, the one in Sussex, New Brunswick , the one Nanaimo and the one in St. George, B.C. I think it is important. I think the people and farmers are sick and tired too that we are having these discussions. While we are having these discussions, for over a year they have been losing their shirts. That is not right.

I hope we do more than just talk among ourselves. I hope we find a solution for the farmers. There is a solution, but we have to do the right thing. We are together here to find the solution for our farmers.

● (2055)

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Madam Chair, there were examples that came up earlier, similar to the producer the hon. member mentioned. We have said and we know that producers are in very tough financial shape. In fact the example I gave earlier, which we have to try to address, is the food price spread within Canada. I have a grading certificate here from a producer that is a neighbour of mine, similar to the case the hon. member mentioned, in which eight cattle were shipped. Seven of them were triple A, the best cattle that we can ship, and one was a double A. The individual was paid from $1.29 to $1.33 per pound. How does that compare to the price of steak when we buy it in the store?

The point I made earlier, which I want to make again in response to the member's remarks, is that I would hope when Canadian consumers go into the stores, they ask if beef they are buying is Canadian. There are instances in the country where it is not. The Government of Canada has not issued supplementals. We have issued, I believe, a half tonne of supplemental imports this year. I believe Canadians should be asking if they are buying Canadian beef and supporting the Canadian producers. They should be asking why is a greater share of that dollar not going to Canadian producers from the packing, the processing and the grocery chains in this industry? I agree with the hon. member on the point. Yes, farmers are in serious shape in every province across the country and they are indeed suffering.

Also for the member's benefit, I do want to mention what the government has been doing. All too often we fail to mention that. We recognize that we need the border to be open. On September 10, the minister took a somewhat different tack and said first, that we would keep the pressure on the Americans to open the border, and everybody in the House wants the border open. Second, he said that we would move to increase our slaughter capacity within Canada and we would assist the industry to do that. Third, he said that we would bring in the two set aside programs to try to at least bring some normalcy to the market so that prices should rebound, should come up and producers would be paid out of the marketplace in the interim while we were getting the slaughter capacity up to speed. Fourth, the minister today has gone to Japan, Korea, China and Hong Kong and the Prime Minister is in Russia to try to increase our exports elsewhere around the world to lessen our dependency on the United States markets.

The point I want to make is, yes, the hon. member's case is similar to many in the country, but let us not deny that the government is not also trying its best to improve the financial situation on the farm and trying to move us down the road with a Canadian position for the future.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Madam Chair, I appreciate the comments from my colleague from P.E.I. We are seeing the same problem in both provinces and we are in agreement. However, what is the government doing? We must also agree that it has been happening since May of last year. Why does a farmer have to wait 13 months to get an answer? Why are farmers losing their shirts and the government is saying that they did not lose enough? There is something wrong with the program. It is as simple as that.

What are we going to do for the guy from Pokeshaw? What are we going to do for the guy from P.E.I.? What are we going to do for the guy from Gaspé, or the guy along Highway 20 coming up to Ottawa? What are we going to do for the guy in Timmins, Ontario? What are we going to do for all those farmers in southern Ontario?

When a farmer who has other things to pay has to pay an accounting firm to work on his papers to try to save his farm, what are we going to do? That is the question that David Whelton is asking and I am supporting what he is asking. What are we going to do to help those people? It does not make sense that a farmer has to wait 13 months.

We need to expedite this faster than that. We must be able to do something other than ask farmers to fill out a 10-page form, to go back five years and spend more time. They do not have time for that, they have to look after their beef. They have to look after their farms. That is the matter that is important today.

At the same time, what about the meat packers? What is happening with them, or the big SuperValu, or the Sobeys and Loblaws? Why are we not asking them why we are paying the same price in the store for Canadian beef and the farmer is not getting paid?

Why not raise this question as a government? The government has that power. The government has the power to do something, to carry out a study, or we have no business being here. If we have no power then we have no business being in the House of Commons. We are here to protect the people and we are here to protect our farmers. It may be nice to have a car, but maybe we do not need it. It may be nice to have a motorcycle, but maybe we do not need it. However, we need food and we must support our farmers.

I am sure that the United States is supporting its farmers. I am sure that any other country in the world is supporting its farmers, but our farmers have been let go. The government will say no, it has done all kinds of great things, but the answer is still that the farmers are not happy because they feel they have been left behind. They are the ones who get up at 5 o'clock in the morning and are in the barn. They are the ones who have to go and get all the feed. They are the ones who have to work seven days a week. They are the ones who do the hard work, and they are the ones who are treated the worst right now. It is not right.

That is why I call upon the government to do something different and do it faster. We need to help farmers, have better answers for them, and have programs that will help our small farmers too. That is what we need.

I do not want to take anything away from what the government has done, but it does not work when a farmer has to wait 13 months for an answer. It does not work when the department says a farmer did not lose enough when he is $550,000 in the hole. That is not an answer. It is not right.

It is not the first time that I have spoken to farmers. They are going through hell. Our dairy farmers are going through hell. It is not acceptable. We have to look after the ones who provide us with food. We are losing them and we will have big business looking after it.

If we are going to help farmers, maybe we should help them create co-ops to do their own processing. Maybe that is the competition we need. Those farmers were telling me they had a group and wanted to create one in P.E.I. Maybe we should support that. We should take a stronger look at it and how we could advance a solution faster. Maybe that will be the answer.

● (2100)

Mr. Charlie Angus (Timmins—James Bay, NDP): Madam Chair, I was at one of our northern fall fairs in an area that used to have massive agriculture. I was told about the Saturday morning farmers' market where American tourists used to come, but they do not have farmers at the market any more. They just have local people selling little Phentex booties and folk art. The tourists asked why they called it a farmers' market and where were the farmers? The person said "nobody wanted farmers and there are not any anymore".

I would like to get a sense of what is happening in New Brunswick because every time I go back to my riding, the overall sense I get is of despair. Earlier this summer people were positive. They thought the border was going to reopen and they could hold on, but people are now talking about what they are losing. They do not know where the money is. We are being told that this program will put money in farmers' hands this fall, but there does not seem to be any program in place. Our farmers are not eligible for CAISP though they thought they were. They do not know how this feeder set-aside works. They phone me and ask how they can get this money.

I do not tell them where to get the money because I know how long it took them to get the last round of money. Farmers in my region are deciding whether to pack it in or not and already half are downsizing their herds. They cannot wait any longer and they hear that there is going to be money in their hands this fall.

I often feel like a discredited person when I go back to the riding and tell them there is going to be money because I do not know where that money is. I would like to ask the hon. member, does he have a similar experience in New Brunswick? Does he know if the money is there?

● (2105)

Mr. Yvon Godin: Madam Chair, the simple answer is yes. Many farmers have packed it in and have left. So much land has been abandoned. We are making a big mistake.

Mr. Charles Hubbard (Miramichi, Lib.): Madam Chair, we are having a very good debate tonight. It is certainly frustrating to so many people who are probably watching this, as farmers back home are looking at a very desperate situation.

It is difficult to believe that until May 2003 our farm community in the beef and dairy sector were doing quite well. Then lo and behold, one lowly animal was brought to slaughter. Of the probably 15 million cattle we have in this country, one cow went to market and it was found that that cow had BSE. With that, it entirely changed the outlook of our beef production in this country.

We know that in terms of changing the Crow business back in the early 1990s, the west especially developed a large feedlot industry. We know that until the period of May 2003 that most beef farmers producing quality *A* beef would probably get between $1.70 and $1.80 per pound.

I would like to point out that in our agricultural community, we have done very well in trying to identify an animal that would be brought to market, in terms of where that animal was, what it was fed, and how it arrived there, because back in the 1990s we brought in an identification system by which cattle were tagged. When a cow went to market, it was very easy for the packing plant to determine the history of that animal.

So in terms of the work that our Department of Agriculture and our producers have done over the last 10 years, we have done an excellent job in identifying beef production. But lo and behold, we found that the Americans decided to close their market. We have trouble trying to reason why the Americans would do that when in fact about 80% of our cattle that was leaving this country was going to the American market.

We also have to realize that in terms of BSE, along with another disease that was prevalent in parts of Europe called Johne's, it had reached proportions, especially in the United Kingdom, where a serious look had to be taken at the livestock industry. The British at that time, back in the 1990s, decided they had to have a major cull to destroy a lot of animals that had been fed certain foodstuffs.

The Americans, looking at their markets in terms of Asia, were afraid that they would have trouble selling American beef to the Japanese, Korean and other Asian markets. That may justify to them why they did that to us. Our own cattle industry, which was producing excellent beef, and our dairy industry, which was selling good genetics not only to the United States but to Mexico and to other countries, were all affected by the American ban that began back in May and June of 2003.

We had a previous debate on this subject in the House and we brought out some excellent points. With those points, our government has made certain changes in terms of our livestock industry. It has worked hard with producers and with provincial governments. In fact, our federal government has put nearly $2 billion into this problem already.

However, tonight as we address the issue we know full well that even though we have put a lot of money into it, there are still farmers like David Whelton out in Pokeshaw, New Brunswick, whom I know very well, who has trouble at his farm in trying to meet the demands that the banks and others are putting on his own livelihood. As we address this issue, we realize that across this country there are many people, like the constituent in Acadie—Bathurst, who are in grave circumstances as a result of the BSE problems.

I would suggest that the matter, in terms of opening the markets, especially the American market, has been a serious problem, one that our minister has spent a lot of time with. Both our previous minister and the present Minister of Agriculture and Agri-Food have worked with the Americans. They have talked to the American secretary of agriculture. They have also worked with Asia in trying to get markets in Korea and Japan and other places.

● (2110)

Today we know, as we look at this livestock industry, that more things have to be done. We know that there has to be increased slaughter capacity. In fact, if we do not increase our capacity and find markets for our beef, then we will find that a growing number of livestock back at the farm level will get older and older and will eventually have to be dealt with.

One of the members tonight talked about the price of beef and the fact that consumers are paying what he called an exorbitant price for beef while at the same time farmers generally do very well today to get $1.30 for hot rail grade A quality beef. We are told in terms of economics that two things are happening. First of all we are dealing with a situation where we do not have enough slaughter capacity but Canadian consumers are demanding more beef. As a result, in terms of the two forces pushing together, the Canadian consumer is paying too much for the meat he is buying for his daily table.

I would suggest that unless we develop a major culling program in this country to cut back on our inventory of animals over 30 months of age, many of them getting older, in fact older yesterday than they are today, we in fact will be facing disaster in terms of the livestock industry.

I know it is a very difficult thing to talk in terms of a cull. The British have done that very extensively. It would improve the genetics in our livestock herds and would offer our farmers an opportunity to develop our market, which would meet the supply that they are offering to the Canadian consumer.

We have had a good debate. I certainly hope I will get some questions on what I have said. We have had a number of programs and all of them have worked a little, but the situation has to be addressed in terms of the producer, the provincial governments and our own department, which has worked quite extensively to try to find a solution to this problem.

Mr. Myron Thompson (Wild Rose, CPC): Madam Chair, I would like to know if the member could explain to me why the government in the last 18 months has not made a constant effort to put a lobby group in the Asian market. The Americans are over there lobbying every day. As we speak, they are there lobbying. They work at it day in and day out. Believe me, they are not lobbying on behalf of Canadians. They are lobbying on behalf of the Americans.

At the same time, I am wondering why after the election—I do not know why it did not happen before the election—Canada did not have a group constantly in the States. I do not mean to visit for a day or two and then come home. Why did we not send a constant group of people made up of parliamentarians, provincial people, industry people, consumers and some of our friends across the border who also want the border open? Why is this not being done? What is the reluctance? Why do we always come up with massive multi-million dollar programs that nobody can fulfill, nobody can understand and nobody benefits from?

Why are we not doing some very active things? Why are we not there now, today, making sure that every one of the congressmen understand the problem? I can assure the member that a lot of them do not even know there is a problem. There is a lack of action or lack of initiative. I would ask the member to explain to me why the government has not taken some very simple but concrete actions such as those being taken south of the border.

● (2115)

Mr. Charles Hubbard: Madam Chair, I thought I mentioned in my speech the fact that two different agricultural ministers have gone to Asia. Our ministers have been in constant contact with the secretary of agriculture in the United States. Personally, I have been to Washington with a group representing all parties to speak with the livestock industry, with the American consumers, with the American beef industry and with numerous congressmen. A number of us also represented Canada at the meeting of the WTO, where we discussed this problem with the Mexicans, with the Japanese and with other countries.

The member may use the word "constantly", but I would say that there is a constant effort. The minister's job basically is in Canada and we have made two major trips to Asia to speak with the Asians, trying to assure them that we have a safe food supply, that our animals are being tested and that our beef is of high quality and meets their demands and concerns.

Mr. David Chatters (Battle River, CPC): Madam Chair, that is all very well. We all would love to see the American border open and we would love to open new markets in Asia and all the rest of it, but my question is a little different. For many years now in Canada, we have not had an industry to speak of for the slaughter of aged bulls and aged cows. We have shipped them across the line to slaughter, for the most part, in spite of the fact that we import huge amounts of manufacturing beef, baloney, jerky and corned beef.

Why has the government never provided any interest or any incentive to develop an industry in Canada to utilize those cull animals? When the government took a mind to, it certainly did not hesitate to provide incentives to develop an aerospace industry in Montreal or to provide incentives to bring the auto industry into Ontario.

Why is it that the government has never taken the initiative to try to stimulate and create some interest in creating a manufacturing beef industry in Canada so that these baloney bulls and these aged cows are in fact slaughtered in Canada? We would meet the demands of the fast food industry and the demands of the consumer for manufacturing beef and those kinds of products. That has never happened.

I have never been able to understand that. It does not seem to be a priority of the government now. Even in the middle of this crisis, the government certainly is not looking at creating and helping to nurture this industry and get it on its feet.

All the government does is provide a backstop for the chartered banks in Canada to help protect them. It is not doing anything to help entrepreneurs in Canada to take advantage of this opportunity to create a new niche industry in Canada and actually do these things in Canada for Canadian consumers.

Mr. Charles Hubbard: Madam Chair, I think if we look at the history of this we will find that things have happened in terms of where farmers could get the best price for their cull cows and over-age bulls.

Over the past years, during the late 1990s, often the best price for many farmers was in the State of Pennsylvania and on the west coast, often in the State of Washington. With that, in terms of our slaughter capacity being used in this country, farmers were getting the better price elsewhere.

If we were to take that initiative—and I believe there is money on the table in terms of slaughter capacity—our producers would have to guarantee these slaughterhouses that they would have access to their cattle in the future. We as a government and a nation certainly want to promote what the member is suggesting, but in the long run it is important that those slaughterhouses we might create in the short run would have cattle available in the long run.

Second, in terms of the banks, a few years back we saw where the banks offered a better rate of credit than the Farm Credit Corporation, which has been the backbone of our agricultural economy. Many banks loaned money to farmers at a rate lower than Farm Credit did. It appears that as a result of this, today the banks are reaping what they sowed. Our farm credit organization has worked with farmers very closely, but I am not sure how closely some of those banks the member for Acadie—Bathurst mentioned are ready to work with our farmers to make sure they survive this crisis.

● (2120)

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Madam Chair, the member mentioned that he was with a delegation to the United States. The impression seems to be left by the member for Wild Rose that we have not done our work in terms of lobbying in the United States. I wonder if the member could talk about the success of that delegation.

I believe that while we were there the Grocery Manufacturers Association committed itself to try to push to get the door open. Its members are not just grocery manufacturers. They represent the packing industry, et cetera, in the United States. The National Cattlemen's Association is the largest cattlemen's association in the United States. I believe that we met in their boardroom. They agreed to work with us to try to get the border open.

I wonder if the member might give to the House some of the experiences from his trip there to try to have some of the U.S. people work from within, to have them pressure their own political establishment to in fact open the border so the integrated beef industry could work the way it should be working.

Mr. Charles Hubbard: Madam Chair, my colleague of course was with us on that intervention to the United States last March. With it, we were looking forward to the opening of the border. There was talk about a comment period, a period when the Americans would be able to reply to the initiatives of the United States department of agriculture.

It is interesting to note that the United States consumers today are paying a higher price for their beef because of the fact that our beef is not entering their market.

We did have a lot of support in terms of what we heard in Washington, but sad to say, when we looked at some of those who put in comments, some of the leading senators, some of those seeking very high public office in the month ahead, we saw that they were against opening the borders to Canadian cattle.

It was shocking to see the senator for New York State and the two senators from Massachusetts wanting to make sure the border was closed. I hope that in the future they will change their minds, especially if they reach higher office, but it is a concern of mine and a concern of the agricultural community in Canada.

Mrs. Diane Finley (Haldimand—Norfolk, CPC): Madam Chair, earlier this evening I asked the member across the way what the government's position was on meeting the needs of Quebec. At that time it was suggested, wrongly, that I was looking for special treatment for Quebec.

What was said instead was that the government plan was designed to provide equity to all regions of the country, which is laudable, but I have to admit I am bit confused by that. On Friday, the fed cattle set-aside program was launched. It was announced by the Alberta government, which had already registered its producers as bidders, but the Ontario government to this day has no mechanism by which its producers are registered for the bidding process, a bidding process, I might add, which was launched Thanksgiving Monday morning. This first round closes tomorrow, Wednesday, at noon.

The program was announced on Friday, to start Monday and close at Wednesday noon. A call to Agriculture Canada this morning from an Ontario producer looking for information was redirected to the ministry of agriculture for Ontario. A subsequent call to the Ontario ministry of agriculture yielded nothing but a voice mail with no return call. This producer was trying to sign up for this new program for which producers are at this point eligible only until Wednesday noon.

This is my question for the hon. member. If this is equity or if this is supposed to be an equitable program, how is it that producers in Alberta who have already signed up can take advantage of this program but producers in Ontario cannot?

● (2125)

The Assistant Deputy Chair: The member for Miramichi's time is practically up. He has about 30 seconds.

Mr. Charles Hubbard: Madam Chair, I can only reaffirm what I said before. These programs operate in conjunction with the provinces. Negotiations are under way. My own province of New Brunswick, for example, would be much different than either of the two the member mentioned, but it is a matter of the provincial and federal people getting together to develop the program to assist their producers.

Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC): Madam Chair, I will be splitting my time with my colleague from Haliburton—Kawartha Lakes—Brock.

I rise tonight in this 38th Parliament to speak once again on behalf of both my rural and my urban constituents on the issue of BSE. I would like to take this opportunity to thank the people of Kamloops—Thompson—Cariboo publicly for their vote of confidence in sending me back to be their voice in Ottawa.

Since May 20, 2003 I have spoken often about a specific need not being met by government: a solution to the BSE crisis. The situation is becoming more and more serious with each passing day.

In 2003 there were 28 cattle ranchers that declared bankruptcy. For the first six months of 2004 there have been 32 and one can only imagine what the last six months of the year will bring. These are not just statistics. These are real people who work very hard to make a living. They deserve a government that works equally as hard to ensure their future success.

A live weight steer that would have fetched $1.60 a pound two years ago at auction may get up to 65¢ per pound. That is a huge discrepancy between what was happening before and what is happening now.

Farmers are having to take outside jobs to keep their farms going and that leaves the farms to deteriorate. The feed farmers are not selling their feed because the ranchers simply cannot afford to buy it.

In my own riding we have had a double whammy. We had forest fires last year. There was no production of feed. Everything was burned and we relied on the good graces of the people from Wild Rose county in Alberta to get us through a very tough summer. We are very grateful for that, but we have to look toward the future.

I have told the House before what the impact has been. Independent self-sufficient ranches that have survived for 100 years have suddenly been brought to their knees by a government that is incompetent. What has the government done? The answer is next to nothing, unless we count the excuses, the press releases and the head patting that has gone on which the Liberals think passes for progress.

We are talking about people, livelihoods, lifestyles and the Liberals are talking about covering their backsides. How callous can they possibly get. This is yet another industry in Canada where we can hear the flushing as we speak. We have to do more than we have done to date.

The Liberals talk about a consultation process, but it did not take place. The proof of that lies in the results. The Conservative Party has consulted and it has done so with those who produce. If we want answers and we want to know what the problems are and we want to know what the solutions are, it is imperative that we speak directly to the people who are affected. The government has not done that. It says it has, but it has not.

Those who have been completely overlooked in this disastrous situation, aside from the cattle ranchers, are ranchers who produce other ruminants. It has been 16 months with no recognition from the government side for those people who raise goats, sheep and a variety of other ruminants. Those people have had absolutely no say in their future and have had absolutely no input into what the government is planning to do.

We are not talking about a few dozen head here. We are talking about two million head. To not even discuss this situation with them is very serious.

We have to ask ourselves a question in Canada: Are we going to be independent producers of our own food or are we not? One of my constituents who is a sheep rancher told me that his own son is having second thoughts about carrying on the family tradition. The reason for this is not that he has lost his love for the family ranch; it is that he has lost even the most minuscule amount of faith in a government that has let this happen to his family and to hundreds of thousands of other families.

● (2130)

It is time to wake up. We have to do something fast and we have to do something serious or we are in jeopardy of losing yet another industry in this country. A government that would allow that to happen is not fit to govern.

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Chair, I listened with attentive ears to what the hon. member had to say.

It is fair to say that we have a right to pass judgment but judgment should be passed on fact. I heard the member say that there was next to no help from the government. If $1 billion is next to no help, then we should be prepared to ask our farmers to give it back and we will give it to the small industries, the small companies and businesses that are going bankrupt every day. There is no government help whatsoever for the farm machinery dealer who goes down as a result of this industry. People in my area are going bankrupt.

The Huron portion of my riding probably represents the largest in terms of dollar revenue return in agriculture than any riding in Canada east of Winnipeg. When the Bruce portion is taken in, it becomes considerably larger. I know what I am talking about. People in my riding are hurting. Their loans are being called in by the banks.

On no consultation, I can assure the member that there has been a lot of consultation. I can assure her that every member in the House has done some consultation. It is not only fair to pass judgment on this side of the House but perhaps on hon. members of the other opposition parties as well. I am sure they would agree with me.

The member said that we do not know what farmers want. I think we know what they want. If the results of going to the United States would be as positive as what we are being led to believe by some of the members tonight, then what are the results of the visits of the premier of Alberta to the United States? He has been there at least twice that I know of. It has been well publicized and is well known throughout this country that he has gone to make those kinds of requests to the United States and the politicians south of the border that would open the doors, but the doors have not yet been opened. There has been a lot of effort made by a lot of people, all sincere I am sure, but the result is exactly the same.

As my hon. colleague mentioned a few moments ago, there are those in elected office in the United States who want to see the borders remain closed. In the United States the organization R-CALF wants the borders kept closed. These are farmers. Convince our farmers that we have not done anything. The member had better talk to some of the farmers in the Huron—Bruce riding.

Mrs. Betty Hinton: Mr. Chair, it is nice to see such passion at this time of the evening. I wish that passion had been there when we needed it, at the very beginning of this crisis when we could have perhaps done something about it.

My colleague and I represent 70% of the ranchers in British Columbia. They are independent people. They are hardworking people who never ask for help. No matter what the weather is like, no matter what the conditions are, no matter what is happening in their families, they have a job to do and they do it without complaint.

The fault lies with the government. The government did not do enough at the very beginning. In my opinion, it has not done enough since the crisis hit to save these people's livelihoods. The government brought them to their knees. Some ranches have been in my riding for over 100 years. Ranchers have now been brought to their knees, not through their own incompetence, not through something they did, but through something over which they had absolutely no control. It was in the hands of government. This problem has been mishandled from the beginning.

I am not standing here tonight to bash the government. I am standing here tonight to tell the House that I want a cooperative effort made to open the borders and to save an industry that is in dire jeopardy.

Mr. Paul Steckle: Give credit where credit is due.

Ms. Betty Hinton: This is serious. The member can heckle me all he wants.

I stand here because I represent 100,000-plus people in my riding who are seriously hurting. I am sorry for the things that are going on in other people's ridings. If they are suffering, they have my sympathy. If you want my support to make it better for your riding, you have it. I am standing here tonight asking for your support for an industry that is in jeopardy because the government has failed miserably. The cost of that is not going to be on the shoulders of the government. It is going to be on the shoulders of families who have worked for years in an industry that you are helping to destroy.

My riding has been faced with all kinds of things. The government dropped the ball on softwood lumber. That killed a whole bunch of industries in my community. It killed a whole bunch of families' incomes. Now you are killing the cattle ranching industry but it is not just cattle ranches. I told you what has happened to sheep producers, goat producers and many other producers. Stop being adversarial in the House—

● (2135)

The Chair: The time has expired. I remind all hon. members to make their remarks through the Chair during the debate.

Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Chair, I will begin by thanking the voters of Haliburton—Kawartha Lakes—Brock. For those who do not know, my riding is in central Ontario. It is south of Algonquin Park tucked between Lake Simcoe and Peterborough. Lindsay is my riding's largest community but it is made up of many small villages and towns.

The northern part of my riding where I am from is known certainly to everyone in the Toronto area as part of cottage country. The southern part of my riding has a history of successful mixed farming that goes back almost 150 years. It is obviously those farmers that I am concerned about this evening and about whom I would like to speak.

Agriculture is and always has been a major industry in my riding. That is why I feel it so appropriate that my first speech in this place will focus on preserving a future for agriculture. The BSE crisis has had a devastating impact on many families in my riding and I fear the worst is yet to come.

BSE has hurt beef producers, but it has also hurt many others, such as sheep, goat, elk, deer and dairy producers. It has also hurt many businesses that rely on the primary engine of agriculture to drive a rural economy, things like implement dealers, truck drivers, auction barn employees, hay producers and seed dealers, to name just a few.

One week ago today as I listened to the Governor General deliver the Speech from the Throne, I waited patiently to hear what the Liberal government would have to say about the future of agriculture in Canada. I waited and waited and waited. Before I knew it, the speech was over and I realized that the subject of agriculture had not been raised at all. In fact, the word "agriculture" had never even crossed the lips of Her Excellency the Governor General.

Over the past week as I have listened to the debate on the Speech from the Throne, my mind has drifted beyond what I did not hear from the Liberals to what I really wanted to hear.

Prior to entering elected office, I worked for several years as a professional political speech writer. Just as music fans can dream about the greatest concert that was never given and sports fans can dream about the greatest match that was never played, speech writers can also dream about the greatest Speech from the Throne that was never delivered.

In that vein, here is what I would have liked to have seen written in last week's Speech from the Throne. It goes something like this:

"The Government of Canada acknowledges and appreciates the enormous contribution that farmers make, and have made, to Canadian society. The Government of Canada recognizes that farmers are important, and that the work they do to provide food for our families is crucial to the health, wealth and security of Canada".

"In response to the crisis that now exists in agriculture across Canada through no fault of the farmers, but rather as a direct result of a trade conflict, the Government of Canada has declared a state of national crisis in agriculture. In so doing, the government will make the immediate management and ultimate resolution of this national crisis its number one priority".

"The Prime Minister of Canada, together with the Minister of Agriculture, will assume co-management of this file until sufficient progress has been made so that this state of national crisis can be lifted".

"The Government of Canada is committed to seeing farmers and the entire agricultural community through this difficult time, and to ensuring that our farmers keep on farming today, tomorrow, 10 years from now, and 50 years from now".

"The Government of Canada wants farmers to know that they are valued members of Canadian society, and that they are valuable contributors to the Canadian economy".

But alas, these words remain but a dream for they were not heard in Canada's Parliament last week. It is my expectation that such words will never be heard in this place until we have a Conservative government fully committed to creating a future for young farmers and a future for everyone in rural Canada.

In the meantime, I want farmers in my riding and across Canada to know that I and the Conservative Party will continue to make every effort to force this national crisis in agriculture onto the agenda of a reluctant and urban oriented Liberal government. I hope that one day I get to make the speech that I just referred to.

My final comment today has to do with something that was in the Montreal *Gazette* on Saturday, a story about Bombardier. I will quote two short sentences:

> Federal Transport Minister Jean Lapierre says his government must move quickly to put together a package to persuade Bombardier Inc. to build its proposed new, larger airliner in Canada. Otherwise, Ottawa risks seeing Montreal lose hundreds more aerospace jobs, Lapierre said yesterday in an interview.

● (2140)

It is interesting to me that we are talking about tens of thousands of affected Canadians from coast to coast and there is no action but when an issue comes up in one of our large urban centres that may potentially affect hundreds of jobs, the government is willing to step forward. This article is suggesting $700 million.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, it is interesting how many times the opposition members try to drive a wedge between urban and rural Canada. We are trying to unite the two. They try to drive a wedge by mentioning Bombardier and they only tell half the story.

Is the hon. member really saying that the $2 billion that has been committed to the livestock industry, including beef, sheep and dairy cull cows, et cetera, is not a commitment? The member opposite tries to imply that the government has not tried to be there. We have.

We all had hoped the border would open up earlier but it did not so on September 10 the minister took a somewhat different tack. Should we have done it sooner? I do not know. Hindsight is 20/20. However he did take a different approach: to keep the pressure on the Americans; to increase the slaughter capacity within Canada; to utilize a set aside program to make the market function so that producers could get the price of their product out of the market; and to try to expand new markets.

Is the hon. member opposite saying that we should not be doing that? Is that what he is saying? Is he saying that we should can the announcement of September 10? Is that what he is saying? Is he saying that we should not be spending the $2 billion on this industry?

We know there are problems out there and we are acting on them. It is unproductive for the member to try to drive wedges and leave the impression to confuse farmers that we are only supporting the likes of Bombardier, because that is just not accurate.

● (2145)

Mr. Barry Devolin: Mr. Chair, I find it interesting that my colleague talks about commitments the government has made and the announcements that have been made. If he would actually talk to farmers he would find that no CAISP cheques have arrived yet. It is all well and good to say that the money has been promised and the money is there but if CAISP is the pipeline, the pipeline is blocked. The money is not getting to farmers and those farmers will be broke this fall. Promises, more words and more rhetoric from the government in Ottawa will not help them.

I also find it interesting that in his language my colleague seems to be acknowledging or suggesting that his government has failed. As I hear his argument, he is saying that the government has done a lot of work, spent a lot of money and that it is not its fault that it did not succeed. The bottom line is that a lot of farmers across this country, beef producers and many others, multi-generation businesses, as my colleague from Kamloops—Thompson—Cariboo mentioned, are at risk of losing their farms. They have not changed. Their business has not changed. This is a political issue. This is a political trade dispute. The Liberal Party is the Government of Canada and it is its responsibility to deal with it.

If the hon. member is standing in his place and saying that he acknowledges that even though everything has been done and that the government has made its best efforts, it has been unable to help farmers across Canada, then I accept that admission of failure. Someone famous once said "Lead, follow or get out of the way". I would suggest that if the government cannot lead any more on this file, then it should step aside, get out of the way and let someone else deal with it.

Hon. Wayne Easter: Mr. Chair, I rise on a point of order. The hon. member is misinterpreting my—

The Chair: I think that is a point of debate, but we have time for a 30 second question from the member for Huron—Bruce and about the same amount for an answer.

Mr. Paul Steckle: I would like to make it a point of order, Mr. Chair.

A few moments ago the hon. member across the way said that when the throne speech was delivered, Her Excellency the Governor General did not use the word "agriculture".

On this side of the House the book which gives the notes on the throne speech on page 5, chapter 6, the word "agriculture" is indeed—

The Chair: That is an interesting point but it is not a point of order. We are still in questions and comments if anyone actually has a question or comment.

Ms. Bev Oda (Durham, CPC): Mr. Chairman, if the Liberal Party is committed to farmers and committed to doing more than announcing programs that do not work and announcing money that never hits the home and the farm gate and never helps the families, where are the Liberals this evening. Where are they in the House to debate and to bring forward a good healthy—

The Chair: Again, we are not supposed to bring attention to someone's attendance or non-attendance but we do have time for about a 30 second response from the member for Haliburton—Kawartha Lakes—Brock.

Mr. Barry Devolin: Mr. Chairman, I apologize. If there was a fleet and passing reference to agriculture in the Speech from the Throne I must have missed it. However, partisan jousting aside, the fact is that farmers across the country are on the verge of bankruptcy. Money has been promised and it has not arrived. The bottom line is that these people need help now and if it does not come soon it will be too late.

[*Translation*]

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Chair, this is the first time that I have the opportunity and the privilege to rise in the House of Commons. It is with great enthusiasm and pride that I am taking this opportunity to salute and thank warmly the people of the riding of Compton—Stanstead. I do not want to hurt anyone's feelings, but it is, in my opinion, the most beautiful riding in Quebec. I invite you to come and see for yourself. I will be honoured to be your guide.

Having said this, I want to bring you back to the riding of Compton—Stanstead, because a number of the concerns that our constituents have result, in part if not in full, from decisions made in this House. While the riding has a large urban population, much of it is covered by forests and farms, particularly dairy farms.

As regards the softwood lumber and the mad cow disease issues, which have been dragging for so long that the situation has become dreadful and unbearable for a large number of producers. They feel totally abandoned and left to fend for themselves by Ottawa, by the federal government, by those who make decisions in this august chamber. These decisions have a direct impact on their daily lives, but they are made by people who do not know anything about what is actually going on.

Speaking of cows, I point out that I will now deal more specifically with the impact of the mad cow issue in my riding, across Quebec especially, and mainly on the cull cow and the feeder cow farms.

You know as we all do that, in May 2003, the discovery of a case of mad cow disease in Alberta led rapidly to an embargo by the United States, which was followed by other countries, causing extremely serious problems within Quebec's beef industry.

We can well ask how a cow that falls sick in Alberta, 5,000 kilometres from Quebec, can have such devastating effects there. We are told that mad cow disease is contracted through the use of contaminated food, such as animal feed containing ruminant by-products. However, this practice has not been used in Quebec for quite a long time. Why then must Quebec producers be penalized for something that is not their concern? In this matter so incredibly badly managed by the federal government, not only the cow is mad, and I will try to respectfully illustrate this.

If we go beyond political partisanship, we see that science indicates that Quebec producers have the best record in Canada in terms of management and disease monitoring for their herds. It is probably important to point out that Quebec cattle farmers have been prohibited from feeding animal meal to their cattle since 1993, well before the federal ban in 1997. Quebec producers find the current situation particularly frustrating since they have been abiding for a very long time by a whole series of restrictions to ensure that their cattle are disease free and that their products are of the best quality possible.

Although this is grossly unfair to our producers, it is nothing new. This kind of unfairness is well known and has to do with Quebec's specificity. Of course, it bothers some people when we say that Quebec is "different". The rest of Canada would rather think it is only a catch phrase, something said in jest or so much bravado. Why is it so hard for them to believe that Quebec is different not only in terms of our culture, our values and our language, but also our agriculture? Farming in Quebec bears little resemblance to farming in western Canada. When you insist on national legislation and approaches, you can expect some major bumps along the way.

I will quote anyway the fine words written by the Prime Minister of Canada during the recent leadership race in the Liberal Party of Canada:

> Every time I speak with farm producers, I realize how extensive the farm sector is in Canada. Different regions focus on different products; the risk factors are not the same everywhere; the level of diversification, added value and intensification varies considerably from one province to another; the age and attitudes of producers must be taken into account, understood and incorporated into the policy development and program implementation process.

This is from a letter addressed to the Canadian Federation of Agriculture.

At first glance, one might think that these were the words of someone with a clear view of the farming reality in this country. I am sorry to disappoint you, but that is not the case. Going back at least 25 years, federal policies have consistently ignored this diversity, and the single principle that overrides all others is that, since a Canadian is a Canadian no matter where they live, any agricultural program must therefore be the same for everyone.

● (2150)

I will keep to myself the qualifiers that come to mind in connection with this kind of social and economic aberration. Still, one must recognize that there have been countless interventions in Ottawa based on a model so broadly used that it really applies to nobody.

The new agricultural policy framework that was just cooked up for us in Ottawa fits perfectly into that category. Here is an agreement that is being forced upon the provinces and that they did not have the choice to approve to get their share, even though it misrepresented the initial agreement, which was much less centralizing. I am drawing inspiration from remarks made by Laurent Pellerin, the president of Quebec's Union des producteurs agricoles, who, to my knowledge, is neither a Bloquiste nor a sovereignist, but who may well become one at the rate at which our producers are being attacked, and given the kind of financial strangling of Quebec that has been going on for years in a number of areas.

Here I would like to say something to limit an impression being allowed to spread, no doubt because it serves the interests of those behind the rumours. I have heard frequent criticism of the senior officials drafting agricultural policies from the comfort of their offices, without ever setting their feet on site. In my humble opinion, this criticism is unjustified in most cases. In fact, it seems obvious to me that policies generally originate with the political world, and thus with politicians.

This fact, no doubt straightforward, struck me when I heard the throne speech. This is a speech that is supposed to reflect the intentions and orientations the government has in mind for the coming months. Yet, as we have heard numerous times this past week, the Government of Canada is the Prime Minister and his team of Liberal MPs, elected by a scant 33% of those who exercised their right to vote on June 28 across Canada. Those are the rules of the game, and I accept that.

If I detour via the throne speech, it it is because I have discovered the following two main thrusts in it: the incredible number of federal intrusions into areas of provincial jurisdiction, and the steamroller effect of all-powerful centralizing machinery driving this government and leading to the present impasse in which agriculture in Canada and in Quebec now finds itself.

Ottawa has come up with five different aid programs so far in an attempt to remedy the effects of the crisis. The needs of Quebec producers are not being taken properly into consideration for the simple reason that the intervention model is based on a reality that is foreign to Quebec and unacceptable, particularly in its latest version, to the cull cattle and feeder calf sectors. Yet, with a bit of effort, and a modicum of good faith, it would be so easy to make the corrections required at this particular point in time.

I would have a number of suggestions, recommendations, even supplications, to pass on to the Department of Agriculture and Agri-food and to the minister and his team, in the hope that they can find a few minutes to examine them between celebrations.

In my opinion, the first question to ask is this: is there real political will to settle the mad cow issue? I speak of political will because it is clear to me that this is a political issue, a political embargo, where it is evident American protectionism is being used to punish Canada for having dared to refuse to go to war alongside the Americans in Iraq under the false pretext of weapons of mass destruction. It is obvious that their real objective was to get their hands on the planet's main oil supply, right under the noses of the international community, which barely dares speak above a whisper. Can we force our neighbours to listen to reason or are we doomed to domination by the imperialist wishes of our American friends?

I cannot believe that Canada, if it pulled up its socks, could not find reasonable solutions for everyone. Our Prime Minister recently went to Washington to discuss the mad cow situation with President Bush and to try to find solutions. Our Prime Minister came home with a bill for US$5.5 billion for helicopters, but absolutely nothing new on the mad cow issue.

● (2155)

This is not exactly what we call having a backbone. If Canada has so little negotiating power with this almighty neighbour, we can understand that our defence minister seems so anxious to get involved in the star war with the American president.

I received a distress call from a red deer producer. These people proudly showed their farm to us, but their message was one of despair. This despair was very troubling because these people, like many others, really feel on the verge of losing everything they have built up by the sweat of their brow for years.

It is the same for the neighbour on the left or on the right. It is the same everywhere. These people raise red deer. They are professionals, just as dairy producers with 20, 30 or 50 years of experience are professionals that our country should be proud of.

These red deer producers make a living by slaughtering animals sometimes. To slaughter a red deer, they must use a federal slaughterhouse. However, the federal slaughterhouse in the area refuses to slaughter the red deer *because*—

● (2200)

[*English*]

The Chair: I am sorry but the hon. member's time is up.

[*Translation*]

The member might be able to complete her answer after question and comment period.

The hon. member for Malpeque.

[*English*]

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, I am actually shocked by a couple of comments that the member made.

It is absolutely terrible that a Canadian member of Parliament would stand in this House and basically imply that someone else's problem, which is happening in this country, is of no concern to her. It is absolutely terrible for a member of Parliament to take that position.

The member opposite asked why we penalize Quebec producers. Quebec producers are not being penalized. We operate under a control system, under programs that are to a great extent national in scope, and I will come to that in a moment.

The member asked why we would penalize Quebec producers for something that was of no concern to them. I think it is of concern to every Quebec producer if any animal in this country has BSE because the beef industry is integrated. Cattle move from Quebec west. Cattle in the west move from the west to Quebec. Some cattle from elsewhere in the country are slaughtered in Quebec.

The fact is that in terms of her point, why not just make Quebec a region and leave them out of this problem, it is pretty near impossible to do that on BSE but it is something we have done in other cases where we could. We have used the principle of regionalization with significant success in the past for the benefit of producers in Quebec and elsewhere in the case of tuberculosis, avian influenza in B.C. which was a real disaster for producers but we were able to isolate it there so that Quebec producers and the rest of the producers in Canada could continue to ship and export.

However, on BSE, and I want to make this point specifically, no country has successfully zoned for BSE. To assure our trading partners of BSE freedom, Canada would need detailed records documenting the movement of animals, their point of origin and point of slaughter, feed and animal products into and out of that area and, because of the long incubation period for BSE, records would need to date back many years.

In this instance it is impossible to go to that regionalization. We have done it in other instances. Is the member really suggesting that either she, her party or Quebec producers just do not give a darn about the rest of country? Is that what she is really suggesting in her remarks? I hope not.

[*Translation*]

Ms. France Bonsant: Mr. Speaker, the hon. member has it wrong. I never said that Quebec is not worried about what is going on in the rest of Canada.

I am very worried about the farmers in my riding. When some of them get up in the morning, they do not know whether they will still have a farm to run that night.

What I am saying is that, since 1993, Quebec producers have banned the use of animal meal in cattle feed. They only use vegetarian feed. The single case of mad cow disease happened 5,000 km from our province. Quebec is farther from Alberta than France is from Great Britain. Yet, we are still penalized. Ontario and all the other provinces are being penalized because of this one cow.

If the government had put its foot down, I think we would not be in this terrible situation today and people from all across Canada would not be going bankrupt.

● (2205)

[*English*]

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Chair, it is a pleasure to address this important issue this evening. I will be sharing my time with the member for Souris—Moose Mountain. I have to say as an aside that I appreciate the new member but I warn him that he steps into a pair of big shoes.

I want to acknowledge the former member of Parliament, Roy Bailey, a great member of Parliament. We look forward to seeing Roy down the road. Hopefully we will have a chance to run into him down the way. He was certainly someone who appreciated the issue of agriculture and certainly the problems caused by the BSE crisis.

The issue I want to address off the top has to do with the parliamentary secretary getting up, almost with every speech that is given, and sort of reciting the number of programs that the government has launched to deal with the BSE crisis, running through the amount of money that the government is apparently spending to deal with the BSE crisis.

I appreciate what the member is saying. I think there is truly some goodwill there in wanting to deal with this situation. However I have to remind him that there is a big difference between programs, the amount of money that is thrown at the problem through a big bureaucracy and the results that are obtained. I think that is where the parliamentary secretary and the members on the government side just do not get it.

Earlier this evening I pointed out that they have a program for backstopping any kind of initiative to start a new slaughterhouse. They have all these programs in place, but the problem is they do not even have the forms yet for that initiative. In fact, one entrepreneur who contacted the Department of Agriculture was informed that there would not be forms for two to three months while we are 18 months into the problem.

Two to three months is just too long. It is unacceptable. What is the problem? We have been through three agriculture ministers in the last eight or nine months. It is like a revolving chair over there. There is always a new minister but there are never any new ideas. There is nothing that moves this problem forward.

There are so many aspects to this where the government has failed. I want to touch on some of them. I mentioned a minute ago that the programs and the money that the government is throwing at this is not working. I want to back that up by pointing out some of the interventions I have had from people in my riding.

I love the people of my riding. They are such good people and they work so hard. They are in a terrible situation today. I think hon. members on all sides of the House know that in the cattle industry people are not accustomed to having to come to the government to ask for some support. It is antithetical to what they believe in.

Unfortunately, we are in that situation today. They come and, in sort of a very demure way, ask for some support and help. I think they almost feel badly about it. When I read these interventions from people in my riding they talk about how every time the government gets into these things it fouls them up, but that they are in a situation where they have to accept it. I have a number of these interventions in my binder.

In fact, that is true. That has actually been borne out in what we have seen in the last little while. While my friend, the parliamentary secretary, spouts statistics about how the government has brought forward this program and that program, all I know is that I have interventions from people here saying that their incomes have dropped by two-thirds because the border is closed. They say that they used to sell bulls into the U.S. but since their incomes have dropped by two-thirds they no longer have the ability to purchase cattle, to expand their herd or do the things they used to do. They are worried about their livelihood.

I have other interventions here from people who say that because the programs are not working they are in a situation where they are no longer able to get credit from the banks. They cannot expand their herd and do some of the things that they wanted to do.

I have had interventions from people who are absolutely desperate. They do not know what to do or where to turn. I want to argue that the government has not done the job that it should have done and should do because it thinks its job is finished when it announces a program.

● (2210)

I want to argue that the government's job is finished when we get some results. Those results have not been forthcoming, and until they are, the government had better be nose down, rear end up and get to work. It simply has not done the job that it needs to do.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, I just want to make a point. With this member, I do not have to recite the programs that the government has announced and that the money is out there. I did that several times earlier and I hope the member was listening.

However, on his point on an application form, there is no application form for the loan loss reserve and there will not be an application form for the loan loss reserve. It will operate based on an agreement with the lending institutions. It was a good point that the member made.

Our objective is to increase the slaughter capacity. With the set aside programs that we talked about in earlier discussions, it is to try to make the market operate, to try to bring normalcy back to the market so that producers can get paid out of the market while we are moving towards expanding that slaughter capacity.

However, on the loan loss reserve, that will be with the lending institutions, not with the entrepreneur who starts up the packing plant. I encourage those entrepreneurs to continue to move forward in that area.

Mr. Monte Solberg: Mr. Chair, I have a couple of points. First, when the set aside is done, if there is no extra slaughter capacity or the border is not open, we will have exactly the same problem. It is almost as though the government is sort of hoping things will magically sort themselves out. If there is not some kind of new capacity or the border is not open, we will be back in the same situation. The government has absolutely no plans for what happens after the set aside is over.

Second, with respect to slaughter capacity and these forms, the member is playing semantics. It is a game of semantics. What the entrepreneurs were looking for were some guidelines. They wanted to know how to go about working with the government and the private lenders to bring about extra slaughter capacity in Canada. I know the member knows that when we talk to people on the ground, they say the number one issue is more slaughter capacity. For 18 months people have been talking about how we need more slaughter capacity and it is not happening. Why do we not have some tax incentives to encourage slaughter capacity?

The member asked where the new ideas were. What about some tax incentives to encourage that? What about a five year averaging program so when people have these fluctuations in their income, when they have to dispose of their herds, there is some way to ensure that it is not all taxed away and that they have the capacity to rebuild their herds? What about those for ideas? Why is the government not producing some new ideas so we can actually get the industry back on its feet?

Hon. Wayne Easter: Mr. Chair, the member continues to criticize ideas rather than go out and promote them. We would like him to go out and promote getting that slaughter capacity up. If we are going to make this system work, we need members over there talking about the loan loss program, et cetera, and the need to expand our slaughter capacity to get this industry working again the way it is supposed to work.

Mr. Monte Solberg: Mr. Chair, I suppose that was a question. I do not know about the loan loss program, but I would say the government is a dead loss many times, certainly on this issue.

I want to argue that not only has it failed on the program side, it has completely and utterly failed when it comes to the issue of getting that border open again. I cannot believe that member and other members have defended a colleague across the way who has gone out of her way to antagonize our biggest trading partner over and over again. Where is the Prime Minister on this? Why is he not saying to his MPs that when they open their mouths, they have an obligation not just to represent their constituents. They have an obligation to this country.

The government so often has failed our country when it comes to making that message clear. Who is paying for it today? Thousands and thousands of beef producers across the country. It is shameful that the government has not done a better job of reeling in its own members.

● (2215)

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Chair, the whole issue of capacity is a major issue this evening. We at one time had capacity. Some of those plants are still there but they are sitting idle. What would the member's view be toward borders opening in the future? How do we ensure that those who now guarantee supply to that plant which is building for this capacity are assured of supply down the road when the border opens? How would the member deal with that issue at that time? They need our over age animals. That is where they have been going for a long time. How would the member propose we deal with that issue to ensure that those plants can keep operating?

Mr. Monte Solberg: Mr. Chair, I think it is time for us to start looking at some opportunities. We know that in the northwest U.S. many of the plants that used to accept our cattle are very old. I think there is a chance at least that down the road, if we increase capacity here, we will have much more efficient plants than they will have in the U.S.

We have a much lower dollar, and I think we have a lower cost of doing business. At some point, potentially we could turn this to our advantage, but it takes some leadership on the government side. In order to do that it takes someone on the government side who believes in this. Unfortunately, we do not have that. All we have right now are people who say, "Here's a program. Here are some criteria for meeting it. If you don't meet it, too bad, you're on your own". That is not good enough. We need a plant. We need some extra capacity. We need it now.

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): Mr. Chair, I agree that the phenomenon we are facing is unusual and perhaps unprecedented, but it requires action on the part of the government. For 18 months we have not seen the border open. For the best part of the first year, it was hope against hope that it would be open without taking any positive steps to make sure it happened.

Despite all the programs that have been mentioned and all the dollars that have gone in, why are farmers frustrated? Why are they in a desperate situation? Why are they are not getting responses when they ask where the money is, where their entitlement is? Why is it so complicated for the farmers? Many are unable to hire lawyers or accountants to get the forms completed. They must do it themselves. They find they have made errors and they do not get the assistance. When they phone, there are delays. When there are timelines, they are not met.

While the minister is postulating about what needs to happen, farmers and communities are going down. It is real. There is frustration for farmers, real people, in elevators and offices, grown men with tears in their eyes, who are saying that they do not think they can make it through the fall, and we are talking about what we should do.

The big issue is, do we want to preserve our farm industry or do we not? Do we want to save our cattle industry or do we not? If we do, we must take immediate and bold steps and invest some funds. I am not talking $600 million or the $1.6 million. Most of the programs are designed to meet the dollars that the government has set aside as opposed to asking farmers what they need and designing a program to meet those needs. That is lacking. It is not that difficult and it is not that complicated. The programs should be simple and easy for the farmers to understand.

Many of the issues facing the farmers are beyond their control. There is BSE today. Tomorrow it is something else, low commodity prices or world market conditions. We are expecting our farmers to preserve and save our food supply, to preserve an industry by using their equity, by borrowing more money, by mortgaging their farms, carrying the load that our country and their government should be carrying on their behalf.

When something happens that is beyond the control of farmers, our governments must step in immediately and help them out. There needs to be a program designed that is not ad hoc and that is not a knee-jerk reaction, as we have seen.

For instance, the first program put moneys into the pockets of the farmers only to have the cattle dumped on the market. The cattle crisis goes on and the funds are passed over to the packing and slaughter houses. Somehow the government tries to blame the opposition and says that we should have known better. The moneys are going some place else. The government designed the program and ought to know how it works. The minister should take those things into account before the program goes on.

Now we have a stand aside program. It has some value but it will go into feed which will be lost again, and we have no assurances that the market will survive.

We have to look at the big picture. We have to be sure that our farmers and ranchers are backstopped from those kinds of circumstances that are far beyond their control. We need to have a simple process. We do not want to have farmers investing money to join a program, like the CAIS program.

I heard the minister say that it was an income stabilization program. In fact it has requirements of five year averages. Five poor years are still five poor years. The rules are arbitrary. Announcements are made before programs are ready to receive applications. To me, it seems disjointed. It seems to be not well thought out. I realize it is not an easy situation and that it is complicated, but I would ask the government to decide the big issue. Are we going to preserve our farming industry? Are we going to preserve our cattle industry? If we are going to, then we have to meet the need that will meet that result rather than the government saying that it will give a little and try to design a program to meet that bit while it hopes farmers will survive, that they can use their equity and come out the other side.

The industry is being told that it may take a year or two but that it is on its own except for what it gets from the government, which is not very much. It is time to be more specific and bold. It is time to design a program that will preserve our food industry.

● (2220)

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, the only comment I want to make is that I want it to be clear that it is our objective on the government side to ensure that farmers indeed do survive. We are trying to be there as best we can for the industry. We have all cited examples tonight of terrible, devastating circumstances that livestock producers and producers of other ruminant commodities are facing.

I live in a rural community. These people are my neighbours. I cited examples earlier tonight of financial problems but also personal problems as a result of the BSE crisis, which the Leader of the Opposition himself admitted was really as a direct result of the closure of the U.S. border.

I want to underline the fact that it is our objective to keep farmers in business. The members opposite can try to make all the political hay they like with this issue if that is their desire to do so. We want to make this system work for producers. We have consulted with the industry. For the last announcement there was quite extensive consultation with the Canadian Cattlemen's Association, the four-pronged approach that we are taking. We desperately hope that those set aside programs will allow the market some normality so that producers can get better prices out of that marketplace while we are ramping up our slaughter capacity. We want to see that happen.

Mr. Ed Komarnicki: Mr. Chair, it is true that the government has a desire to see things happen, a desire to see farmers survive but it will take more than desire. It will take some action. I would like to encourage the minister and his department to have a marketing plan that is not just international, which is important, but an aggressive marketing plan within our country, within our citizenry to say that we need to stand with our farmers.

We need to market our product within Canada. We need to be aggressive in our marketing and ensure that consumption takes place within our country and that we have the production capability to meet that need.

We need to diversify. We need to enlarge our markets but we must take the steps to do this and we must do it now. Our farmers are the most efficient, productive farmers anywhere in the world. They need some assistance from our government, some direct action and something that they can see is a tangible step to actually seeing that something is being done.

In terms of marketing, I have not seen any marketing in our country that would enhance beef sales and purchases to have our consumer stand with our farmer to any major degree. There has been small pointed advertising but nothing significant on a national basis. That is necessary.

● (2225)

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Chair, I would like us to reflect for a moment because we have been talking considerably about the government's responsibility to market. As a farmer, as someone who represents an agrarian riding, I know that farmers are great producers. Canadian farmers are the greatest in the world with the best products, but we simply do not know how to market our product. We can get it to the farm gate but we do not know how to return a price for the product that we produce.

Why is it that because it is agriculture we think the government needs to market our product? Why does the agriculture sector not do as the auto industry does, as the aircraft industry does and as so many of our other sectors in the manufacturing field do? They go out and market. Yes we have desks in various parts of the world that help our agricultural communities do that, but we simply do not have frontline professionals who know how to market our product and sell the good of our product. Why is that?

Government should be there to facilitate it but we cannot expect government to sell General Motors cars. Farmers ought to do a better job. I have said that in a kind way, I hope, because that is how I intended to say it.

Mr. Ed Komarnicki: Mr. Chair, farmers are doing well. I am saying the government can step up what it does in general advertising, general programming. That is something the government could do without a lot of dollars and it is something the government is not doing. We can eat Canadian beef. Farmers know that. The government needs to promote that and promote it harder and faster.

[*Translation*]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Chair, it was very important to me to participate in this take note debate on the mad cow crisis. The major issue for us in Quebec is for the federal government to provide an aid package that addresses Quebec's problem with cull, and also to move forward with the regionalization of the food inspection system.

I wanted to take part in this debate because the region I represent is largely rural. Agriculture is vital to the riding of Richmond—Arthabaska. The Arthabaska RCM is the largest milk and beef producer in Quebec. The region offers many exceptional cheeses, including one called Sir Laurier d'Arthabaska, for your information. There are also hog and poultry farms, and speciality crops such as cranberry, honey and maple syrup.

Centre-du-Québec is a major dairy region with more than 150,000 farms representing 16.3% of dairy production in Quebec. In the Eastern Townships, the other region that overlaps my riding, there are roughly 1,000 dairy farms.

The mad cow crisis affects all these dairy and beef farmers. Last week, I attended Expo-Boeuf in Victoriaville, the main city in my riding. It was a great success again this year, but I must admit that the morale of the producers is quite low these days. No wonder, prices have dropped by 30% to 70%.

The mad cow crisis has affected dairy farmers who sell their cull, in particular. My colleague, the Bloc Quebecois critic for agriculture and agri-food and member for Châteauguay—Saint-Constant, said it well at the beginning of this take note debate: the federal government did not consider Quebec's particular problem when it announced its recent aid package. Dairy farmers cull 25% of their cows a year, but the federal government is compensating them for only 16% of their herd.

I know that the Minister of Agriculture and Agri-Food was present at that time. I trust that he paid careful attention to what the hon. member said, since she herself is a farmer and was, moreover, once named Quebec's woman farmer of the year. It is praiseworthy, appreciated even, that the government is pressuring the United States to reopen the border to Canadian cattle and beef. We all realize, however, that the situation is likely to remain unchanged until the U. S. election is over.

So far, all efforts have been unsuccessful, and there are no indications that the situation will change in the near future. The steps taken to increase slaughter capacity and to develop new export markets are also welcome, but the basic issue has not been settled. Recently the Fédération des producteurs de bovins du Québec, the Union des producteurs agricoles and the Fédération des producteurs de lait du Québec issued a press release—on September 10 to be precise—in which they stated that the announced assistance was inadequate and did not in any way meet the requirements of the beef and dairy producers.

The two federations and the UPA estimate the need in Quebec at over $141 million, while the transition support measures will total only $15 to $20 million. As I said, the minister was there for the first part of the debate, and I would also have liked him to have been with me in Chesterville a few weeks ago when I had supper with a beef producer. He would have understood that producers are on the verge of financial ruin because of this continuing crisis. He would have been asked by someone from the agricultural community whether his program was really tailored to the particularities of Quebec and the actual needs of producers. I made a promise to the farmer that I would pass on his message, which is why I am here before you this evening for this take-note debate.

A number of my Bloc Quebecois colleagues have, moreover, raised another glaring problem with the federal industry assistance plan, and rightly so: it totally ignores any regionalization of hygiene practices. The mad cow crisis ought never to have affected Quebec producers, who have been subject to more stringent rules than the Canadian ones for a long time. Not only the Bloc Quebecois but the entire industry is calling upon the federal government to recognize this other particularity of Quebec and to enter into discussions with Quebec in order to regionalize the food inspection system, dividing Canada into several regions.

That would make it possible for Quebec producers to be spared in a similar crisis in the future. Why should Quebec's producers be penalized because of one case of mad cow discovered 5,000 km from them, when Quebec has established a system that makes it possible to trace the animal from birth to death? We also banned animal meal four years before Ottawa did.

The former Minister of Agriculture and Agri-Food maintained that it was impossible to impose territorial measures within a single country. I hope his successor will be more sensitive to the Quebec context, but unfortunately I have my doubts, based on this government's record.

● (2230)

Canada has , in fact, applied regionalization, less than a year ago in the case of the American chickens with Newcastle disease. Various American states were affected by this contagious viral disease that primarily attacks poultry. The Canadian Food Inspection Agency imposed restrictions only on the four states affected, California, Nevada, Arizona and Texas.

If such regionalization of public health measures had been in place, Quebec's producers would not have been suffering for over a year and a half. They would have been spared. The idea is not to have provinces confronting each other. The same thing would have happened if the case had been found somewhere other than Alberta.

It is obvious to me that if Quebec had been sovereign and in control of its borders and public health policies, it would not be subject to the American embargo today. In the meantime, we must continue to put pressure on the federal government to grant sufficient assistance to compensate for the drop in cattle prices.

Contrary to what the Parliamentary Secretary to the Minister of Agriculture and Agri-Food said earlier this evening, we are not asking for a privilege. Quebec's producers are not asking for any privileges. They are asking for an assistance program that takes into account Quebec's cull cow problem, which is not found elsewhere. It is not complicated; there is no privilege involved; there is only justice.

[*English*]

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Chair, I would ask the hon. member across the way if he could, in the spirit of federalism, convey to the House the reasons he believes the Government of Canada should divest its moneys to the province of Quebec in different ways than it does to the rest of the country, in other words, give special treatment to the province of Quebec.

What I heard in the member's speech was that had Quebec been alone on this issue, it would not have been subjected to the kind of retaliatory measures that the United States has imposed on the rest of Canada. Trust me, countries smaller than Quebec have been affected by the kind of isolationism that we see happening here. Could the member express to the House, in the spirit of federalism, how the government could in its wisdom deliver its funds to the province of Quebec in a different way and still remain in the spirit of federalism?

[*Translation*]

Mr. André Bellavance: Mr. Chair, in the spirit of federalism, I will leave that to my colleagues across the way. What I can say, however, is that there was never a question of giving Quebec privileges. I already said that and even added that to my speech earlier. The parliamentary secretary rose and got quite angry when my colleague from Compton—Stanstead was talking about some specific concerns in Quebec.

Cull is a big issue in Quebec. Regionalizing health practices across Canada would not only be beneficial to Quebec, but to other provinces as well. With such practices, if there had been a mad cow in the Maritimes, Alberta would not have been affected by this crisis.

It is not a privilege for Quebec. We do not want the Government of Canada to give money only to Quebec. We want it to take into account some specific concerns in Quebec. In this case, I am referring to cull; we want fair treatment.

The government recently announced an aid package of only $15 million to $20 million, when what farmers in Quebec really need is $141 million. That is a huge shortfall. I am talking on behalf of producers in Quebec, not just on behalf of sovereignists in Quebec.

● (2235)

[*English*]

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Chair, in his speech the hon. member talked about the isolation, or that the Quebec cow herd should not have been roped into the same category as the rest of Canada since the BSE crisis broke out in Alberta. There is one thing I want to acknowledge. I want to thank the Quebec industry. Cattle feeders in Quebec have bought a lot of cattle in Manitoba, especially this fall and last fall. Thanks to the generosity of the provincial programs that Quebec has, that has enabled those producers to come to Manitoba, where we do not have a lot of support, and outbid local producers in Manitoba and the rest of the provinces for those animals and to take them back to Quebec.

With all these animals moving from western Canada into Quebec, we have a huge migration of animals back and forth. I would like to know how he feels this might have impacted the overall health status of their own herd.

[*Translation*]

Mr. André Bellavance: Mr. Chair, that is exactly the reason behind the request for regionalization. It is to avoid any repetition of this experience in one or another province.

Taking Europe as an example, Italy, which is right next to France, has not been affected by the European mad cow crisis. Yet it is far closer to France than Alberta is to Quebec. The reason is quite simply because it and that region of Europe have regionalized practices. This is something that the federal government has not yet done, although it ought to.

[*English*]

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Chair, the topic that we are dealing with tonight is an extremely emotional subject and for that reason from time to time partisan comments are made. I know from our side the reason is because we know our cattle industry is facing an extremely serious problem.

The government talks about what it has done, the programs it has announced, and the promises it has made. What we are interested in are the results of what the government has done. What has the government done to date that has actually made things better for our cow calf farmers right across the country, the dairy industry, the elk industry, the bison industry, and all the industries that have been hurt by what has happened here?

Before 2003 the beef industry was as close to a free market industry as could be found. The cattlemen did not depend on government for much. They developed the markets, produced their livestock and marketed it pretty much on their own. Things were good in the industry for the last 20 years. Most of the time it was a good industry.

Before I get too far along here, I want to say that I will be splitting my time with the member for Wetaskiwin.

Then we had one case of BSE found in our herds. What happened? The result was the closing of the border. Was that right? That was wrong. The Americans were absolutely wrong in what they did to our industry. There is no doubt about that. American protectionism hurts us and it hurts us unfairly. It hurts our cattle industry unfairly. What the Americans did was wrong and let there be no doubt about that.

The problem of course was exacerbated by comments made by members of the government when it came to dealing with our closest trading partner, the United States. Comments they made hurt the relationship and tarnished the relationship so badly that when it came time for us to be negotiating with the Americans on this issue, they simply were not ready to listen.

I do blame the government for that. That has made this a very difficult issue to deal with. That has to change because those comments continue. As long as they do, we are not going to get results.

The parliamentary secretary today said that the Liberal government has worked hard on opening the U.S. border. What have the results been? In the past several months nothing has happened. Working hard does not solve the problem. It simply does not. There have to be results.

The parliamentary secretary talked about all the money the government has promised to the cattle industry through various programs. The fact is that money has not found its way to cattlemen, the primary producers. Much of it, in the first ill thought out program, went to the packers instead of going to cattlemen. That simply did not solve the problem.

We have heard a lot of promises for a lot of money since then. How much of it has actually gone to help our cattlemen? I would suggest that it is very little to date. The results are quite different from what the government says it is doing and that is very unfortunate.

The set aside program in the early stages is the one thing that really seems to have some good potential. We will see how long it works. We will see if the government is ready to adjust that program should adjustment be necessary along the way because that is going to be very important if this program starts to fail a little bit as we move along.

There are two issues which were dealt with, one quite a bit and one very little. The first is interprovincial trade in livestock. I have heard very little about this. In fact, the government has done almost nothing on interprovincial trade since it passed the agreement on internal trade back in 1996. As a result, we can have meat inspected in each province by capable inspectors and that meat cannot be moved across the border. That is killing our small plants that have a great opportunity to expand. They would expand if the government could find a way to move that meat across the border.

The second of course is more important than any other issue and it deals with increasing the capacity in packers and in processors. The government has simply not dealt effectively with this issue. The government's promise of $68 million is roughly $38 million.

● (2240)

Let us look at results again. How many packing plants are going to go on stream as a result of this program? There have been none to date and I would suggest that there will be none in the near future. That program must be modified.

I would welcome comments from members opposite and members of the government in their questions and comments. I would like to hear what they are going to do to make that program work, the program that will assist our producers in establishing new packing plants and new processing plants in our country.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, in response to the member's question, we explained that earlier. I would ask the member to go back and look at *Hansard* rather than take the time tonight to give an explanation that has already been made.

It is an important area and we are certainly interested in seeing slaughter capacity increase and move ahead so that our slaughter industry has the ability to handle the full amount of cattle in Canada. At the moment it is estimated by the industry and the government that the current known expansion of slaughter capacity will increase slaughter from about 80,000 a week currently to 95,000 a week by the end of 2005.

That is down the road, yes, but if this happens there would no longer be a surplus of fed cattle. We would still have a surplus, though, if that was all the slaughter capacity we had of non-fed cattle, that being cull cows and bulls. Those are the estimates that we have on the table at the moment. We recognize that we have to deal with the cull cow issue as well and we are attempting to do that.

There has been much made by members here tonight of specific remarks made by certain members in the governing party relative to the United States. I think it is high time that rhetoric was laid aside. Does anybody paying attention here tonight really believe that President Bush or President Clinton before him or the administration of the United States is going to take the words of one or two comments of Canadians and leave the border closed as a result? Does anyone actually believe that? I am surprised to think anyone believes that.

I would ask the member to answer this question. If that is the reason for the border to have been closed, which is what members on the other side are saying tonight, then what was said to Japan or Korea for those countries to close their borders? Let us have arguments that make sense and not be foolish. The fact of the matter is that it has nothing to do with the issue and members know it.

● (2245)

Mr. Leon Benoit: Mr. Chair, first of all, I do not think any of us have said that the rhetoric from government members, including ministers, was the reason the border closed, but it was certainly the reason that we did not have an open channel to discuss this with the Americans and perhaps reach an early resolution. That is where the problem comes in. If we had maintained a reasonable relationship with our American friends and neighbours, then we could fight them hard on this issue and probably have some success. The way it is now, they are not listening. That is the position we have taken on that.

When it comes to the position of new packing capacity, the member is sleepwalking into a disaster if he believes that any new capacity is a sure thing. There have been some announcements that expansions might take place at the two big American plants in southern Alberta. It could happen. It is not a done deal. None of them are done deals.

I spoke with key players in two of the major proposed packing plants over the past few days and I have spoken to them as things have gone on. They said that when the government made the announcement of its so-called $68 million, which is really $38 million, that it caused their lenders to back off. That hurt them more than it has helped them. That is a fact. That is what they are saying and they know what they are talking about. These are the people putting their money into these plants trying to get the capacity we need so our cattlemen can sell their beef and make money.

Mr. Dale Johnston (Wetaskiwin, CPC): Mr. Chair, let me first congratulate you on your position as Deputy Speaker.

I am sure there is nothing I can say here tonight that has not already been said, but I will not make any apologies for that because a lot of what has been said needs to be said over and over again.

One of the things I noticed in the debate in the last few minutes is the talk about the need for increased slaughter capacity and I heartily agree with that. We have a large herd of cattle in Canada and of course that does not just mean beef cattle. We have a lot of dairy cattle that have to go to slaughter once the dairy cow's productive life is finished. The only possible solution is to slaughter that animal and turn it into beef. We have the beef industry, the dairy industry, all of the cervids, the bison, the goats, and the sheep industry in Canada all affected by the border closure.

Just a mile up the road from where I live I have neighbours whose great-great grandparents immigrated to Canada. They are fifth generation farmers. The farmer, his son and their families are all employed off the farm in order to make ends meet. That is a ridiculous situation, particularly for people who have been in the industry for five generations.

When we talk about farmers going broke, it is not like a shoe store or a grocery store going broke. Oftentimes the grocer or the shoe clerk does not even own the building. They might own the business, but they do not own the building necessarily. They have a rented building. When they go broke, they lose their business and they have an opportunity to recoup, refinance and start up another business.

When farmers go broke, and we all know this, they not only lose all of the equity that they have built up in their land, the machinery and their livestock, but they lose their home and their business. It is a package deal. Agriculture is unique in that way. People say we should never take our work home with us at night. In agriculture we have no choice. When we get up in the morning, put our boots on and step out, we are at work, so we take our work home with us at night.

These people are desperate. These people are at the end of their rope, so to speak. We believe the programs, although I am sure they were well-meaning, were inadequate. As has been pointed out, a lot of the money wound up in the packer's pockets and now the people across the way are saying that they have to investigate these excessive profits that the plants make. I can tell the House where the excessive profits came from. They came from the government chequebook.

We need to search out more markets. The member for Huron—Bruce, in questioning one of my colleagues, wondered why the government should hunt up markets for these agricultural producers. The agricultural producers should be more innovative. They should be more aggressive. They should go out and hunt up more markets. They have hunted up the markets. They have been shipping cattle all over the world. Now that the borders are closed they cannot. They would be smuggling if they shipped these cattle anywhere else in the world.

I would like to remind members on the opposite side that it was not very long ago that an ex-Prime Minister of Canada led a trade delegation to China. He led a delegation, I believe, to Russia. He led trade delegations all over the world under the guise of securing new markets for Canadian products. Let me tell the members opposite, agricultural products, beef, bison, elk and all those products are Canadian products.

These producers are not saying to the government that they are hopeless, helpless people who need the government's help. That is not what they are saying. They are saying the government has hunted up markets for other sectors of Canadian society, manufacturing and so forth, so it should hunt up some markets for them. While the government is at it, why does it not tackle this, like it is a North American problem, with our best trading partner, as has already been pointed out, the group of people we would look to, to defend us, should we be set upon by some rogue nation. Those are the people that we would look to, to help defend us, and we would in turn, I am sure, help them.

● (2250)

This has to be approached as a North American problem with a North American solution. Let us get down to Washington with an all party delegation and make sure that those people are aware of what the problem is.

Canadian cattle producers are asking for a resumption in the U.S.-Canada cross-border trading, they are asking for new international markets to be found, and they are asking for more slaughter capacity. More slaughter capacity is being proposed in my riding, but the hoops that the Canadian Food Inspection Agency is making people jump through are going to put the production of this plant about two years away from right now. In that length of time, the problem could resolve itself.

I look forward to questions from the opposition.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, I have just one comment to make. The member opposite said that we should be out there hunting up markets. I was surprised that he did not mention in his remarks the fact that the minister of agriculture is doing that right now, with one of the members from the Conservative Party in the delegation with him as well.

This week the minister will be in Japan, Korea, China and Hong Kong to talk about our livestock industry: cattle, sheep and beyond. He will be talking about the kinds of safety standards that we have through the CFIA, about the kind of traceability that we have in this country. He will be telling people over there that we do have the best product in the world, that it is a safe food supply and that we are open to doing business with those countries. The minister is acting. He is overseas right now. He is overseas right now trying to find markets and that should be noted.

● (2255)

Mr. Dale Johnston: Mr. Chair, all of that is very nice, but the border closed 18 months ago on May 20, 2003. As for the parliamentary secretary boasting about the minister being out there hunting for markets today, I am afraid that is just not going to cut it with producers where I come from. They are of course wondering why we were not at least working on the problem. Nobody expects the problem to be solved at the snap of a finger, but why were we not working on it earlier? Why all the delay? I am really at a loss about that. There have been three agriculture ministers and, to tell the truth, this is the first one who has made any effort whatsoever to secure other markets.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Chair, the member across the way raised the question of finding new markets. He was bragging about his government's efforts in Russia, China and most recently Japan in order to discover new markets for Canadian beef. That is generally good in the long, long term, but let us acknowledge the reality here.

Canadian beef is not going to go to Russia or Japan or anywhere else outside of North America unless it is in a box. Until such time as we can kill the cattle and pack the stuff, it is a red herring to say that we are solving the problem by looking for new markets in far-off lands. Our number one objective needs to be the continuation of providing killing capacity here at home, because right now there is a domestic demand that our cattle producers cannot even meet because they cannot get through the bottleneck that is the slaughterhouse capacity.

Does the hon. member agree that while this is a nice, long term objective and that it may be important 10 years from now, in the immediate term we need to acknowledge the fact that we scarcely have the slaughterhouse capacity to service even Canadian retail demand?

Mr. Dale Johnston: Mr. Chair, of course I agree with my colleague. I believe that the opening of the U.S. border is or at least should be a short term solution. We should never get back to the situation where we are so dependent on the United States. Every producer I have spoken to has said that we could probably have seen this coming because we basically had all our eggs in one basket. And when we drop the basket, all the eggs get broken.

What we need now is more slaughter capacity. There are several proposals out there for a sort of modified co-op slaughtering plant, whereby producers could have equity in the plant. They could buy equity with cash, although probably none of them have cash, or they could buy equity in the plant with their livestock and actually have a share in the plant so that when prices do resume they would not all flee that plant. I think that has potential, but it is in the long term. If a shovel were to go into the ground today, it would be 18 months before the plant would be operating. Part of the reason for that delay, or part of the excuse, I should say, is that the Canadian Food Inspection Agency makes these plants jump through so many hoops. That whole process should be and could be expedited.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Chair, I am pleased to have the opportunity to speak in the House on such an important issue. Without a doubt, BSE has affected every Canadian in one way or another.

Certainly once Canadians found out about a cow testing positive for BSE the public sought assurances that their food supply was still safe. It was, and the government has taken steps to make sure it stays that way. The Canadian Food Inspection Agency, the agency responsible for food safety in Canada, has been implementing BSE safeguards since 1989, well before the disease emerged in this part of the world. These proactive measures detected BSE and kept it out of our food supply.

Members may recall that after the infected animal was found the agency took immediate steps to quarantine locations and conduct detailed feed trace-backs and trace-forward investigations. No additional animals were found to be infected. This was very encouraging news. It told us that the investment we made in BSE safeguards over the years had worked as designed to protect Canadian food safety and animal health.

Last December, the CFIA worked very closely with its American counterpart to identify the origin of the cow in Washington State that was found to be infected. Again, the agency was quick and was able to trace the cow back to a farm in Alberta.

This discovery of the second case did not mean that the disease was spreading. It served to confirm our suspicions that there was probably a previously undetected low presence of BSE in North America.

After detecting this first case, the government's first priority was to protect public health. Within weeks, the Canadian Food Inspection Agency and Health Canada had developed a nationwide program to require that specified risk material, SRM, be removed from all animals slaughtered in Canada. SRMs are tissues that in infected cattle have the potential to harbour BSE agent. This action keeps BSE from entering our food supply and is internationally recognized as the most effective measure that can be taken to protect public health from BSE.

Once food safety was protected, the government focused its attention on animal health safeguards. We increased our surveillance activities, because if there are indeed animals in Canada with BSE, we want to find them. We expanded our capacity for doing more BSE tests. We are also enhancing measures for the national database that identifies cattle through ear tags.

In terms of eradicating BSE, the most important step Canada can take is to enhance animal feed controls. Feed controls are internationally recognized as critical measures to eliminate BSE from the animal population. That is why on July 9, 2004, the government announced that it intends to require the removal of bovine SRM from the animal feed chain.

Doing so will add an additional level of security to Canada's current feed ban, which has prohibited feeding cattle with ruminant materials such as SRM since 1997. All the evidence indicates that existing feed controls continue to limit BSE spread, but we recognize that measures are necessary to prevent human error, which could result in inadvertent exposure of cattle to prohibited materials. Doing so will diminish the effect of potential cross-contamination of ruminant animal feeds that could occur as feed is produced and distributed, as well as any inappropriate on-farm use.

Based on risk analyses, taking this action will more quickly eliminate the incidence of BSE in North America by preventing future disease development. Enhancing our feed ban aligns with the recommendation of an international panel of experts that reviewed our BSE situation last July. The agency, together with Agriculture and Agri-Food Canada and Health Canada, has consulted with the feed industry, provincial and territorial representatives and counterparts from the Food and Drug Administration.

The Canadian Food Inspection Agency is moving ahead as quickly as possible with these changes, but this is not a minor adjustment that can be implemented overnight. The regulatory proposal must be practical and verifiable. Removal of SRMs from feed will impact numerous stakeholders and jurisdictions. A certain amount of time is needed to properly develop this complex measure.

When BSE emerged in Canada, it brought potential new threats to human and animal health. Today the food supply remains safe and measures are in place to keep Canadian cattle healthy. Nonetheless, we recognize that even the best systems can be strengthened and, based on our commitment to continuous improvement and enhancement, these are on the way. Canadians can be confident that the elimination of BSE remains key to government priorities.

● (2300)

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Chair, the hon. member across the way was talking about SRMs and how it has become necessary for us to remove SRMs in our food processing systems.

Because of the SRM criteria, we essentially have had to go to designating plants as being either for youthful animals or for mature animals. In Manitoba, we have a lack of processing capabilities and we have a group of producers who want to take those initial steps toward setting up a plant to handle the higher risk cattle, the mature cattle. They are right now in the final stages of getting their plans off the ground, but unfortunately they have not been able to get an application to the loan loss reserve program, purportedly by the government.

I want to know where the application forms are and when we can expect to see them. We have some tight deadlines coming down on this operation. Rancher's Choice Beef Co-op needs to have its financial plans in place by the middle of the month. I just want to ask the hon. member from the government side where those forms are.

● (2305)

Mr. Anthony Rota: Mr. Chair, once again, as mentioned earlier, there are no loan applications. The government is working with lending institutions to help these organizations get off the ground. We are very willing to work with these institutions to get things going. This is a cooperative model.

What has to happen is that people have to work together and get this thing off the ground. It is not a matter of just putting a paper forward and thinking once the form is done they can go ahead. What has to happen is that we have to work together with the lending institutions so these organizations have their business plan and they get their money in place. Then they get them off the ground so they are a viable business.

Mr. James Bezan: Mr. Chair, just to follow up, the deadline is approaching, and not because they do not have their plan in place. They have a good plan. They have an opportunity to buy a plant in the U.S. and move it up here. The deadline is on the offer to purchase. If they do not have their financing in place, they will miss out on an excellent opportunity. Their lender agrees with the plan but wants the loan loss program. Since it has been announced, their lender says, “We want that loan loss to back it up”.

This operation needs to have this by the 15th of the month. We are only a few days away and still there is no application. We are going to miss out on an excellent opportunity to build a new plant in Manitoba.

Mr. Anthony Rota: Mr. Chair, from what I can understand the member from across the way is asking me to comment on a specific case that I have no knowledge of. He keeps asking for an application. There is no application. The loan is being worked on with a lending institution. I do not think the government is going to be in the business of lending the money or guaranteeing the loan.

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Chair, I will be splitting my time with the member for Brandon—Souris.

We have spent the last couple of days talking about BSE and all we have heard is one excuse after another, and we still have no answers. The fact remains that after all this talk our farmers are still hurting and something needs to be done about it.

On behalf of the cattle farmers with whom I have spoken, I need to express the lack of public confidence in the ability of the government to handle this BSE crisis. The tremendous cynicism out there is completely understandable and the facts, unfortunately, justify the loss of faith in the government's competence.

Billions of dollars and thousands of jobs have been lost since May 20, 2003, when BSE was found in one Alberta cow and the U.S. closed its border to all beef products and live cattle as a result. Thirty other countries followed suit.

Two facts bear repeating because they show how mishandled and neglected this issue has been by the Liberal government. Fact number one: there was only one cow. Fact number two: this happened back in May 2003. Here we are 17 months later and, while some cuts of beef are now being allowed to flow south, live cattle is still being banned.

Can anyone sitting on the government benches tell me with a straight face that they think the government's efforts to get our border reopened for exports of Canadian beef have been that effective?

A few weeks ago when I was at the Lincoln county fair in my hometown of Beamsville, a cattle farmer told me bluntly that too much time without any progress has passed for him and many others. He is getting out of the cattle business because the government has done absolutely nothing to deal with the terrible crisis.

From the outset the government had no real plan and, in its arrogance, it ignored the plan that the Conservative Party presented. This side of the House proposed strategies to increase domestic slaughter capacity, to diversify our export markets and to better manage the market capacity through methods such as using more funding to keep surplus cattle fed through the fall. Major industry groups echoed the plans put forward by our party.

What action did our beef and cattle industry get from the government? Seasons changed but nothing else did. The crisis has grown and, as the government trumpeted hollow words about reopening the borders, the fact remains that just because one wants it to happen does not mean it will happen. We need a realistic plan, and please, all partisanship aside, our party welcomes the Liberals to talk to our MPs on the BSE advisory panel so that we can implement this plan to lead to concrete results.

For the members on the opposite side, the so-called plan announced by the Minister of Agriculture on September 10 is too little, too late. This $488 million plan is less than half of what the Conservative Party determined was needed last February. The need has grown since that time because again the government did nothing to help with this industry. The dairy farmers of Canada say that there is nothing for them in the proposal. The money allocated to increase slaughter capacity is barely enough to support one plant, let alone stimulate the entire industry.

Where is the funding for those with practical plans to increase slaughter capacity? Time is running out to get the new plan initiatives started for this fall.

Perhaps the one component of the Liberals' BSE plan that has contributed the most to their lack of credibility was pretending that there was actually new money available under the transitional industrial support program to sustain the industry. The Minister of Agriculture knew the deadline for applications for payments was July 31, 2004, and applications are no longer being accepted. Reannouncing existing programs does nothing to help the struggling cattle industry. What was done was temporarily giving people false hope.

The final insult to producers who wanted to apply for some of the limited cash made available was that a month after the program announcement was made, there were no application forms available. It is fairly obvious that this was not so much a plan to help cattle producers as it was a communication strategy to give the appearance of government action.

If the Minister of Agriculture wants to focus on a communications plan, we would welcome some practical efforts on his part to effectively communicate to the U.S. government that science shows our beef is safe. This is a political problem that has been mismanaged for 17 months.

● (2310)

Our cattle industry cannot afford any further delays. Again I ask the members on the government side to listen and to cooperate with our party in resolving the BSE crisis.

If the government continues on the path it has been on for the last year and a half, we will be having the same debate again next spring and the livelihood of thousands of additional cattle producers will have disappeared forever. Do not let arrogance get in the way of doing what is right.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, I can assure the member that we will not let arrogance get in the way of progress on this side of the House.

The member asked if any member could stand with a straight face and say that the government has made every effort to open the border. I certainly can and most members on this side can because I have been there. I have gone down and met with Attorney General Ashcroft when I was solicitor general. I met with many other people when I was down there with the Canada-U.S. parliamentary association, including the chair of the senate finance committee, Chuck Grassley.

Both the previous prime minister and the current Prime Minister have talked with their various counterparts. In a response to the Prime Minister, President Bush said that he would work to have the border opened as soon as possible.

Almost every cabinet minister has been involved on this file in trying to get the border open. Our ambassador has worked on it consistently. People within the ambassador's department and foreign affairs have worked on it consistently. The CFIA has consistently met with the regulator down there to get the border open.

We know for a fact that the Grocery Manufacturers Association is on side in the United States. The National Cattlemen's Beef Association is on side in the United States. Yes, we have made every effort to open that border, but I do recognize that it is not open. It should be open because we have the science behind us that it should in fact be open. The evidence is there.

However a group of anti-free trade people have put their court case and all that that implies and there is the political situation that is happening in the United States as well. Every effort has been made. I wish it was open but it is not. We are taking every other measure that we can to assist producers in the meantime.

● (2315)

Mr. Dean Allison: Mr. Chair, we understand that at this point in time the government doing everything it can. The real answer here is that it has been reactive, not proactive.

Like so many other things that have happened with this government, what it is doing is reacting to issues that should have been dealt with 17 months ago and not recently.

Mr. Merv Tweed (Brandon—Souris, CPC): Mr. Chair, I certainly want to begin by thanking the people of Brandon—Souris for the encouragement, support and trust that they have put in me in representing them in Parliament.

I have had the opportunity to sit through several debates on the BSE crisis. It is something that has taken place in provincial legislatures for the past 17 years. In fact, many of the provincial legislatures have passed unanimous agreements supported by all members in support of the BSE crisis, in support of finding a resolution and in support of the producers.

As we have heard over the last few hours and on a previous evening, the issues are similar across the country. It does not matter what part of the country, the issues and concerns are the same and, in a lot of cases, the solutions are the same.

We have all heard people talk about the increased packing plant, the increased slaughter capabilities. We have heard about getting money into the hands of the producers at this point in time when they so desperately need it. We have heard the stories of how our producers are suffering, and it does not, as we know, just impact the cattle industry. It impacts several industries in the livestock industry.

We have to address this but the challenge for the government and where it has failed is its failure to act. I have been told that of the people who get their income tax done in Canada less than 60% of them require accountants, and yet I am told that of all the agriculture producers applying for any of the current government programs, about 98% of them need accountants to do it for them. That should send a clear message to this government right away that the programs are too cumbersome, too awkward, quite often the paperwork does not follow the announcements and people are left out in the cold wondering how to apply and how to access the programs.

We have heard it from all of the members on this side. I suspect the member opposite hears it from his colleagues when they are in private conversations. However when they stand in the House with the bravado and arrogance that they display, it only indicates to the producers in the rest of Canada that the government does not care about the issue.

I have a couple of solutions to put forward and I would hope that the member opposite would pay attention and perhaps present them. Throughout the entire campaign my issue with the current government was its failure to acknowledge that agriculture is an industry in Canada that needs the support of the government. The Liberals have neglected it and have ignored it. They ran on the fact that after 17 months the border still might open and, after listening to the comments and the rhetoric tonight, I still believe their only standing position is that the border may open some time in the future and all our problems will disappear. That is a complete neglect of its responsibility as a government.

In my mind, a government should identify the problem. We all have. We understand the BSE crisis and the impact that it has had on people. It is imperative that the government present options to the public to deal with the issue. That would be a plan and one which we could debate and improve. It would also give us the opportunity to present something that would work for all.

Finally, it is imperative that the government move forward and implement the plan, not just keep making announcements over and over, creating a frustration level with our producers that is far beyond what this member understands and would even be prepared to acknowledge. We have a government that after 17 months is still saying to the public that it is working on a solution and that it is working together with people to present a plan.

We cannot run an industry, a business or a government that way and it cannot be run on the hope that the border will open in the future.

I opened my comments by suggesting that the people of Brandon —Souris had put a lot of trust in me to be their representative, to speak on their behalf. What they are telling me right now and what they want to tell the government is to cut the crap, move forward, implement a plan and help resolve this issue. They do not want the government to go out and constantly promise the people of Canada that the border may open tomorrow.

● (2320)

Let us acknowledge that the border has not opened in the past 18 months. Let us have a plan that will resolve the issue. It will be a made in Canada solution. There is the option for a minority government to work with all parties to bring forward a resolution. I would encourage the government to do that.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, the member opposite must be quoting from the minister's announcement on September 10 when he talked about a made in Canada solution. The minister said very specifically on September 10 that we cannot just sit back and wait for the border to open.

I will not go through all of the programs that have been in existence. They were put on the record earlier tonight and the member can go back and read those if he so wishes. On September 10 the minister clearly said that we had to move with a made in Canada approach, that we had to keep the pressure on the U.S., but we had to look to foreign markets as well. We have to increase our slaughter capacity within Canada and we have set in motion the program to do that. We are in fact acting.

The first reverse auction fed cattle set aside was yesterday and that will happen on a weekly basis. As I have said a number of times tonight, the intent is to try to make the market function as near normal as possible.

The other point I should make is that the CAIS program was put in place two or three years ago, which in normal boom and bust cycles should work, level out and assist farmers in terms of their income. The government has recognized that the program just will not do the job in terms of the disaster situation that was caused by the border closure. That is why we have added in the other four or five programs that have been announced over the last several months.

Mr. Merv Tweed: Mr. Chair, it is the arrogance of that statement that makes our producers angrier every day. The government wants to pay lip service to a problem that has been around for 17 months, and on September 10 of this year the government came forward with a made in Canada solution. Where was it last May 21? That is what the people of my constituency want to know. The government has failed to acknowledge that agriculture even exists in Canada. Until it does that we are not going to have a resolution to this problem.

The member talked about September 10 and these grandiose announcements. When people are dealt a severe blow such as the border closing, they want to deal with it immediately. What the government has laid out to those people are promises, promises that they do not even believe will happen. What has happened is that everybody is angry, everybody is waiting and now we see producers falling. Our neighbours and friends in our communities are collapsing under the wish of a government that says, “Give us 17 months to find a solution to a problem that is facing us now”. Even today all it has promised is rhetoric, rhetoric, rhetoric.

Hon. Wayne Easter: Mr. Chair, if the member wants to see arrogance, all he has to do is look in the mirror and he will see arrogance. I answered his question directly. I said what the minister announced on September 10. Maybe the member should go back and read his remarks to see if the answer ties in with his remarks. It does.

I will tell everyone where we were last May 21 when the BSE happened. We were attempting to get the border open. Every effort was made by the Prime Minister, ministers of the crown and as many members as we could get from the CFIA and others to get that border open. That is what the opposition at the time was telling us we should be doing and that is what we were doing.

We all hoped, including members on the other side, that the border would open. It did not. We have to improve our strategy as we go along. That is what we are attempting to do. That is not arrogance. That is stating the facts as they occurred and I have stated them directly.

● (2325)

Mr. Merv Tweed: Mr. Chair, the member opposite talked about programs that the government has presented to the Canadian farmers over the past 17 months. He talked about the CAIS program which I hear from my producers they cannot access. Everybody they talk to in the CAIS program says, “The cheque is coming 30 days from now”. The only thing is that was 120 days ago and they are still being told the same thing.

The government has failed to address the problem and the member still wants to talk about the border opening. Let us get past that. Let us talk about the things that we can do to help our industry today within Canada. Let us not keep talking about the promise of a border opening. It is a ruse the government uses when it cannot solve the problems facing our producers. It throws it out there saying, “We are talking about the border opening”. We are no longer talking about the border opening. We are talking about a solution to save the producers in our beef industry and our livestock industry in Canada. I wish the member would pay attention to that.

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Mr. Chair, on my first opportunity to speak in the House of Commons, I would like to sincerely thank the voters of Carleton—Mississippi Mills for electing me as their member of Parliament.

My riding faces two large crises, unemployed technology workers and BSE. I find it appropriate that I have the chance to speak tonight on one of these crises.

BSE is a national issue. I point out that Ontario is home to 8.3% of the national herd and makes up 21.2% of all fed cattle production in the country. The beef industry is significant to the Ontario economy. Prior to BSE, beef was Ontario's second largest commodity in terms of annual farm gate receipts, with an annual value of $1.2 billion.

Beef exports from Ontario to the U.S.A. in 2002 were valued at $354 million in live cattle and an additional $292 million in beef product. As of June 2004, losses to Ontario's 21,000 beef farmers has reached more than $200 million. Ontario's 4,200 sheep producers have lost about $4.3 million in export sales, while Ontario's 5,400 dairy farmers estimate their loss at a minimum of $50 million.

I mentioned earlier that Ontario beef makes up 8.3% of the national herd, which translates to roughly 415,000 head of cattle. In a normal year of trade, my riding of Carleton—Mississippi Mills contributes approximately 35,000.

Rough calculations estimate that the BSE crisis has cost agribusiness in my riding somewhere in the neighbourhood of $10 million since the crisis began. If this were not bad enough, farmers in Ontario, particularly beef farmers, will soon face a double whammy. Adding to their troubles is the cost of complying with the Ontario nutrient management act, effective July 1, 2005.

The rural communities in Carleton—Mississippi Mills have grown tired of phantom money, bad policy and waiting for the U.S. border to be opened. They have started taking matters into their own hands with what they call the rural revolution.

The Lanark Landowners Association is a grassroots group that sees government policy, both federal and provincial, as intrusive, corrupt and discriminating against the multigenerational family farm.

To raise awareness of the high cost of beef in the supermarket, and subsequent profit is not making its way to producers, the LLA is staging “Here's our Beef” food strikes, where it sells beef directly to the consumers for a price reflective of the true cost of beef, $1.99 a pound.

I applaud the efforts of the LLA for raising awareness about the inflated price of beef, but the elected officials in the House, namely the Liberal government, need to do more if they do not want to see the ruination of the beef industry in this country.

Based on conversations with producers in my riding over the past several months, I have a few recommendations on what could be done to help the industry right now.

I understand the new Liberal program calls for increased slaughter capacity. I encourage the government to include in its plan a strategy for dealing with the need for increased slaughter capacity in Ontario beyond the current limited monopoly.

While the government deals with the problem of increasing slaughter capacity by building new facilities, it should be concerned about the ownership of current facilities. For example, American owned Cargill recently purchased Caravelle Foods, the provider of beef for the McDonald's chain in Canada. There are also suspicions that Levinoff Meat Products will also be on the block to an American buyer.

As it stands, the overall Canadian beef industry is threatened by the possibility of large monopolies dominating our market.

To quote the Dairy Farmers of Canada, "Tthousands of farm families saw the price that they normally received for older animals destined for the meat market plummet by 70%". While the government's efforts to assist producers are encouraged, the latest package does not address the economic situation confronting dairy producers.

Not only are cull cows fetching a mere fraction of their worth, they are now depressing the beef market in general. To compound the problem, rather than accepting pennies for these animals, farmers are holding back cull cows that would normally sell, creating a glut in the market. These animals must be removed from the system.

Why does the government not offer a plan to purchase excess animals for use at federal institutions such as penitentiaries, government cafeterias and the Canadian Forces instead of allowing them to import beef from Uruguay, the United States and Brazil?

● (2330)

Many in the beef industry believe that the U.S. border will not open to Canadian beef until the Japanese lift their ban on U.S. beef. As one might suspect, President Bush is working hard to get the Japanese border opened before November.

What is Canada doing to facilitate a market for Canadian beef with Japan? We know that Japan and South Korea have already indicated that they will accept Canadian beef exports, provided all animals are screened for BSE. Why then is the government not considering this option seriously? There are a number of financially feasible options for private BSE testing and as science advances, these costs should be expected to lessen. In fact, with funding from the B.C. cancer agency and Genome Canada, the U.S. department of agriculture is mapping bovine DNA and is bringing us that much closer to understanding mad cow disease as well as accurate and inexpensive screening.

By testing all animals we would be proving to the world what we already know, that Canadian beef is the safest in the world, and at the same time building ourselves an alternative market for our beef. Then should the U.S. border finally open, we would be able to sell our beef at a premium.

Should this beef crisis continue in the same vein, we are at a risk of losing family run beef operations across the country. I encourage the government to take note of the importance of this industry to the Canadian economy and take all the necessary actions that will assist producers to overcome this crisis.

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Mr. Chair, I have listened to a fair amount of the debate this evening. A couple of comments have stood out among all the comments that have been made.

The Parliamentary Secretary to the Minister of Agriculture and Agri-Food stated that the objective of the government was to keep far farmers in business. I certainly applaud the parliamentary secretary's comments and I think he actually believes them. However, I live in rural Nova Scotia. I can drive by farm after farm that is no longer in production. They have given up. They have moved on to another means of making a livelihood. They have abandoned their farms.

Over the weekend I was at home putting the finishing touches on a new barn. One might ask why I would build a new barn today, and I ask myself that question. A friend of mine came by because he pastures his heifers there. I know the parliamentary secretary is no stranger to the barnyard. He said that he was fifth generation farmer and he saw no way that he could stay in the industry. He is an engineer and he has always supported his farm by off farm income. He will no longer stay in the beef industry.

Our farms in Nova Scotia are much smaller and more modest in scale than they are in western Canada. It does not matter if a farmer has 50 head of cattle, of 100 head of cattle or 200 head of cattle, they are just as important as the farm that has 1,000 or 10,000. The same element of scale is involved.

We have a situation that has arisen in the country that is hitting agriculture like no other situation with which we have ever had to deal. I do not see any answers coming from the government. I have heard a lot of discussion, a lot of rhetoric and a lot of debate tonight that somehow miraculously the border will open. Quite frankly, I would like to see how and why.

We have done nothing in our association with our American allies and colleagues to open the border. The government has been adversarial, in most degrees, when dealing with the Americans. There is nothing that would tell us, looking at the Canadian Food Inspection Agency, the Health Canada regulations and the USDA regulations, that the border will open. If the Americans want to keep it closed, they will keep it closed and they will keep it closed for the mandatory seven years. There are 30 other countries of the world that have also closed their borders to Canadian beef.

This is not a situation. This is a crisis.There are 16.8 million cattle in Canada. We have nearly one million head of sheep. We have elk, goats and deer. All these animals need to be marketed. We have cull cows coming from the dairy industry. We have dairy heifers that we cannot ship across the border. This is just compounding exponentially every day as this situation goes on.

We cannot sit here and talk about what might happen when the border opens. I want to know what we have done. I have heard the discussion about what we have done about Japan. Between Japan and Korea, a million tonnes of beef is consumed in those two countries alone.

What has the government done to look at a mandatory testing regime for overseas exports, which the government would pay, not the farmers? What about the $8 billion in surplus that the government suddenly miraculously found on its books? How much of that will get to the farm gate? I suspect very little, if any. The idea that somehow we might find $400 million on September 10 to put into a program that might be delved out over the next six months, to a year, to eighteen months is great. That is wonderful for the person who is grasping at straws. A lot of farmers have already given up and have drowned.

● (2335)

What are we going to do to ensure that at least the rudiments of the industry, the basis of our industry, is still there two years down the road when we are still having this discussion about the American border not being open and when we still have done nothing about accessing the huge Asian market and other markets around the world?

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, earlier tonight similar situations were expressed. The size of the operation does not matter. Whether it is the part time farmer who I cited in the Ottawa area who lived on the Hull side or whether it is a big feedlot operation, the impact of financial strain, of family pressure, of stress, is the same. It is devastating and we know that.

As I have said a number of times tonight, on September 10 we on the government side substantially changed our approach by looking at other markets and by increasing a made in Canada approach. We will not depend on the border opening, although we will keep the pressure on to do that. We are looking at other areas. We are looking at trying to expand slaughter capacity. With the set aside program, we are trying to get that market to function normally.

We really see the testing for BSE as a shortsighted strategy that could harm and not help the Canadian cattle industry over the long run. What we are doing now is science based and recognized as science based. There should be no need to test every animal. On the industry side, some are showing interest through a certain operation, opening up a niche market through testing, and that is a good idea. They would do the testing within their own slaughter capacity and maybe find a niche market as a result. We see no reason to go to complete testing for BSE because we are operating what has been recognized as a science based approach right now.

● (2340)

Mr. Gerald Keddy: Mr. Chair, I would like to speak briefly to the parliamentary secretary's comments on testing.

As I see it, the issue around testing is not about any disagreement with the science. Rather it is a disagreement with the results. What I mean by that is the government can say that it does not want to assist farmers in testing animals destined for export markets or assist farmers in testing animals destined for niche markets such as Japan and Korea. Those countries are going to insist upon testing for a very long time, the next 10 to 15 years at least I suspect. The only way we will ever access those markets is if we test our animals. If an affordable test is put in place, I will guarantee that a loss will become cheaper over time. As we test more animals, we will find a better way to do it. It is not a matter of disagreeing with the science. If we do not do the testing, we will not export our beef to those niche markets.

Mr. Andrew Scheer (Regina—Qu'Appelle, CPC): Mr. Chair, in the months leading up to the opening of this Parliament, I spent quite a bit of time discussing this problem with the people who were dealing with it day by day. I spoke to feedlot operators. I spoke to cow calf operators. I spoke to grain farmers who had just a few head of cattle as a means of diversifying. They are all looking for leadership and they are all desperately looking for assistance. Most important, they are running out of time.

I am not sure that the government and its agriculture minister really understand what is going on in this industry. I have met with producers in my riding, as I am sure many of my colleagues have, whose families have been on the land for several generations. Many farms in Saskatchewan are celebrating their centenary year awards, and that is 100 years of operating a family farm.

Through some of the hardest times in Canadian history, droughts, grasshoppers, crashes in prices, the farmers in my riding have toughed it out. Now they are facing a slow death as a product that they rely on selling to pay their bills and feed their families is not moving. Their credit is maxed out. They have nowhere else to turn.

This agriculture minister came to Regina just a few weeks ago. He and the finance minister trumpeted a new program which they claimed would help those afflicted by this disaster. To date not a single dollar has been paid out to producers. Not a single investment has been made in building a slaughter plant. The forms still are not even printed.

Had the minister actually consulted with individual producers, with family farmers or the stakeholders in the different facets of this industry, he would have heard with near unanimity that aid packages should never be administered through the CAIS program. The CAIS program is top heavy, with millions of dollars eaten up in administration costs.

My hon. colleagues have all spent considerable time in this debate outlining the disparities in the program, with opening and closing inventories, allowable expenses, and the problems in even accessing the funds.

In my short time as the member for Regina—Qu'Appelle, my office has received dozens of calls from constituents seeking help with their CAIS applications. Most producers need to seek paid help from accountants to fill out their forms. Many producers do not qualify for CAIS, or they are not able to participate because the onerous burden of cash on deposits.

In the minister's aid package he announced some money for new slaughtering capacity. Where is it? Has a single dime been handed out? They called part of it new money. An advance on existing funds is not new money. When the government knows that money will not be accessible because of deadlines, it cannot be counted as new money.

There is a huge disparity between the dollar figures from the announcements and the from the dollar amounts actually received from producers.

The minister and the department should have actually developed the method to deliver before the announcement was made. Producers need outlets for their cattle and they needed it last year. They needed them even more this spring and now it is at the breaking point.

For all the money that went out last year, how much more beneficial would it have been if the government had shown some leadership and arranged for new slaughterhouses to have been built? That would have given a huge return on its investment, as cattle ranchers would have more options in where they sold their cows and with more cows being processed, the prices would have reacted accordingly.

We have heard about the rancher's choice efforts. Where is the government's leadership in getting innovation like that off the ground? The minister needs to develop a system where aid packages actually get to the farm gate. It is a phrase heard over and over, yet we find ourselves repeating it because no action has been taken. We have already seen government programs disburse money and none of it actually ends up in the hands of the producers. It is this government's responsibility to take ownership for that.

There is also much agreement on the fact that BSE is no longer a scientific or food safety issue. This is a political issue from protectionist movements in the United States. Where is the government's long-term plan for dealing with this? We need an agreement with the U.S. We need to be able to sit down with the Americans and we need to have the sort of relations between our two countries that facilitates dialogue, not Liberal MPs hurling personal insults.

We need to work within existing trade deals with the U.S. to ensure that when trade conflicts arise, there is an independent and mutually recognized way to work through it. We cannot have protectionist politicians being allowed to shut down sectors of our economy every time something pops up to disrupt it.

We have arrived at this dismal point because the government has placed this issue on the back burner. Having this debate where the minister defends his position, where government members keep repeating the myth that the government has taken action, that the farmers have received assistance is becoming futile.

We need the government to at least recognize the weakness of its many programs, stop throwing good money after bad and get the money where it needs to go.

● (2345)

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Chair, I am splitting my time with the member for Okanagan—Coquihalla.

I relish the opportunity to speak on such an occasion although in a certain sense I wish I did not have to, but because we are in this crisis in the country, I appreciate the opportunity to speak on behalf of my constituents in the Saskatoon—Wanuskewin riding of Saskatchewan. I particularly appreciate speaking on behalf of those many rural Canadians in my riding who have been directly affected by the very difficult circumstances surrounding BSE or, as we also know it, the mad cow controversy.

I especially appreciate the fact that our Conservative Party requested this special take note debate on BSE, the very first debate in the new Parliament. That reflects the importance to the Conservative Party of agriculture and the whole crisis we are in, for which we have solutions. We have offered them before, in fact in February of this year, in terms of how to address this whole issue.

As we know, the last estimate of the cost of the BSE crisis to the Canadian beef industry and rural economies has been put at more than $6 billion. More than 4,200 jobs related to the beef industry have been lost, according to the government's very own figures. These are large numbers, but each dollar and each job loss represents a real person, a family and the livelihood of a good many people in my riding of Saskatoon—Wanuskewin and throughout the country. Lives have been turned upside down by this crisis we face.

Just last week, one of our big city papers, far removed from some of the rural areas where the crisis is, picked up on it and reported how one farmer lamented that the banks were foreclosing or coming at him, “closing in on him”, as he said. The very day before BSE hit, his cattle were worth nearly $1,500 apiece, he said. Since then, he has had to sell some for as little as $350 a head, not even covering the cost of his feed. His equity loss, he estimates, is in the range of $200,000 to $250,000. Farmers across the country are losing their farms, their homes and their livelihoods.

Instead of quickly developing a coherent, thorough and responsible solution for helping farmers through this difficult time, the Liberals used empty rhetoric. One example of that was given by the leader of the Conservative Party last week when he talked about how the Liberals, in full election mode, promised farmers that the U. S. borders would open up by the end of this past summer. Really, they had no justification for making that kind of claim. There was no movement on the ground. There was nothing being done. It was nothing more than cynical electioneering on the backs of Canadian farmers.

Back in February of this year, our Conservative Party proposed a comprehensive agricultural strategy that would have enabled a flexible and rapid response to the BSE crisis, which was upon us even then.

Our plan included topping up the 2002 Canadian farm income program from 60% to 70% payouts to full 100% coverage. It also included a mature livestock rationalization program. Our Conservative program included replenishment of Canadian agriculture income support programs for BSE-affected operations. The Conservative program of February of this year also included the establishment of testing regimes for all non-North American markets as well as working toward integrated North American rules and processes.

The latest measures announced by the government on September 10 are long overdue, but they are woefully inadequate and administratively bungled. The Liberal plan is only half of what our party proposed.

The essential component for a long term solution, as other members have pointed out, is for Canada to increase its own slaughter capacity. The investors and the developers are ready to go. Now they need to find out what federal funds are available to them and how these funds can be accessed so construction can start.

As well, a lot of that long term solution obviously involves the re-opening of international borders and the advocates and ambassadors for our beef industry out there in the borders beyond, of the Americas and elsewhere as well. The federal government needs to be aggressive in respect to this.

Canada also probably needs to do a chapter 20 challenge. We have had individual producers doing a NAFTA chapter 11 challenge. The government needs to step up to the plate now as well.

I could go on at length to tell the House about some of the flaws that are popping up now. We are seeing it in the CAIS program, another badly managed program, where constituents are now calling in and indicating what the problems are. We need to change that. We need to fix it for the good of our producers and the farm folk all across our country, and in my riding in particular, where I am beginning to become aware of the flaws and the problems of that program.

● (2350)

The Conservative Party will not accept the status quo but will demand that the Liberal government set up agricultural policies that work, policies that are responsive to the real needs of farmers without violating the independence and the dignity of these valuable, hard-working producers across our country.

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Chair, a lot of people have dates in their minds that are important to them. It might be a birthday, an anniversary or the remembrance of some momentous occasion. I would suggest that for years to come the date of May 20, 2003, is going to be indelibly planted in the minds of farm families and families who have had to go out of agriculture because of what happened on that date: one cow being diagnosed with BSE.

One cow on May 20 and the market doors slammed shut and have not been fully reopened. That will be a date that agriculture people are going to remember for years and years to come. Every region of the country has been hit. In virtually every province there are people who have been affected. In my constituency of Okanagan—Coquihalla are some of the largest ranches in North America. As a matter of fact, the largest ranch in North America is in my constituency in the Douglas Lake area.

I sympathize when we read reports, as we have over the years, about when certain regions are hit with a calamity of some kind and 200 or 400 jobs are lost. Oftentimes there is an immediate response from the government. It falls over itself rushing to fix the problem.

This particular problem, estimated now at $6 billion in losses to the rural communities, with over 4,000 jobs lost, this, in any other estimation in any other industry, would be a national disaster. One would think the government would be galvanized on this, but it has not been.

There was a false promise made during the election that the government would have this thing wrapped up by the end of the summer. It simply has not happened and the government is literally getting away with it.

The irony for those involved, especially in the cattle industry, is that for decades they have been resilient. They have not needed well intended and appropriate farm programs. They have gone through the highs and the lows and the cycle of the commodity markets and the feed markets and other things that constantly assail this particular industry. They have gone through those times and they have toughed it out largely on their own without government programs. Now when they get hit with disaster, where is the government? It is not there for them.

My colleagues have very clearly articulated in specific forms some of the things that could and should be done to relieve these people who are being hit by this disaster. It basically comes down to getting the help to the farm gate, but what do we hear about? We hear about forms that are so complex that farmers cannot fill them out, about farmers having to hire accountants to try to catalogue the disaster they are going through, and about a government that makes idle promises and programs that are falling far short of what needs to be done to literally save the agriculture industry in our country.

One aspect that needs to be addressed, which my colleagues have mentioned, is this whole aspect of international and foreign relations. Relationships between countries are simply that; they are simply relationships between people. This government and this Prime Minister have allowed some of the worst poisoning of the well of international relations that we have seen in modern history. Literally, MPs have been allowed to hurl the most grotesque insults across the border to a country whose men and women are battling on foreign fields.

That affects the negotiations.

Yes, this must be science based, and yes, it must be agriculturally based, but these types of problems can be resolved if there is goodwill between the two people. The goodwill has been diminished because of this cavalier attitude that the Prime Minister has allowed to exist. He has MPs who are probably suffering from political Tourette's syndrome with the type of language that they fire across the border in a haphazard way.

● (2355)

One has to think about what happens, then, in the discussion rooms in the administration south of the border when those people who are involved in the industry south of the border are sitting down and looking at this problem. They simply remind their president and their secretary of trade, “These are the people who insult us all the time. These are the people who hammer us when our boys and girls, our sons and daughters, are on foreign fields”. They are able to use the delinquency of this government as a lever to apply pressures that they should not be able to apply. These borders should be open.

The questions I have are these. Number one, why is the Prime Minister in Russia, France and Hungary? I appreciate very much the fact, as we all do, that he took time out to pay his respects to a sailor. But he needs to pay respect to the farm families that are going down in the country. I appreciate the people of Hungary and the government there, but I am not sure what is more important in Hungary than his being here and putting all his efforts into solving this crisis.

I would also like to ask, as my colleagues have asked, why not have the programs in place now? What is in place right now should this disaster strike again? We hope it never does, but is there something in place in terms of emergency preparedness so that we would not have to see this whole ugly movie unfold again?

When are we going to see the right programs? Why is the Prime Minister touring the world when he should be having his focus on this problem? And should this ever happen again—we hope and pray it never will—what has the government learned and what does it have in place to deal with the problem in the future? Help the farmers now and what do we have to protect us in the future?

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, with the last three speakers on the other side, there certainly has been a conscious effort to fail to tell the whole story.

The member mentioned the CAIS program. While it was designed to level out the boom and bust years in a normal market situation, this is abnormal. This is disaster. There is no question about that and we admit it.

However, as a result of it being a disaster and going beyond to a certain extent the capabilities of the CAIS program, there have been close to $2 billion put in through various programs and some of that money is yet to be rolled out. I am not going to get into the announcement of September 10. We could go back to the records of tonight's proceedings and see how the government has somewhat changed its approach, to look at other alternatives, recognizing that it may be some time before the border is opened.

What has to be mentioned with regard to Canada's position on BSE is that no country has regained market share in such a short time after a BSE crisis as we have. We have regained 90% of our pre-BSE beef export levels. That is because of the work we have done through our regulatory authorities and the work we have done by going to Washington to open up those markets.

We are now moving 90% of pre-BSE beef export levels based on the recognition of the integrity of the measures and the inspection programs we have in place. That has never happened previously to countries which have had BSE. They have been shut out of the market for much longer times and some have never got back in. That is beef, not live cattle. That is strictly beef and beef products. We do not have the movement of live cattle into the U.S. or dairy heifers and we certainly do need that. We are not satisfied that the market has opened up far enough yet. We are going to continue to work at it.

In terms of the question as to why the Prime Minister is in Russia, France and Hungary, he is doing his job as Prime Minister of Canada. While he is there he has not forgotten about the beef industry. He is there trying to open up markets for our agricultural products in Russia and those other countries as well.

As I said earlier, the Minister of Agriculture and Agri-Food is in Japan, Korea, Hong Kong, and China doing the same thing. He is trying to open up markets for our agricultural industry so that we have less dependence on the market south of the border. They are doing their job.

The Prime Minister has met a number of times with Mr. Bush. President Bush has stated that he would like to see the border opened as soon as possible. I would agree, for whatever that means, because it has not opened up as soon as I would have liked to see it opened.

In terms of a game plan, if there are other instances that happen, that game plan is in place. It is in place through our regulatory authorities. We are now doing quite a number of animal testings. I believe it is 8,000 that we are trying to test this year in terms of BSE, ramping up to 30,000 next year. I will have to double check those numbers, but we have a plan in place to ensure that our livestock products, that our beef products of cattle, sheep and other ruminants are the safest food quality in the world. That is what we intend to maintain. We have the regulatory regime to back it up.

We have announced a number of programs to try to get money into the farmers' pockets, to tide them over. We know that is a difficult situation. As well, I talked earlier about trying to make the market return to normal circumstances.

● (0000)

Mr. Gord Brown (Leeds—Grenville, CPC): Mr. Chair, it is a great honour for me to stand before you this morning, as it is after midnight here in Ottawa. I would like to take this opportunity to thank the people of Leeds—Grenville for the confidence that they have shown in me.

In my first address to Parliament, it is fitting that I am standing here on the BSE crisis. It is something that has had a major effect on my riding.

Earlier this evening I was in my riding helping some folks because the bank is closing in one of our small communities. It is just another one of the things that is causing the deterioration of the rural way of life in ridings like mine.

We are here this morning to talk about the BSE crisis. It is not some abstract problem for bureaucrats, diplomats or industry commentators. It affects men and women and families, not just in my riding of Leeds—Grenville where it is a large part of the economy, but across Canada.

All of us who represent rural ridings know exactly what I am talking about. Our beef farmers are in real trouble through no fault of their own. What started as a legitimate medical concern has been permitted to evolve into a full-blown industry meltdown by an unprepared, irresponsible Liberal government that thought calling Americans morons was a solution. Planet earth to you, Mr. Prime Minister, it was not the answer.

Beef farmers in my riding, like others, are among the most stoic of all Canadians. They work hard and pay their taxes. They do not complain and they do not look to government to solve all their problems. They are strong, resourceful and resilient people. Now in these dark times, they need our help. Beef farmers in my riding are stretched to the breaking point. They have used most of their resources and this winter may be the end for many.

BSE is a political crisis that requires political action on several fronts. It requires this action if we are to find a solution.

Like myself, others here tonight will raise concerns that are on the minds of beef farmers and the agricultural industry all across the nation. These issues are a part of the problem and their resolution must be part of the solution.

Relief should focus on farmers, not packers. Let me remind the government that we cannot pack what we do not grow. The fact is that the CAIS program is not right for small family farms because the cost of entry is too high and the rewards are too low after a year of depressed prices. CAIS must be restructured to help small family farms.

It is time now for blunt talk with the Americans and the Japanese to remind them that the unjustifiably closed borders for Canadian beef can result in reciprocal actions.

We need to restructure and rebuild the entire industry in light of this crisis so that we have new markets, new domestic slaughter and packing capacity and are never again prey to political protectionism.

These are issues that concern the producers in Leeds—Grenville.

I note and commend the seven solutions offered by the member for Lethbridge during last Thursday's start to this debate. I am attending a regional meeting of cattlemen later this month and I guarantee that the ideas he presented will be discussed.

In order to illustrate the breadth of this problem, I would like to bring to the House the facts of the terrible price that is being paid in my riding as a result of this crisis. Over the past number of weeks I have been talking with farmers involved in and affected by the BSE crisis and other affected businesses. The picture that has been painted has not been pretty.

To put this in a perspective that all Canadians will understand, it is like going to work every day of one's life and several years before retiring, one is told that one must return all the money made and everything that has been put away for retirement just to keep working.

In my riding and in the area that is serviced by the farm industries, this is what has happened since the beginning of the BSE crisis. This is how we have to deal with those who are affected.

A sale barn is closed down. Farmers in Leeds—Grenville and neighbouring Frontenac County now have additional costs in getting their cattle to market, or they have to make additional costly arrangements to have their cattle shipped elsewhere to do so.

Dairy farms that used to sell their steers into the meat market are no longer doing so which is another hit on their income. That ripples through to other businesses.

● (0005)

Older farmers who have been saving for retirement or who should be enjoying their retirement are cashing in their RRSPs to help the younger members of their families keep their farms operating. This is money that they will never recover. Somehow I doubt this is what we intended when the RRSP program was started.

Those farmers who are being forced out of business are selling out at fire sale prices because there is no other option. Equipment dealers are in trouble. Fertilizer and feed dealers are in trouble. Veterinarians have had to cut back on staff and hours. Commodity prices have dropped and the wet weather that we had through most of the summer in our area has led to poor crops. All of these factors lead to a truly frightening trend.

The ability to sustain the family farm is reaching a critical point. Farmers are leaving the business. There are no young farmers to take their place and there are no financial institutions willing to finance them even if there were. Being able to feed ourselves is a matter of national security. If we cannot feed ourselves, we cannot control our future. However, we can do something.

I ask the government to take time out from advising the Russians on democracy or tap dancing on ethics to pay real attention to these real problems and to work with members of the House. We heard the member for Brandon—Souris say that we have to recognize there is a minority government and it is time that all sides of the House worked together to help solve this problem.

Let me offer just a few suggestions that I think could go a long way toward solving this problem. We need to empower our international negotiators to make clear that it is time that science trumped politics. Open the borders or face the consequences. Do not think for a moment that Canada is powerless in all of this. All we require is a government with the political will and the courage to stand up for Canadian beef producers.

We need to aggressively seek new markets for the best beef in the world, Canadian beef. We need to commit resources to redesign the entire beef industry in Canada in light of this experience so we are not caught at the bottom of the production chain again.

In fairness, the original BSE outbreak was not the exclusive responsibility of the government. The half-hearted, ineffective, unimaginative, defeatist response to it by the preceding Liberal government, however, is directly responsible for the continuing crisis in my riding and others from coast to coast.

Let us now with this debate and this Parliament resolve that together we craft a solution. Let us get the applications out there. Let us get the money out through the CAIS program. Let us help expand the slaughter capacity. Let us get it done now. Let us work together to solve this crisis.

● (0010)

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, some of the member's suggestions are interesting and I think worthy of consideration. The one I am really interested in is when he said, "empower international negotiators to have countries make decisions based on science". I certainly believe that those countries should be making their decisions based on science.

Then he added "or face the consequences". What consequences is he suggesting we should put in place? I heard the other day from a producer who suggested, and I think it is an interesting idea, that maybe we should be tightening the tap in terms of our oil or natural gas exports. If they do not want our beef, maybe they do not want our oil and energy.

Could the member give me a list of the consequences that the Conservative Party is proposing be employed against the United States if the Americans do not make decisions based on science as they should be in this case?

Mr. Gord Brown: Mr. Chair, I spoke about the need to remind the Americans that we are concerned that they are not opening the border and if they do not open the border there needs to be consequences. We need to work with them and let them know that we are not going to just stand back any longer. We need to remind them that we are one of the largest producers of gas and oil in the world and we need to work with them.

Right now we have a government that allows members to sit on its benches and call Americans names and advocate hatred against them. This is not the way to get this problem resolved. I am sure the member opposite cannot stand before us and endorse what one of his members said and repeated in the media not too long ago.

We need to let the Americans know that we mean business. Hopefully by turning down the rhetoric and the noise maybe we could work with them to solve this problem. We all know that opening the border will go a long way toward resolving this problem, but we need to let them know that if they do not, we will have to look at other ways to pressure them to do it.

● (0015)

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Chair, what was just mentioned in the last exchange was the obvious need for a long term solution to get the U.S. borders reopened because of the percentage of live cattle that went there.

As my colleague rightly pointed out, for that to happen we need a government committed to some serious professional relationships with these other countries, and no less the Americans just south of the 49th parallel.

We do not need those rash juvenile outbursts that have been made against the United States by members of the governing party. We need a proactive strategy to promote Canadian beef. I think my colleague would be aware that on that front we are probably short of where we should be.

Last Thursday one of my colleagues made the point that on a trip down to the United States she found the American Congress to be woefully uninformed about the issue. They were not aware. In fact, some Americans who they met thought the border was already open to live cattle.

I would like to know if my colleague feels that at this time it would be well worth the effort of the minority government to be fully engaged in a fairly aggressive lobbying initiative in the U.S. that targets both elected officials and consumer groups, informing U. S. consumers that the high prices they are paying at present for beef and dairy products, and also the loss of jobs in their country, is due to the closing of some of those slaughter facilities which is a direct results of politics and has nothing do with food safety at all.

Does my colleague feel that a campaign is needed to make the Americans aware of what is happening as many of them are not at present? It is not a matter of just bringing out the heavy guns and saying that if they do not do it we will pull back on this or that resource. We have a fair bit of support down there but it is absolutely crucial that we leverage and broaden that support for the Canadian beef industry. They need to be aware and kept up to speed and abreast of the developments and the fact that we do not have any opening yet, which is why they are paying the high prices for beef, dairy products and on it goes.

Does my hon. colleague agree with that?

Mr. Gord Brown: Mr. Chair, I fully concur with the comments of my colleague, especially at this late hour. However the cooperative approach will go a long way toward solving this problem.

As we heard, the rhetoric that came from the government side and some of the comments that were made were less than helpful.

Hon. Wayne Easter: Mr. Chair, now I am really confused by the member's comments. Now he is talking cooperation and a minute ago he was talking of consequences. He did not really lay out what those consequences would be.

It is easy enough to talk, and that is what we are getting a lot of from the other side. I have been to the U.S. and have talked about Canadian energy going down there. The fact is that we export more crude oil to the United States than Saudi Arabia does, that is to say nothing of the hydroelectric resources that we send down there and natural gas.

We are a big energy supplier and, yes, we have to continually tell the Americans that, which we have been doing through the Canada-U.S. parliamentary associations and some other endeavours when we were down on both softwood lumber and the BSE issue.

I wonder if the member could be a little more specific on what consequences we could enforce on the Americans. I agree with the cooperative approach to a certain extent. We do have to work with them and be friends but we can also have our differences, which what we have been trying to express as members when we go to the U.S.

We are good trading partners but we do have differences on this issue and the Americans should be opening up their border because we have the science behind us to back us up. As I mentioned earlier, they have gone a little distance. They have opened it up for beef product imports and that is really a first with a country that has been affected by BSE, but we need them to open up for live cattle, heifers, et cetera.

● (0020)

Mr. Gord Brown: Mr. Chair, I will not get drawn into an attempt by the member opposite to threaten the Americans. We have already heard that from the other side.

We need the member opposite to tell us why the border is not open. Maybe he can shed some light on this because it sure is not working. Of all the efforts the government claims it has made to get the border open, they have not worked.

I would like to hear from the member opposite why he thinks that the border is not open because clearly the science is on our side. I want him to tell us the political reasons why it is not open and why his government is not fixing the problem.

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Chair, I will be sharing my time with the member for Fundy Royal.

The agriculture industry is on a downward spiral economically. In recent years all farmers, western and eastern, have been plagued by a number of obstacles, including drought, grasshoppers, frost, subsidy wars, trade disputes and the ongoing BSE border closure debacle. Farmers are losing their livelihood. The border closure has not only affected the beef producers in this country but it has affected many other sectors in agriculture.

I had the occasion to speak with Mr. Gordon Schroeder, member of the Saskatchewan Sheep Development Board, regarding the effects of the BSE border closure and its effect on the sheep industry, including a 60% drop in slaughter lamb prices and a 61% drop in ewe shop sales and a loss of major feedlot capacity.

He wants me to bring to the attention of the House that the inability to move animals across the border is a real concern for Canadian sheep producers. This problem is compounded by the fact that the industry does not have access to adequate federal slaughter capacity dedicated to killing lambs.

Under the current border restrictions boneless lamb could be exported, however this is not happening because of the problems with the lack of federal slaughter and processing capacity.

He would also like to bring to the attention of the House that the negotiations to open the border to sheep are complicated by the lack of a comprehensive national scrapie strategy and has requested that our producers be eligible for any additional enhancements to programs such as CAIS.

With the commitment of funding we are confident that the industry would emerge from the crisis on a competitive footing with the opportunity to again expand and prosper.

The obstacle to CAIS is the cash on deposit. The up front funding requirement prevents farmers from taking out full coverage on their operations. This was best described by the member for Battlefords—Lloydminster when he said that this was like a person wanting to insure a house for $100,000 and having to put $20,000 in a bank account before the insurance company would sell the person a premium.

The CAIS program is a five year average of nothing that equals nothing. The program does little but stabilize farm poverty. Farmers are continuing to go bankrupt. They lose their farms and they must seek work off the farm just to survive.

In Saskatchewan this year we will be celebrating our 100th birthday. As one of our members said earlier, we celebrate the intergenerational farms that have had their farms in their family name for 100 years.

I spoke with someone who was a recipient of this award this summer. This award was given to their family farm. The recipient had a choice between a sign posted at the driveway or a plaque in commemoration of this historical milestone. He took the plaque because that is how uncertain the future is on his farm, so that he could take the plaque with him when he does lose the farm.

The parliamentary secretary spoke of the formula that levels out the boom or bust. It does perhaps in his view level out the boom or bust but I believe we are in the bust.

Saskatchewan's 40% share of the CAIS program could range between $170 million and $300 million. However, the NDP provincial government has put a $99 million cap on the program, which, unfortunately, is an economic reality in Saskatchewan.

The farmer, with the help of an accountant, has completed and submitted an application for CAIS. This farmer in particular, due to the province's spending limit on CAIS, only one-quarter of the province's 40% program share is being paid right now. He writes:

> On our farm we had built up a reasonably good reference margin from previous years. However, 2003 was next to an economic disaster for us because of the reduced grain prices and the effects of the BSE crisis.

He wanted to know if the difference between the province paying its full share of 40% versus the 10% at present would amount to a reduction of $28,000 from CAIS in 2003. If the producer was from Alberta or Manitoba and had the same income and expense numbers his support from CAIS would be $28,000 larger. That is a big difference.

● (0025)

The response from our province has always been the same on issues of dollars in agriculture. It cannot afford to fully fund CAIS. It cannot afford to reduce the education tax on farmland. It cannot afford to add money to the BSE assistance initiatives announced by the federal government. An article written by a local agriculture consultant says that farmers are frustrated with our government.

Agriculture was mentioned in the throne speech by one word but it was mentioned alongside other sectors. It was only mentioned in passing as the throne speech mentioned automotive, aerospace, other manufacturing as well as agriculture and other resource based industries, hardly a priority for our government.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, I have a couple of points for the record. The member opposite left the impression that we had not met with the sheep industry, but we have. The minister met with representatives of the sheep industry on October 8 before he departed for Asia to personally get their point of view and their recommendations on what he should be doing on the trade mission and to get their further view on some of the difficulties as a result of the BSE crisis.

I also want to mention something with regard to the CAIS program. We have never said that it was weird and wonderful. The fact is that it was a major discussion at the most recent federal-provincial-territorial ministers meeting in September where some concerns were brought up by the provinces. I want to put it on the record that ministers agreed to extend the one-third simplified deposit for CAISP for the 2004 stabilization year and to extend the deadline for which deposits had to be made to March 31, 2005. It is a shared risk program so there has to be some producer responsibility. As was clearly said at the meeting, it really makes no sense to pay a premium and then to get it back. The minister has asked officials to develop other options to support the act of risk management principle, meaning that all players are supposed to participate in that risk management.

I hope we will not get into that discussion tonight, but if there are suggestions we in the agriculture committee will certainly be listening to them. We recognize that improvements can be made and we are willing to get into that discussion with producers, members of the House and provincial ministers.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Chair, I would like to ask my colleague a question because we live in the same part of the country over in the Saskatoon area of central Saskatchewan.

Some of the announcements made by the government on September 10 were long overdue but they were also, as we know since we have had this debate before, pretty inadequate, administratively bungled and so on. These were only half of what our party proposed in February 2004 when the industry was not nearly in the dire straits that it is at present. We need much stronger measures to deal with the devastating crisis so farmers can weather this problem. Our agriculture critic for the Conservative Party has said that producers need reasonable, responsive, reliable relief in real time.

I have begun to receive reports on the CAIS program and I would like to ask her what she is discovering about this program. The government needs to rethink its entire approach to agriculture. Its mechanisms for supporting Canadian agriculture have been riddled with problems for years.

The Canadian agriculture income supplement program is badly flawed as well. The program is called an income supplement but the Liberals, true to form, have treated it as a welfare program. I am now beginning to hear from constituents who have suffered as a result of the Liberal government's mismanaged CAIS program. Instead of having an income insurance program with predictable contributions by farmers and predictable rules for payouts, the program is in constant flux, apparently at the whim of whoever happens to be the ag minister at the time.

There is no certainty with CAISP. Announcements for changes are often made before the programs are ready and without application forms. Rules are often arbitrary and changed arbitrarily, and payouts are unpredictable. The scenario in my province of Saskatchewan is that farmers will receive less because the Saskatchewan government has decided that it will not put as much money in. It is either unable or unwilling to pay into this program.

I wonder what the member has been finding out in terms of the unpredictability, the flaws and the problems that seem ripe in the CAIS program these days.

● (0030)

Mrs. Lynne Yelich: Mr. Chair, I have heard just about everything. There is one example of a husband and wife who both thought they qualified for the program. They applied, then found out that one of their applications was not being processed and the other one was. When they did some investigating, they found out that their application went to Surrey. They had apparently used the envelope that the form had come in and it went to Surrey. When they did the investigating of this particular application, they were told that it should never have gone to Surrey. It should have gone to Winnipeg. That is the only place that processes these forms. That had held them up. The other member of the family got the form and it came from Winnipeg. It is just an example of the administrative errors.

That is a very small one, but I have heard many instances of people not qualifying. As we said earlier, many people spent a lot of money getting their accountants to fill out these forms and they just did not qualify. We can imagine what that must be like when we have bills to meet this fall. It is really getting tough. It is a hardship. I gave that example of people who are not even going to bother looking ahead a year. They may not be on that family farm which has been in that family for 90 or 100 years. They got their award this summer. That is how uncertain our future is in agriculture and CAIS is just another contribution.

Mr. Rob Moore (Fundy Royal, CPC): Mr. Chair, it is a privilege for me to rise this morning in the House to speak to an issue of great importance to the constituents of Fundy Royal as well as other Atlantic Canadians.

The BSE crisis is affecting farmers from coast to coast. There is, however, a misconception out there that this is a western issue. It is more than that. It is a Canada wide crisis. For example, there are approximately 1,000 beef farmers in New Brunswick. They contributed $27 million to the provincial economy prior to this crisis. This has dropped to $19 million since the finding of BSE in 2003.

I had the privilege of working with our party's agricultural critic on this issue, and I commend her on her leadership. I have also met with producers in and around my riding to hear how this issue is affecting them in Atlantic Canada. What I have heard is that Atlantic farmers are in crisis. Many of my constituents are faced with the real prospect of bankruptcy and the loss of their farms. Federal aid programs are not helping because they are not reaching the people most in need, and that is our farmers.

Our farmers are some of the hardest working people in Canada and when a crisis like this hits they deserve our help. However, the farmers I have met with tell me that the Liberal program has been of little assistance to them in their time of need. I have heard, for example, from a young farming couple who run a dairy and beef farm with 80 to 100 head of beef. They used to sell their cull cows for $600. Now they are only receiving $66 for a cull cow.

I spoke to another farmer who last year only received in aid an amount equal to what he would normally have gotten by selling two heifers. Another farmer in my riding is now driving a school bus to make ends meet on what was once a successful farming business.

I heard from beef farmers who are confused about how to apply for funding or whether they are even eligible for funding. Forms are so confusing that even departmental officials cannot give straight answers to Canadian farmers.

Clearly, farmers require assistance. What they do not need is more delays, red tape and hoops to jump through. They need help, but they need it at the farm gate. Any assistance that is provided must reach those that require it. Our farmers cannot afford for the Liberals to get it wrong once again.

Another misconception is that the BSE crisis is one that affects only beef farmers. Again, nothing could be further from the truth. For example, dairy farming is a vital part of the economy in my riding of Fundy Royal. As a matter of fact, approximately 70% of New Brunswick's dairy production comes from my riding. The proposed solution by the Liberals to this crisis does not help dairy farmers. Often the CAISP does not benefit dairy since many dairy farmers do not meet the program's requirements. Besides, farmers need a deposit to participate in the CAISP and many of the farmers in my riding are unable to borrow enough money for a deposit.

In Atlantic Canada our farmers are in a particularly tough spot since there is little infrastructure in place for other farming endeavours. I am encouraged that we are working to increase processing capacity in Atlantic Canada. I am also encouraged by the hard work of stakeholders in my region to come up with solutions to this problem. What is discouraging though is the failure of the Liberals to deliver aid to the farm gate. If we are going to have aid programs, an overriding priority must be ensuring that the help arrives in time for those in need.

This crisis will only be resolved when we have an open border with our neighbours to the south, the United States. Again, the previous Liberal government had a dismal relationship with the United States and our farmers have suffered for it. It is time for politicians to put aside pettiness and act in the best interests of farmers and in the best interests of our country.

I encourage my colleagues on all sides of the House, no matter what part of Canada they are from, to work together on solutions that will save our farms.

● (0035)

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, I have to make this point because again the official opposition is trying to imply that because one or two members in our ranks said something at one point in time that that is the reason the border remains closed. The fact of the matter is, as I said earlier, that no country has regained market share as we have. By now we are back to 90% of pre-BSE beef exports to the United States. That has never happened to any country before that has had BSE.

Therefore, the member's argument and implication that because some member from our backbench said something does not hold water and does not have merit. The fact of the matter is, we are exporting 90% of pre-BSE beef products to the United States. That is not to say that we still do not have a problem, we do. However, that part of the argument does not hold merit.

Mr. Rob Moore: Mr. Chair, the only response I would have is that it may not be the only reason, but those types of reactions and comments certainly at the very best do not help matters. That point has been made over and over many times tonight. It seems fairly self-evident to me that we do not gain favour with our trading partners by calling them names. That has been well established and I would say that at best it does not help.

● (0040)

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Chair, I would like to ask my colleague one question this evening that relates to his background in his profession as a legal beagle, or a lawyer.

It is the issue some have brought up, the fact that we do have a NAFTA chapter 11 challenge brought forward by producers now. I believe that the best approach should be that of being ambassadors down there, indicating the nature of the science and so on, and that the borders need to get open.

Does there come a time at a point down the road where maybe there is something that a government should consider doing, that is, a chapter 20 challenge under NAFTA by pushing and using that legal tool at our disposal? Is that something, as a trading partner, that we should consider at a point once we have exhausted all these other remedies?

Mr. Rob Moore: Mr. Chair, we are having this take note debate because all across our country there are farmers in crisis. We should be exhausting all means, whether they be diplomatic or legal, necessary to resolve this crisis.

If there are steps that can be taken, and we have exhausted diplomatic steps, then I certainly feel it should be the mandate of the government to take all the steps necessary to resolve the crisis.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, again we see a member of the official opposition waffling when asked a question. I asked a question earlier of members opposite about the consequences we would want to impose on the U. S. and I did not get an answer.

Does the member favour or not favour a challenge under chapter 11 or chapter 20? That is the question his own colleague asked him. One of the members from his frontbench suggested it earlier. I would like to know where the member stands.

Mr. Rob Moore: Mr. Chair, I was pretty clear that we should exhaust all options to resolve the crisis. The question the member asked me had nothing to do with that. He asked why we keep mentioning the ridiculous remarks that come from his side about the Americans. I was quite clear that it is not helpful and I do not believe we are going to resolve this crisis as long as that poisoned atmosphere is in place between us and our largest trading partner.

Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC): Mr. Chair, this is my first opportunity to address the House of Commons as the member for the new constituency of Lanark—Frontenac—Lennox and Addington. On some other occasion, I will take the opportunity to acquaint the House with the many charms of this beautiful and historic district, which stretches from the western edge of the city of Ottawa all the way down to Lake Ontario west of Kingston and fills all the shield country and the farmland in between.

However, tonight let me simply say that Lanark—Frontenac—Lennox and Addington is cattle country.

In an inventory taken in January 2003 it was reported that there were 24,950 head of cattle in Lennox and Addington County, 26,550 head in Frontenac County and 31,650 in Lanark County. All told, that is over 83,000 head of cattle, which is to say there are more cattle than voters where I come from. That is leaving aside the sheep industry which is also strong in the counties that I represent.

As we can imagine, people were paying close attention on that day, 18 months ago, May 20, 2003 to be exact, when a single case of BSE was reported 1,500 miles away in Alberta and the U.S. border slammed shut to the export of ruminants. Six days later Parliament held its first emergency debate on BSE. However, in the 18 months between that emergency debate and the one we are having tonight, the government's lack of action has ensured that the situation has grown much worse for thousands of rural men, women and children across Canada.

The BSE crisis has been a direct blow not only to our beef farmers but to our rural economy as a whole. Border closings have cost the beef industry in rural communities more than $6 billion and close to 5,000 jobs. In Ontario alone the crisis is costing the beef industry $11 million a week when we factor in losses to support industries such as sale barns, livestock transporters and so on.

Beef used to be a $1.2 billion a year industry in my province. In 2002, which is the last full calendar year for which we have statistics before the border shut, Ontario beef exports to the United States were valued at $292 million in beef product and $354 million in live cattle.

That last number is significant because not one penny of that $354 million has been restored through the partial reopening of the U.S. border to boxed and processed Canadian beef. Because we lack the capacity to slaughter and process that beef here in Ontario, we cannot even fully supply Canadian tables with Canadian beef.

My remarks in this debate will focus primarily upon the absence of domestic processing capacity and what we can do to correct this problem. However, first I will focus for a moment on the cavalier overall approach that the Liberal government has taken to the macro problem of getting the U.S. border to reopen.

Throughout the crisis it has been obvious that the only complete solution to Canada's oversupply problem would be to reopen the Canada-U.S. border. That requires the cooperation of the executive branch of the United States government; in other words the cooperation of the Bush administration. Only direct intervention at the level of the Prime Minister himself could have caused the President over the course of the past year to take the measures necessary to stop his administration from engaging in what has long since ceased to be an exercise in protecting the American food supply and has become a textbook example of protectionism.

Instead, any capital that Canada might have had to encourage the President to use up some of his own domestic political capital by taking on the supporters of protectionism within Congress and within his own administration was squandered by the anti-American grandstanding that has been engaged in by persons in the Canadian government, as prominent as former prime ministerial press secretary Francie Ducros who called President Bush a moron, by the hon. member for Mississauga—Erindale who referred to all Americans as bastards, and indeed, by the former Prime Minister Jean Chrétien himself who held a press conference to explain just how badly President Bush was managing the domestic American economy.

Therefore, by attacking and belittling the Americans gratuitously, the Liberals have frittered away our capacity to get tough in trade negotiations. If the current Prime Minister were really serious when he promised to improve Canadian-American relations, he would not continue to tolerate these kinds of outbursts in his caucus in the House.

● (0045)

I might add that he promised, and this was during the election coincidentally, that he would have the border reopened by the end of summer. Summer has come and gone. A further four months have passed and here we are having another emergency debate with the entirely realistic possibility before us that the border will remain shut to live exports well into 2005.

By now more than half of the period that the border has been closed to live beef exports has been under the watch of the current Prime Minister. So much for his self-proclaimed capacity to establish closer links between Canada and the United States after the exit of Jean Chrétien from the political scene.

I will turn now to the need for increased domestic slaughter capacity with a focus on my home province of Ontario.

Over a year ago, during the first summer of the border closing, I started a program to distribute bumper stickers and signs with the message "Ask if it's Canadian beef". With the help of many enthusiastic volunteers, we distributed quite literally thousands of these across the rural areas that I represented and far beyond. I set up a website, www.buycanadianbeef.com, and we ran a newspaper advertising campaign that continues to this date.

What good is it for Canadian consumers to increase the consumption if they cannot purchase Canadian product? If we do not expand our domestic slaughter capacity so that we can service both domestic and foreign product, no amount of demand for beef will reduce this country's oversupply.

Over the past 30 years there has been a 50% decline in Ontario's federally inspected processing capacity from 1,089,000 head in 1978 to 544,000 head in 2002. Between 1992 and 2002 alone, those would be the years when the Liberals governed Canada, the number of federally inspected slaughter plants in Canada dropped from 73 to 31 and in Ontario from 11 to 6. The most obvious result of this decline in slaughter and processing capacity has been an increase in exports of live cattle to the United States over the last 15 years. From 1987 to 2002, total Canadian exports of live cattle rose from 197,000 head to 1,539,000 head.

In 2003, according to the president of the Grenville Cattlemen's Association, which represents producers in a county just southeast of the one that I represent, 90% of the cow calves from our region of Ontario were going to Pennsylvania for processing before the border was shut.

This increase in processing capacity is necessary not only for Ontario beef producers, including cull cows, but for other ruminant producers as well. Ontario sheep producers in particular have been calling for an increase in processing capacity in our province.

If processing capacity in Ontario were to expand, it would also allow farmers to sell not just a primary commodity but a value added product. This particularly would be the case if we were to provide a regulatory environment that is friendly to small scale processing plants and suitable to the needs of small scale and specialized producers of high value beef and lamb. Organic producers come to mind as an ideal example of value added producers who could benefit from an increase in small scale processing.

Perhaps the most important benefit of an increase in domestic slaughter capacity would be the assurance that it would provide for the future of our industry. One frightening scenario is that the border might reopen to live exports in January 2005 and then on the basis of a single new case of BSE snap shut again in June or July, starting the whole cycle of loss and despair all over again. As long as this is a realistic possibility, the inherent value of the Canadian herd will be greatly reduced, as will be the capacity of Canadian producers to find financing for their beef production activities.

An industry that is hamstrung in its ability to access capital is an industry that will find it difficult to modernize and expand, which it must do if Canadian beef producers are to remain the most efficient in the world.

● (0050)

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, I just cannot let that go without responding to—

Mr. Scott Reid: Another outrage for the Conservative benches. When will it stop?

Hon. Wayne Easter: No, one would think the members opposite must lay at night and hear those words that were said by a member over here at one point in time. Every one of them seems to mention it. If President Bush were here, I am sure they would whisper in his ear "do you remember what such and such said". They constantly remind the Americans of those words instead of trying to get to the issue.

Regardless of that, I think the member was here previously when I mentioned that no country has regained market share after BSE as Canada has. I want to underline the fact that we still have a serious problem at the farm gate because our live cattle are not entering the U.S. We have to accept some facts, and the fact is we are in at 90% pre-BSE levels.

I want to go back to what President Bush did say when the Prime Minister met with him on April 30. President Bush at the time promised to open the U.S. border to live Canadian cattle "as soon as possible" , but he added that any easing of the ban related to mad cow disease would be based on sound science. The United States President also noted, "My administration is committed to a policy of free trade when it comes to beef".

Does the member opposite really believe that President Bush is abiding by that policy of free trade?

Mr. Scott Reid: No, Mr. Chair.

● (0055)

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Mr. Chair, this being my first opportunity to rise on behalf of the constituents of Fleetwood—Port Kells, I would like to thank my constituents for their confidence and trust in me. Indeed, it is an honour and privilege to represent them here in this Parliament.

The issue before us tonight, the BSE crisis and the ongoing closure of the U.S. border to live Canadian beef, is of vital importance to the Canadian economy.

Eighteen months ago the discovery of a single case of BSE on an Alberta farm launched beef farmers on a long but steady road toward bankruptcy. The fallout from that BSE case threatens rural communities from British Columbia to Nova Scotia.

Estimated losses now total more than $6 billion. Cattle that were worth nearly $1,500 before BSE hit fetch only $350 today, not even covering the cost of feed. About a million head of cattle are raised throughout British Columbia. Before the current crisis, the beef industry contributed $1.4 billion to the B.C. economy and the sales of cattle are nearly on par with those for dairy products and vegetables and surpass poultry sales by $100 million.

Agriculture has been the economic base of Surrey for over 100 years. Even today as the fastest growing city in Canada, almost one-third of Surrey's total land area is agricultural.

The BSE issue is an economic crisis that is severely punishing our beef producers and many related sectors. The BSE crisis is not about unsafe meat. Within six weeks of the border's closure, a team of international experts concluded that the herd in Canada is safe. However, the U.S. department of agriculture, despite acknowledging that beef from Canada poses no health risks, keeps the reopening mired in procedural studies.

The Liberal government assured Canadians that the border would be opened by the end of the summer. It turns out that the only strategy the Liberals had was to hope that it might just come true. Now it is October and the border remains closed and there are no signs of it opening again.

Last month the agriculture minister admitted that there is no specific end date to the American review process. That means there is no relief in sight for the beef industry. About 60% of the cattle in Canada are raised for export to the United States. Before that single case of BSE, we exported 2.5 million cattle annually.

What we have now is strictly a political problem that has nothing to do with the quality of safe Canadian beef or scientific fact. My constituents know where the blame lies. It lies with the weak and arrogant Liberal government that has failed to maintain good relations with the United States.

The Liberal members appear to consider it good fun to call our neighbours childish names. An ongoing string of anti-American outbursts from the Liberal caucus members has been detrimental to Canada-U.S. relations. These outbursts have compounded the situation, just as they have with the critical problem we face in the softwood lumber dispute.

A NAFTA panel ruled that Canadian lumber was not a threat to American producers and that the 27% levied since May 2002 could not be justified and further pursuit would be futile. But the U.S. is still not accepting this ruling and is likely to file yet another extraordinary challenge.

The Liberal government does not have a clear strategy to deal with these ongoing trade disputes with the U.S. The Liberals, rather than defending and expanding Canadian trade, have rather seriously jeopardized our commercial relations with our most important trading partners.

For the sake of Canada's farmers, lumber producers and countless other industries, I hope the Prime Minister will develop some backbone and exhibit better control over his members. The Liberals should put an end to the strategy of crossing their fingers and hoping the U.S. border will suddenly reopen to live cattle. What our farmers need now are open markets, not a gutless and indecisive do nothing Liberal government.

● (0100)

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, if the member referred to the record of the debate earlier this evening, rather than my repeating it, she would be able to establish some of the facts in terms of what the government is doing. As I said earlier, we recognize there is a lot of pain out there and we are trying to deal with that. We are trying to get the border open. We are trying to look at other markets.

Beyond that, this does give me the opportunity to congratulate the member on being a partner in the first husband and wife team in the House. I think that is quite an honour and should be congratulated.

Mrs. Nina Grewal: Mr. Chair, I would like to thank the hon. member.

There has been a long discussion, and I would like to add that the problem lies with the Liberals' indecisiveness and inaction rather than improving the relationship with the U.S. and expanding our trade with the U.S. There should be solid discussion on our borders. No solid action has been taken by the government to open the borders.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Chair, it is indeed an honour to rise today on this special occasion to address this important issue. I would like to begin by thanking my constituents in Nepean—Carleton for entrusting me with the sacred honour of representing them and their interests here on the floor of Canada's House of Commons.

When I think of my constituency, my thoughts often turn to the rural agrarian portion of the area that I represent. I think of the cornfields of North Gower or the pumpkin fields in the old township of Osgoode. I think of how hard my constituents have worked to develop strong agricultural industries.

That is why it was a heartbreaking experience for me to watch as $6 billion in wealth was destroyed by this crisis, by this impending problem that we face with the mad cow crisis. There have been 4,200 jobs lost in the beef industry alone. So far, I regret to say that the government's response has been half-hearted at best and disastrous at worst.

To begin with, in my constituency a large number in the cattle industry focus on the dairy side. The CAIS program which the Liberals have offered does not help farmers in the dairy industry. It is so riddled with bureaucratic regulations and forms which take forever to fill out and are never available that it does not often help those in the beef industry either. That is why I will focus my attention on three specific issues that I believe can happen domestically, and then one overriding issue that needs to happen internationally in order to resolve this problem.

The Canadian Cattlemen's Association proposed a tax strategy which was totally ignored by the government. First of all, it proposed tax incentives for new slaughterhouse capacity, that is, to encourage new capital investment in slaughterhouse capacity across Canada. As hon. members have already pointed out, we cannot even service our domestic demand because we do not have the domestic slaughter-house capacity to bring our beef to market. It is not just a matter of selling beef; it is a matter of getting that beef to our own market.

The association also proposed tax deferrals. Tax deferrals would help ease and mitigate the immediate burden associated with this sharp distortion to our economy. It would help those farmers who are in desperate need today deal with their cash flow problems by allowing them to have a temporary break from the enormous burden they are forced to carry as Canadian taxpayers. Tax averaging would also help those farmers who unfortunately have been forced by circumstances to exit the market. Many of them have done so in my own constituency. When it happens, tragically it is unfortunate to see that they have to pay enormous tax burdens on a one time basis because they are liquidating their assets all at once. We believe there should be tax averaging.

Those are all proposals that came from the Canadian Cattlemen's Association and were ignored by the government.

I will now turn my attention to the international focus. The hon. member across the way is right to focus on developing new markets internationally, but as I pointed out earlier, we cannot even service domestic retail demand because we do not have the slaughterhouse capacity to do it. As a result, we are not able to project our industry any further at this point in time into the international markets.

We need to focus on getting the American border open. To start with, we need to acknowledge that yes, the Americans are wrong. Their trade policy has been protectionist and it is bad policy for Canada, but it is also bad policy for the United States of America. The reason the Americans were importing live cattle before this crisis is that they could get it for a better price at a higher quality. As a result, the government should have built strong relationships with consumer groups who have a vested interest in bringing Canadian live cattle into their market. It should have built those relationships to ensure that we would have greater domestic pressure on the American government to get the borders open.

● (0105)

Instead, the peanut lobby in the United States, in Washington, is more powerful than the Canadian presence in the U.S. capital. We need to build our presence there. We need to link arms with those senators who are in states that import Canadian live cattle. We need to link arms with other groups that have an interest in our exporting to the United States of America and build a strong domestic pressure movement to get the border open.

We need a renewed focus on this issue to resolve this problem in an orderly fashion so that constituents in my riding and across the country will be relieved in their suffering and our foreign markets will once again rightfully be open to Canadian cattle.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, the member is going to have to go back to the record and read it as well, because this has been mentioned a number of times tonight and this morning. The fact of the matter is that there is quite a lobby on our side in the United States, which we have engineered. We have worked with the National Cattlemen's Association in the United States. I met with them myself in their boardroom, along with a number of others. There is the Grocery Manufacturers Association, which is also a fairly powerful lobby in the United States representing the grocery store chains and the packing industries. They have been pressuring to get the border open. So we have done our job there.

I do want to correct the member on one point. He did say that we cannot service our domestic demands, lack of slaughter capacity. The fact is not only are we meeting our domestic demands for beef products, but we are also back to 90% pre-BSE levels on our exports of beef products to the United States, with 213,849 tonnes of product. The problem with the slaughter capacity is that we have too many cattle in this country under this current situation and that is what we are trying to correct in this program that we announced.

Because some of the points the member raised really relate to the September 10 announcement by the minister in relation to this, I would think he should be congratulating us for that announcement of September 10 because it does in fact mention some of things that the Conservative Party could be on side with.

● (0110)

Mr. Pierre Poilievre: Mr. Chair, first I congratulate the member for being with us at this hour. It is exhausting for all of us.

In direct response to his remarks, I believe that our presence could be stronger in Washington. I am amazed and astounded by the number of lobby groups in the United States of America that are nowhere near as important to the United States economy as is Canada and that have a much stronger presence on Capitol Hill.

We should be working harder. We should have a stronger diplomatic and economic presence in the United States capital. We should be advertising in the states that consume Canadian cattle, targeting consumer groups and consumers directly to inform them that their prices for beef are actually going up because of the failure of their government to allow Canadian beef into the market. We should at the same time be focusing domestically through tax incentives and other instruments on getting the slaughterhouse capacity up to speed so that we can properly service our own domestic market and the international markets.

Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC): Mr. Chair, I want to follow up on something that the hon. parliamentary secretary raises and that is the exports of Canadian beef product to the United States. He mentions that export levels are up to levels reasonably close to where they were prior to the shutting of the border.

I want to note that what he neglects to mention is that Canadian live beef exports are at 0% of what they were before the border was shut and have been at 0% since May 20, a year and a half ago. That is 0% and it is important to remember that in my province of Ontario, for example, live beef exports were substantially larger than the beef product exports, which means that in fact inventory is piling up. He keeps on mentioning that, so there is a question I want to ask the hon. member for Nepean—Carleton, who has just a moment to answer.

Does the hon. member think the repeated mention of one aspect of our exports and the repeated ignoring of the other more important aspects of our exports might be characterized as a nose-stretcher?

Mr. Pierre Poilievre: Mr. Chair, I certainly agree with the hon. member in his characterization. I would add that it is impossible for this industry to get back on its feet until two things happen: slaughterhouse capacity is expanded and access to our largest market is obtained.

Mr. Gurmant Grewal (Newton—North Delta, CPC): Mr. Chair, as this is my first opportunity to rise in the 38th Parliament on behalf of the constituents in the new riding of Newton—North Delta, I would like to thank them for putting their trust in me as their member of Parliament. I would also like to thank my former constituents of Surrey Central for their cooperation and support.

Mr. Chair, I would also like to congratulate you on your appointment to this important position. I wish you well.

Tonight we are considering the issue of BSE, which demands government action. For exactly 500 days today the government has dithered and shown no leadership while Canada's beef farmers and all those dependent upon the beef industry for their livelihood have suffered devastating financial losses.

It appears that the food producers are not important to the government. For evidence, we need look no further than last week's throne speech. Agriculture and the BSE issue were each mentioned only once and that too was in the most general terms.

In February, the official opposition proposed a set of solutions to the BSE crisis. Unfortunately, due to the Liberal government's politicking, our solutions were not implemented and the situation is critically worse today than it was in February. This government waited until September to announce a flawed aid program after more damage was done to the industry.

The government should not have included BSE assistance for producers as part of the Canadian agricultural income stabilization program, CAIS. The CAIS program for disaster relief is a disaster by itself. Many farmers have applied for the CAIS program and have been waiting in excess of eight months without cash payment for the year 2003. If that is this government's definition of an advance payment, how long will it take to get a delayed payment for the year 2004?

Today there are still no application forms available for producers wishing to apply for this desperately needed cash. How can farmers apply for a program that has no application forms and that for all intents and purposes does not exist a month after its existence was announced? As of October 6, the allocated funding for portions of the aid program was still not approved by Treasury Board.

The deadlines and delivery methods for the BSE aid program are administratively inconsistent in every province. As it stands, there will be no allocation by province. This means the Liberals are pitting farmer against farmer and it ensures regional inequity. It is an insult added to injury for farmers. The Liberals are again reinforcing the message that food producers and farmers are not important to the government.

There may not be a quick fix solution to the challenges facing the beef industry. We do, however, need to get more slaughter capacity in Canada to deal with the growing backlog of cattle.

Without the U.S. border opening we still do not really have functional markets. We therefore need a new marketing strategy to find export markets other than the United States to reduce our dependency on that one market.

The government must also address optional long term debt restructuring and proper compensation for cull animals. It must ensure that compensation is adequate to manage and maintain the breeder cow herd. Finally, the federal government should implement tax incentives such as tax deferrals and provide loan guarantees for producers and tax breaks for producers needing to depopulate their herds.

● (0115)

The crisis is worsening across the country. Members know that cattle farmers are not the only ones affected. I met with Maurizio Zinetti of Zinetti Food Products, a Surrey businessman who produces beef products for export to the United States and Japan. Last year Mr. Zinetti's companies lost millions of dollars in sales due to the BSE crisis.

Flawed relief programs and blanket assurances that the border is going to open in the future are simply no longer good enough. Unfortunately for Canadians, the government is not capable of governing. It is only interested in positioning itself for the next election.

We need a Prime Minister who will make informed and timely decisions. The current Prime Minister has baffled, dithered and delayed on softwood lumber, the national missile defence system, same sex marriage, Kyoto, internal party bickering and of course BSE. These are just a few examples.

Let us also not forget the government's mismanagement of the hepatitis C file. Victims are still waiting for compensation, with some shut out of the process entirely. Money set aside for compensation is sitting untouched, collecting $50 million in interest while victims are dying penniless. The government should hang its collective head in shame.

The Prime Minister's indecisiveness means that important issues are being ignored to the detriment of Canadians. Canada needs strong leadership. We need a leader who will make the tough decisions, even if they are initially unpopular. A real leader has to take an informed position and then build consensus around it. We certainly do not need a leader who attempts to govern by poll.

If the Prime Minister had taken the decision when it was supposed to be taken, our farmers and food producers across the country would not have been in the situation in which the weak and arrogant Liberal government has put them in. It is time for the government to take some appropriate action and make sure that our industries, one after the other, survive and Canada becomes more prosperous day by day.

● (0120)

The Deputy Chair: We will go to questions and comments, but I want to say that the Chair misled the House a short while back. There were agreements as far as certain conditions for this debate, but not with regard to points of order.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, I understand. I was just going to say that I had said on the record that I recognized live cattle were not getting into the industry.

The member opposite tried to make the point in a broad sense that the government is not living up to its responsibilities. The member is wrong.

We have a lot to be proud of as a government. We made the hard decisions in 1995, as a party and as a government under the previous prime minister. The current Prime Minister was minister of finance at the time. It is because we made those hard decisions that we are at the top of the G-8. We have had seven surplus budgets so we have the money to deal with child care, the health accord, which was just announced, and quite a number of programs. I do not need to get into them at this late hour.

The government has a lot of which to be proud. Yes, we have trouble in the agricultural industry. We have admitted that. Yes, the BSE is causing us lots of problems, but the leader of the official opposition said the other night that the bottom line was that the border was closed and that was causing the problem. Yes, it is what caused the problem

If we go back to the record, and I will not get into the points, it will show the number of programs we have implemented. It will show the September 10 announcement by the minister. It will show that the Prime Minister and the minister are overseas constantly trying to find new markets.

We are doing our bit, but that is not to lessen the impact on the finances of the farmers. I recognize there is a problem there. They are my neighbours. I have been there myself. I know what it is like to be in financial difficulty and to worry about losing one's farm. We do not want to see them in that situation. We are acting on it, we are acting responsibly and we are doing all we can. If suggestions come out of this take note debate, then we are certainly willing to consider them.

Mr. Gurmant Grewal: Mr. Chair, first, I congratulate the lonely Liberal member who has been participated in this debate for the last two years. He has taken the brunt for the Liberal Party single-handedly. I congratulate him for that. On the other hand, he talks about his government being proud of its record. Let us look at the record.

The Prime Minister when he was finance minister cut $25 billion from health and education. As a result, our health care system is in the current situation of status quo. There is a shortage of doctors, nurses and beds. He created this problem and now he is trying his best to clean it up. He is desperately moving forward in a way to clear a legacy for himself to cover up the mistakes he has made.

Let us look at the softwood lumber crisis. It was the Liberal government that was responsible for the last three years. It sat on its hands and did not take action. This is another example of indecisiveness, which has created a problem for our softwood lumber industry.

Look at the record on fisheries. The government created another mess in the fisheries on the west coast as well as on the east coast.

Let us talk about other things. The member talked about being proud. We have western alienation. The government created that mess. It has abandoned the port police. It has taken the heart out of the coast guard. It has left my province, which is prone to earthquakes, without emergency preparedness. How can the member be feeling proud of the record?

Let us look at other things: the corruption of the government, mismanagement and unaccountability in the government. All these things are compounding, and that member should hang his head in shame rather than feel proud about his government's record.

On the other hand, I feel very proud of the Leader of the Opposition to which the member referred. He is the one who proposed a solution to the problem. If the Liberal government had adopted the solution he proposed, we would not be in the mess we are in today.

The Liberal government's record is in front of us. How can the lonely Liberal member in this chamber be proud of that record? I cannot comprehend that.

● (0125)

Ms. Helena Guergis (Simcoe—Grey, CPC): Mr. Chair, I rise for the first time in this great House. I am very honoured to be here and pleased to have the opportunity to speak on behalf of my constituents in the fine riding of Simcoe—Grey.

As we heard last Thursday evening and many times during tonight's take note debate, Canada's beef farmers are in a desperate state, yet the government continues to fumble around for answers and solutions. In fact the government had a decade to prepare Canada for an eventual case of BSE. It had a decade to prepare a plan to deal with a single case of mad cow yet it did nothing and we have all had to suffer the consequences of this inaction.

The government continues to fail our cattle producers to this day and it is certainly not limited to its inability to get our borders fully open to export. Of course in my riding of Simcoe—Grey we have many cattle farmers.

Today I spoke with a friend of mine by the name of Kandy. Kandy is—sorry, Kandy was a seed stock farmer and 75% of her herd were American sales. She has sold off a registered herd that she spent all her life developing. With the border closed, she had no choice.

I also heard from Mr. Doug Patton of Adjala-Tosorontio. Doug farms with his son Jim, who is the fourth generation Patton to be farming in Adjala-Tosorontio. They used to keep around 120 head of cattle. They are trying to sell off the remaining 10. They want to get out of beef completely, but guess what? Nobody wants to buy them. In fact they lost $1,000 a head on the last cattle they sold. Doug has not received any compensation because he did not qualify under the rules of the Liberal plan.

The cattle were grazed on rough land that is no good for crops. Now it is not used at all. Perhaps this will be another family farm sold to a developer. Maybe if this land is developed into a city, the government will pay attention to it.

Doug is not the only farmer that I have heard from. Many have called to tell me that the banks are not lending operating lines of credit to farmers or anyone whose business deals are primarily with farmers. The only way for a farmer to get operating funds is to mortgage his or her land. This is another direct attack on the Canadian farmer.

Mr. Patton has questions, as do many farmers. They want to know why the government directed a majority of compensation money to the processors. The price of beef is up in the stores but processors are still buying from the farmers at 50¢ on the dollar. Farmers want to know what is being done to ensure this does not happen again. What is being done to ensure that the money will be put in the hands of the farmers?

Another farmer I have spoken with is Mr. Doug McCormack of Beeton which is a small town in the southeast part of my riding. It is a great little town, home to a wonderful councillor by the name of Richard Norcross. Doug is a fifth generation farmer. His family has been farming cattle since 1845. He is a farmer who specialized in purebred registered beef cattle and at one time he had a commercial feedlot with 800 steers. That is all gone now. Doug has just sold more than 100 cows at a tremendous loss.

It is time that the government took the time to speak directly with these small farmers. We will hear time and again that it is completely impossible to operate a business in this environment.

In closing, I would like to comment that there is widespread frustration with the new CAIS program. Why did the government close down the NISA program before the CAIS program was fully operational? I attended not one but two information systems on the CAIS program. This was provided to local farmers in my riding. I found the sessions severely lacking in information and severely lacking in advice for the farmers. Many walked away more confused than when they had entered the session, myself included.

Why in such a desperate time did the government reduce the support for farmers? Why at such a desperate time did it decrease the access to support for farmers?

● (0130)

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Chair, I want to congratulate the member on her first speech in the House.

I would suggest that probably for a maiden speech the member set a record for either being the latest maiden speech in the evening or the earliest in the morning, if someone wants to look into that, but I do congratulate the member on her speech.

I want to deal with one point. The member raised the question of why did the government direct the money to the processors? The fact of the matter is, we did not. I agree that the money did not get to where it was intended to go. I was involved in the design of the program and every effort was made to try and ensure that the prices would not drop and the farmer would end up maybe getting the money out of the government program, but taking a loss on the decline in prices. Every effort was made to ensure that would not happen, but in fact it did and we admit that.

The problem showed up later when we wanted to find out as an agricultural committee, did the packing industry really gouge the farmer in that instance? The only way we could do that was to get hold of the books of the packing industry and examine those books. In fact, this House charged the packers with contempt.

When we went to fine them $250,000 a day until they produced their books, a member from the previous Canadian Alliance Party opposed in this House the ability for us to do that. We were not able to challenge the packers in terms of what they did and whether they gained excess profit or not because a member of that party prevented us from doing that. That point should be made.

Let me close and say that we have had many hours of debate last Thursday night and tonight into the early morning. On Thursday night the minister tried to outline some of the facts on what the government is doing. I hope people will take the time and look at those facts. There have been some suggestions coming from the other side in the take note debate that I think are worthy of consideration. I assure members that we will look at those points.

The bottom line for me at the end of the day is that we must have a situation where our producers can survive and prosper in this country. It is a difficult situation, but we need to try and get there. What we must keep uppermost in our mind is the financial health of our primary producers and their families.

● (0135)

Ms. Helena Guergis: Mr. Chair, the question I was asking was to have some more detail on what exactly it is the government will be doing the next time around to ensure that the money gets in the hands of the farmers. I am not here to debate how much money the packers actually walked off with. I would like to know, what was the first plan in place that was devised? What is the solution to the problem so that it does not happen again?

The Deputy Chair: There being no further members rising, pursuant to order made Thursday, October 7, 2004, the committee will rise and I will leave the Chair.

The Acting Speaker (Mr. Marcel Proulx): It being 1:37 a.m. this House stands adjourned until 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 1:37 a.m.)

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